



**NOTICE OF REGULAR MEETING**  
**Sacramento Housing and  
Redevelopment Commission**  
**Wednesday, September 4, 2019 – 6:00 pm**  
**801 12<sup>th</sup> 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** – August 7, 2019 and August 21, 2019

**PUBLIC HEARING**

1. 2020 5-Year and Annual Public Housing Agency Plan (Plan) for the Housing Authority of the City of Sacramento (HACS) and the Housing Authority of the County of Sacramento (HACOS); Submission of the 2020 5-Year and Annual Public Housing Agency Plan to the U.S. Department of Housing and Urban Development (HUD)

**DISCUSSION/BUSINESS ITEMS**

2. Pacific Rim Apartments: Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing, Approval Of Tax-Exempt Bonds And Loan Commitment
3. Twin Rivers Phase I (Block A) Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing, and Approval of Tax Exempt Bonds
4. Twin Rivers Phase II (Blocks B and E) Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing, and Approval of Tax Exempt Bonds
5. Authority To Administer State Permanent Local Housing Allocation On Behalf Of The County Of Sacramento
6. Authority To Administer State Permanent Local Housing Allocation On Behalf Of The City Of Sacramento

7. Approval Of Updated Multifamily Lending And Mortgage Revenue Bond Policies – City Report
8. Approval Of Updated Multifamily Lending And Mortgage Revenue Bond Policies – County report

#### PRESENTATIONS

9. SHRA 2020 Budget – Revenue Overview

#### EXECUTIVE DIRECTOR REPORT

#### COMMISSION CHAIR REPORT

#### ITEMS AND QUESTIONS OF COMMISSION MEMBERS

#### ADJOURNMENT

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



**MINUTES**

**Sacramento Housing and Redevelopment Commission (SHRC)  
Meeting of August 7, 2019**

Meeting noticed on August 1, 2019

**ROLL CALL**

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:01 p.m. by Chair Morgan.

**MEMBERS PRESENT:** Alcalay, Griffin, Macedo, Morgan, Nunley, Staajabu

**MEMBERS ABSENT:** Starks, Wedding (three vacancies)

**STAFF PRESENT:** La Shelle Dozier, David Levin, James Shields, Angela Jones, Lira Goff, Suzie Jackson, Victoria Johnson, Julius Austin, Tyrone Williams, Vickie Smith, Cecette Hawkins, Christine Weichert, Roy Pacia, Akil Jackson, Elyse Jarvis, Kassie Slater, Tracy Kinghton, Michael Snyder, Karen Wallace, Maria Avdalas, Mike Taylor, Dina Dennis, Sarah O'Daniel, Zera Demas, Louise Eller, Anne Nicholls, Mark Hamilton

**APPROVAL OF AGENDA** – no changes.

**CITIZENS COMMENTS**

None

**APPROVAL OF MINUTES** – The July 17, 2019 minutes were approved as submitted.

**PRESENTATIONS**

1. **Capitol Park Hotel Temporary Shelter Update**

MaryLiz Paulson presented the item.

Barbara Ramey Clark asked about outreach efforts regarding the relocation of the current tenants at the Hotel which staff provided.

2. Twin Rivers Project Update

Victoria Johnson presented the item.

3. SHRA Diversity and Inclusion Plan Progress Report

Ruth Jensen presented the item.

EXECUTIVE DIRECTOR'S REPORT

La Shelle Dozier reviewed the following:

- Next meeting is scheduled for August 21st. Staff will be conducting a tour of south area RAD sites which will begin at 5:30 pm
- Upcoming events: Bellevue Apartment opening and Avenues Habitat Homes celebration.

COMMISSION CHAIR REPORT

None.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Commissioner Griffin invited Commissioners and staff to attend a classic car show in Rio Linda on August 31<sup>st</sup>.

ADJOURNMENT

As there was no further business to be conducted, Chair Morgan adjourned the meeting at 7:05 pm.

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Clerk



## MINUTES

### **Sacramento Housing and Redevelopment Commission (SHRC) Meeting of August 21, 2019**

Meeting noticed on August 16, 2019

#### ROLL CALL

The Sacramento Housing and Redevelopment Commission meeting was called to order at 5:30 p.m. by Chair Morgan.

MEMBERS PRESENT: Griffin, Morgan, Starks, Staajabu

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

STAFF PRESENT: La Shelle Dozier, David Levin, James Shields, Angela Jones, Lira Goff, Suzie Jackson, Christine Weichert, Vickie Smith

#### RAD Tour

A bus tour was conducted of south area RAD sites and other SHRA projects.

#### ADJOURNMENT

As there was no further business to be conducted, Chair Morgan adjourned the meeting at 7:05 pm.

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Clerk

September 4, 2019



Sacramento Housing and Redevelopment Commission  
Sacramento, California

Honorable Members in Session:

**SUBJECT** 2020 5-Year and Annual Public Housing Agency Plan (Plan) for the Housing Authority of the City of Sacramento (HACS) and the Housing Authority of the County of Sacramento (HACOS); Submission of the 2020 5-Year and Annual Public Housing Agency Plan to the U.S. Department of Housing and Urban Development (HUD)

### **RECOMMENDATION**

Staff recommends adoption of the attached resolution at the September 18, 2019 meeting that: 1) certifies that the required public hearing has been held and comments have been received and considered, 2) approves the *2020 Public Housing Agency (PHA) Five-Year and Annual Plan* consisting of the *Public Housing Admissions and Continued Occupancy Policy* for both HACS and HACOS, and the *Administrative Plan* for the Housing Choice Voucher (HCV) program for HACOS only, 3) authorizes the Executive Director or her designee to make non-substantive changes to the *Plan* based on additional public comments, 4) authorizes the Executive Director or her designee to make changes to the *Plan* as directed by HUD or required for compliance with the Quality Housing and Work Responsibility Act of 1998, 5) certifies that *the Plan* is consistent with the *Consolidated Plan* per 24 Code of Federal Regulations (CFR) §903.15, and 6) authorizes the Executive Director or her designee to execute and submit all required documents for the submission and certification of compliance of the *2020 5-Year and Annual Public Housing Agency Plan* to HUD or to comply with the Quality Housing and Work Responsibility Act of 1998.

### **CONTACT PERSONS**

LaTanna Jones, Assistant Director, Conventional Housing Program, 916-440-1334  
Sarah O'Daniel, Assistant Director, Housing Choice Voucher Program, 916-440-1397  
Cecette Hawkins, Management Analyst, Conventional Housing Program, 916-440-1658  
Maria Avdalas, Management Analyst, Housing Choice Voucher Program, 916-449-6201

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento Housing and Redevelopment Commission  
September 4, 2019  
Page 2

### SUMMARY

This report recommends consideration of the *2020 5-Year and Annual PHA Plans* for the Housing Authorities of the City and County (Attachment 2) of Sacramento (collectively "Housing Authority") that are consistent with the *Five-Year Consolidated Plan (2013-2019)*.

The *Plan* also consists of:

- *5-Year PHA Plan for the Housing Authority of the City of Sacramento* (Attachment 1);
- *5-Year PHA Plan for the Housing Authority of the County of Sacramento* (Attachment 2);
- *Annual PHA Plan for the Housing Authority of the City of Sacramento* (Attachment 3);
- *Annual PHA Plan for the Housing Authority of the County of Sacramento* (Attachment 4);
- *Public Housing Admissions and Continued Occupancy Policy (ACOP)* for the Housing Authority of the City of Sacramento (Attachment 5) ;
- *Public Housing Admissions and Continued Occupancy Policy (ACOP)* for the Housing Authority of the County of Sacramento (Attachment 6);
- *Administrative Plan for the Housing Choice Voucher program* (Administrative Plan) for the Housing Authority of the County of Sacramento (Attachment 7);
- *Capital Fund Program Five-Year Action Plan* for the Housing Authority of the City of Sacramento (Attachment 8); and
- *Capital Fund Program Five-Year Action Plan* for the Housing Authority of the County of Sacramento (Attachment 9).

These documents provide a comprehensive guide to the Housing Authority's policies, programs, operations, and strategies for meeting local housing needs and goals consistent with the Housing Authority's overall goals to improve operating efficiencies and services to residents. These documents can be found on the Sacramento Housing and Redevelopment Agency (SHRA) website at [www.shra.org](http://www.shra.org) (click on "Transparency," then "Financial, Performance and Planning Documents," then "Public Housing Agency Plans and Reports" to access draft documents for 2020).

### BACKGROUND

Applicable federal law and HUD regulations require that each Housing Authority develop and adopt a *Plan* and update it on an annual basis. The 2020 5-Year PHA Plan describes the PHA's mission to serve the needs of low- income, very low- income, and

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento Housing and Redevelopment Commission  
September 4, 2019  
Page 3

extremely low- income families in the PHA's jurisdiction for the next five years. It covers the period of 2020-2024. The Annual PHA Plan is an annual update to the previous 5-Year PHA Plan.

Staff updated the programs' guiding policy documents after reviewing internal procedures, available funding and new HUD regulations. There are 18 changes proposed for 2020 (Attachment 10). They are organized as follows:

- 7 changes proposed by the Public Housing program; and
- 11 changes proposed by the Housing Choice Voucher (HCV) program.

These proposed changes were presented to the Sacramento Resident Advisory Board (SRAB), which then solicited resident input about proposed changes to the policy documents and proposed changes at their public housing sites.

Notices announcing the 45-day public comment period and the location of the draft documents were published in local newspapers and posted on the website at [www.shra.org](http://www.shra.org).

The Annual Plan contains summaries of the proposed changes for 2020. The following policy documents have been revised to incorporate these changes:

- The Conventional Public Housing program's policies are contained in the *Admissions and Continued Occupancy Plan (ACOP)* document.
- The Conventional Public Housing program plan for the current year's utilization of Capital Grant funds are included in the *Capital Fund Five-Year Action Plan*.
- The Housing Choice Voucher (HCV) program's policies are contained in the *Administrative Plan*.

Proposed changes to the 2020 ACOP include:

- 1) In accordance with the CFRs, public notice is not required to close the waitlist but the PHA will post the closing of the waitlist on the website.
- 2) Clarification of HUD Streamlining Regulations on verification of assets.
- 3) Clarification of how to calculate the next 12 months of anticipated alimony, child support, or independent contractor income using a 12 month history.
- 4) Clarifications on who pays for moving expenses in an emergency transfer and that unit offers are based on availability.
- 5) Updated information on the penalties for negligence concerning electronic payments, the appliances provided by the PHA, and the use of the PHA assigned keys and gate openers.
- 6) Additional language clarifying how State and Federal law on smoking affects our policies.



## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento Housing and Redevelopment Commission  
September 4, 2019  
Page 4

- 7) Clarification of the information PHA staff is reviewing on a monthly basis to detect program abuse and fraud.

*Proposed changes to the 2020 HCV Administrative Plan include adding:*

- 1) In accordance with the CFRs, public notice is not required to close the waitlist but the PHA will post the closing of the waitlist on the website.
- 2) Language defining suitable employment for the Family Self-Sufficiency Program.
- 3) Language defining sporadic income.
- 4) Clarification on timeline for providing verification for adult children returning to household after attending school.
- 5) In accordance with the CFRs, port in vouchers will be given the regulatory 30-day extension. Additional extensions must be granted by the initial PHA.
- 6) Changes to allow requests by the participant to the PHA to process an increase in income.
- 7) Change that in the cases of unapproved member(s) in the subsidized unit when the PHA is unable to accurately calculate the household income; the PHA will require repayment of 100% of the housing assistance payments and utility reimbursement payments for the timeframe of the residency of the unapproved household member(s).
- 8) Changes to establish a minimum monthly repayment amount of \$50 for housing assistant payments overpayment due to non-compliance of program regulations.

Information on all *proposed* changes can be found in the attached *Proposed Changes to the 2020 ACOP and HCV Administrative Plan* documents.

### **FINANCIAL CONSIDERATIONS**

The *Capital Fund Program (CFP) Five-Year Action Plan* identifies anticipated annual allocations from HUD and the proposed uses for those funds. The 2020 Annual Plan updates the CFP Five-Year Action Plan and makes annual adjustments for funding realities. The recommended action before the Commission requires no additional funding consideration.

### **POLICY CONSIDERATIONS**

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

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento Housing and Redevelopment Commission  
September 4, 2019  
Page 5

### ENVIRONMENTAL REVIEW

**California Environmental Quality Act (CEQA):** The recommended actions are considered administrative and therefore determined not to be a project subject to provisions of CEQA pursuant to 14 California Code of Regulations (CCR) §15378(b). Changes to the Capital Fund Program involve adjustments for funding realities only, and do not propose any new projects. The Capital Fund Program identifies projects which are “contemplated actions,” and does not demonstrate a commitment of funds. Environmental clearance will be conducted in accordance with CEQA Guidelines prior to implementation of any project identified in the Annual Plan that has not previously undergone environmental review.

**National Environmental Policy Act (NEPA):** The recommended actions are considered administrative and therefore determined to be Exempt from NEPA pursuant to 24 Code of Federal Regulations (CFR) §58.34(a)(3), “administrative and management activities”. Changes to the Capital Fund Program involve adjustments for funding realities only, and do not propose any new projects. The Capital Fund Program identifies projects which are “contemplated actions,” and does not demonstrate a commitment of funds. Therefore, the activities contemplated in the *5-Year and Annual PHA Plan* are considered Exempt according to 24 CFR §58.34(a)(1), “environmental and other studies, resource identification, and the development of plans and strategies.” Prior to commitment of funds for any particular activity identified in the *5-Year and Annual PHA Plan* that has not previously undergone environmental review environmental clearance will be conducted in accordance with NEPA regulations.

### M/WBE AND SECTION 3 CONSIDERATIONS

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

Respectfully submitted,

  
LA SHELLE DOZIER  
Executive Director

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento Housing and Redevelopment Commission  
September 4, 2019  
Page 6

### Attachments

#### **Attachments (Available [www.shra.org](http://www.shra.org))**

*Attachments 1 - 9 are on file with the Agency Clerk. Attachments 10-14 will be included with the Staff Report of September 18, 2019.*

1. *5-Year PHA Plan for the Housing Authority of the City of Sacramento*
2. *5-Year PHA Plan for the Housing Authority of the County of Sacramento*
3. *Annual PHA Plan for the Housing Authority of the City of Sacramento*
4. *Annual PHA Plan for the Housing Authority of the County of Sacramento*
5. *Public Housing Admissions and Continued Occupancy Policy (ACOP) for the Housing Authority of the City of Sacramento*
6. *Public Housing Admissions and Continued Occupancy Policy (ACOP) for the Housing Authority of the County of Sacramento*
7. *Administrative Plan for the Housing Choice Voucher program (Administrative Plan) for the Housing Authority of the County of Sacramento*
8. *Capital Fund Program Five-Year Action Plan for the Housing Authority of the City of Sacramento*
9. *Capital Fund Program Five-Year Action Plan for the Housing Authority of the County of Sacramento*
10. *Proposed Changes to the 2020 ACOP and HCV Administrative Plan*
11. *Sacramento Resident Advisory Board Comments*
12. *Legal Services of Northern California (LSNC) Comments*
13. *SHRA's response to LSNC Comments*
14. *Resolution*

# PROPOSED CHANGES

## 2020 Public Housing Authority Plan (ACOP and Administrative Plans)

The Public Housing Authority (PHA) must define any significant changes to its policies or plans. The PHA defines a “substantial deviation” and “significant amendment/modification” as any change in policy which significantly and substantially alters the Authority’s stated mission and the persons the Authority serves. The proposed changes below have not been deemed “significant”.

New language is indicated in red. Deleted language is shown in ~~strikeout~~.

There is one proposed change to the 2020 PHA Plan which have been deemed “significant”. There are 7 changes in the ACOP and 8 changes in the Administrative Plan.

### Public Housing Agency Plan (PHA Plan)

The PHA Plan is being amended to include the following attachments:

1. Attachment R - Rental Assistance Demonstration (RAD)
2. PIH Notice 2012-32, REV-3 (Section 1.6) and Joint Housing PIH Notice H-2016-17/PIH-2016-17 for resident rights, participation, waiting list, and grievance procedures required for RAD Conversion
3. Supplemental Guidance PIH-2018-11/H-2018-05

*Explanation of the Change: As a result of being a successful applicant in the Rental Assistance Demonstration (RAD), we are required to amend out PHA Plan to include the above information.*

### ADMISSIONS AND CONTINUED OCCUPANCY POLICY (ACOP)

#### 1. Chapter 3 – Applying for Admission, Page 3

##### **A. Overview of Pre-Application Process**

##### **Status of the Waiting Lists**

The PHA utilizes Site Based waitlists. These waitlists are designed to assist prospects on only one given site, one given area or a given age designation such as an elderly waitlist. Site Based waitlists can be opened or closed at any time. The PHA will announce the closing of the wait list by posting the closing date on [www.sacwaitlist.com](http://www.sacwaitlist.com). When the period for accepting pre-applications is over, the PHA will not accept additional pre-applications or maintain a list of those who

wish to be notified when the wait list is open as this would be administratively burdensome to the PHA.

*Explanation of Change: In accordance with the CFRs, public notice is not required to close the waitlist but the PHA will post the closing of the waitlist on the website.*

## **2. Chapter 7 – Verification Procedures, Page 6**

### **A. Methods of Verification and Time Allowed**

Self-certification/Self-declaration

Assets of less than \$5,000 are tenant self-certified and do not require the collection of any bank statements except when the family is in the application process. **Per HUDs Streamlining Rule, every three years all assets regardless of value must be third party verified. 24 CFR §§960.259, 982.516**

*Explanation of Change: This clarifies HUD Streamlining Regulations.*

### **D. Verification of Income**

*Alimony or Child Support Payments*

If payments are irregular, the family must provide:

- **12 months of payment history.**

Net Income from a Business

In order to verify the net income from a business the PHA will view IRS and financial documents from prior years and use this information to anticipate the income for the next twelve (12) months. **This also includes independent contractors (i.e ride-sharing, food delivery, web commerce, etc.)**

*Explanation of Change: This clarifies how we will calculate the next 12 months of anticipated alimony, child support, or independent contractor income using a 12 month history is a more accurate estimation.*

## **3. Chapter 8 – Transfer Policy, Page 5**

### **A. Involuntary (Mandatory) Transfers**

**EMERGENCY TRANSFERS**

If the damage was caused by negligence of the resident, a member of the resident's household, or a guest, the reasonable expense of repairing such

damage will be charged to the resident, **along with all moving expenses**, and the household may be subject to eviction from public housing.

In the case of involuntary (mandatory) transfers, the resident shall be required to move into the dwelling unit that is made available, after two offers by the PHA. The PHA may terminate the resident's lease if he or she refuses to move. The resident shall be given thirty (30) days Notice of Lease Termination in this situation. **The unit options may not be offered in quick succession to each other, as offers are based on availability of suitable units.**

### **B. Voluntary Transfers**

A family may be eligible to transfer for valid and certifiable reasons such as enabling the family:

- To split households due to either marital or partnership dissolution. The PHA will only acknowledge splitting the household when both parties were part of the initial application, ~~or second party was added to household and the wait list has turned over at least once.~~

*Explanation of Change: This update provides clarity to residents on who pays for moving expenses and clarifies that unit offers are based on availability.*

## **4. Chapter 9 – Leasing, Page 7**

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

The resident will be charged for checks **and electronic payments** that are returned for non-sufficient funds (NSF), stop payments, or checks written on a closed account according to the Schedule of Fees and Charges. The PHA will always consider the rent unpaid when a check is returned as NSF or a check is written on a closed account. **In the event of a returned check, certified funds (money orders or cashier checks) will need to be submitted and personal checks will no longer be accepted for the following six months.**

### **M. Inspections of Public Housing Units**

#### VACATE/MOVE-OUT INSPECTIONS

~~When giving a thirty (30) day notice to vacate the resident has a right to request an move out inspection in order to determine which items may need attention or repair.~~ A pre-move out inspection must be conducted no more than fourteen (14) days prior to the vacate date. This is to allow the resident the opportunity to complete these repairs and avoid charges against the family's security deposit.

## **P. Appliances**

The PHA supplies stoves and refrigerators in all units. ~~Refrigerators are supplied in all elderly and elderly disabled units and they may be supplied in scattered family housing and in scattered duplexes and single family homes.~~ If residents ~~have their own~~ are planning to utilize their own refrigerator in addition to the PHA-provided refrigerator, it will be documented and the resident will be responsible for the upkeep and maintenance of their personally owned appliance.

The PHA owned refrigerator will not be removed from the unit by residents. The site office will be notified to remove a PHA owned refrigerator. If the resident owned ~~your~~ appliances are not in acceptable condition according to Uniform Physical Condition Standards (UPCS), the PHA reserves the right to require the resident to remove or repair that appliance at the resident's expense.

## **V. KEY CONTROL**

The policy of the PHA shall be to issue and assign keys or key cards only to individuals who have been screened through a criminal background check and found to be responsible for the proper use and safeguarding of the key or key card.

Each adult resident is issued one key or key card for their building or property (if applicable) and the head of household receives an additional key for their unit. The first key card for each member of the household on the lease will be issued free of charge. The key cards are the property of the PHA and must be returned upon the termination of the lease. There will be a charge for additional key cards for non-residents or for the replacement of damaged, lost, or stolen key cards as per the current *Schedule of Fees and Charges*.

One gate clicker for parking access will be issued to households that have authorized parking privileges. The gate clicker is the property of the PHA and must be returned upon termination of lease if an authorized household member no longer owns a vehicle, or their parking privileges are revoked. There will be a charge for replacement of damaged, lost, or stolen gate clickers per the current *Schedule of Fees and Charges*.

*Explanation of Change: These changes clarify the penalties for a returned check, the appliances provided by the PHA, and the use of the PHA assigned keys and gate clickers.*

## **5. Chapter 18: Public Housing Non-Smoking Facility Policy**

Please note while possession of marijuana is no longer a crime under California law, its possession is still illegal under Federal law. When a state law is in conflict with a Federal law, the Federal law prevails. Thus,

**under Federal law possession of marijuana for medical or non-medical purposes constitutes a crime and is prohibited in Public Housing (see Chapter 22).**

*Explanation of Change: This clarifies how State and Federal law on smoking affects our policies.*

## **6. Chapter 19: PROGRAM INTEGRITY ADDENDUM**

### **C. STEPS THE PHA WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD**

**QUALITY CONTROL FILE REVIEWS:** Prior to initial certification, and at the completion of all subsequent recertifications, each resident file will be reviewed by PHA staff. These reviews will include, but are not limited to:

- Fully utilize EIV system by running monthly HUD required reports that include:
  - Multiple Subsidy reports
  - Deceased Tenant
  - New Hires
  - Income Discrepancy
  - **Debts Owed to PHA**
  - **Immigration Report**

*Explanation of Change: This clarifies what information PHA staff is reviewing on a monthly basis.*

## **Administrative Plan 2020**

### **Chapter 3 A. OPENING/CLOSING OF THE WAIT LIST (24 CFR §§ 982.206, 982.54(d)(1))**

#### **Closing the Wait List**

The PHA, at its discretion, may restrict and/or suspend pre-application intake or close wait lists in whole or in part. The PHA may open or close the list by local preference category or by bedroom size. The PHA may stop pre-applications if there are enough pre-applicants to fill anticipated openings for the next twenty-four months. The wait list may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights laws.

The PHA will announce the closing of the wait list by **public notice posting the closing date on [www.sacwaitlist.com](http://www.sacwaitlist.com)**. When the period for accepting pre-applications is over, the PHA will not accept additional pre-applications or maintain a list of those who wish to be notified when the wait list is open as this would be administratively burdensome to the PHA.



*Explanation of Change: This change is in accordance to Code of Federal Regulations that the closing of a waitlist does not need to have public notice.*

## **5.2 Adding Additional Members to the Household**

All additions (except for additions by birth to a household member) must have the prior approval of the owner (landlord) and the PHA. Approvable additions may include:

- A spouse/partner and his or her minor children,
- A minor who had been part of the assisted household who moved out and is returning to the household,
- A PHA pre-approved live-in aide,
- Birth of children by an existing family member,
- Adoption of children,
- Long-term foster placement or court-ordered custody,
- Court granted guardianship or conservatorship,
- **Adult children under 24 years of age who left only to attend school. Request must be received within 30 days of dis-enrollment or graduation.**

*Explanation of Change: This clarifies for families per PHA policy of the timeline when adult children can request to return to the household.*

### Chapter 7, Paragraph D. Items to Be Verified

#### 11. Familial Status or **Marital Status Spousal Relationship**

*Explanation of Change: Removing marital status expands relationships to spousal relationship*

### Chapter 6 B. Income and Allowances

**All employment income will be included unless separation or termination of employment is verified.**

*Explanation of Change: This clarifies for income calculation per regulation that separation and termination of employment must also be verified.*

### Chapter 6, Paragraph E

**PHA-approved** spouse/partner or co-head will “inherit” the voucher in the event of the death of the head of household.

*Explanation of Change: Adding PHA-approved for situations of spouse that is not currently in the subsidized unit*

### Chapter 8, Paragraph F

### **Term of Voucher (24 CFR §982.303)**

Vouchers may be issued for a term of 120 days. In the case of Port-Ins, the voucher may be less than 60 days as the voucher expiration date is based on the expiration date of the voucher from the initial PHA. The family must submit a Request for Tenancy Approval and Lease Approval within this period. Please see the VASH Addendum to this Administrative Plan for information about VASH vouchers.

Port in vouchers will be given the regulatory 30-day extension, in addition to any time left on the initial PHA's voucher. The 30 days will start at the end of the initial PHA's voucher date or the date of the briefing, whichever is longer. Additional extensions to be granted by initial PHA.

*Explanation of Change: This is HUD regulation and clarification for Admin Plan*

### **Chapter 12, Increases in Income**

Program participants must report all changes in household income in writing within thirty (30) days of the change. The PHA will conduct interim recertifications for any income increases for families who:

- Are Family Self Sufficiency program participants or;
- Are Home Ownership program participants or;
- Have zero income or;
- Have an Earned Income Disregard (EID) at the end of the 24-month period or;
- Have a repayment agreement for a debt owed to the PHA or;
- Failed to report a change timely.
- **Request by the participant in writing to have the increase processed**

The PHA will not process an interim rent adjustment if all reported changes result in an overall income increase, **unless requested in writing by the participant**. If an increase in income is due to an addition to the household, the PHA will process a rent adjustment to include the income of the household addition.

*Explanation of Change: This allows participants to have the choice to have an increase to be processed.*

### **Chapter 17, Paragraph A.**

#### **A. Repayment of Debts to the PHA**

##### **Family**

When a family is determined to have incurred a debt to the PHA due to underreporting or the failure to report a change in income or household

composition in a timely manner; the PHA will meet with the family to inform them about the debt and about the process used to identify and calculate the debt. The family is required to reimburse the PHA for the difference between the tenant rent that should have been paid and the tenant rent that was calculated in accordance with HUD's rent formula. The difference is called retroactive rent. The family will be given the opportunity to make full repayment of the debt at that time or the family may enter into a repayment agreement with the PHA.

In the case of unapproved member(s) in the subsidized unit when the PHA is unable to accurately calculate the household income; the PHA will require repayment of 100% of the housing assistance payments and utility reimbursement payments for the timeframe of the residency of the unapproved household member(s).

*Explanation of Change: This is to clarify in the situation that the family fails to cooperate and provide the income verifications to calculate the overpaid Housing Assistance Payment (HAP), then the entire HAP will be owed to the Housing Authority*

Chapter 17, Paragraph A

#### **Repayment Time Period:**

The period in which the retroactive rent balance will be repaid is based on the monthly payments and original retroactive balance.

A minimum monthly repayment of fifty dollars (\$50) will be established for families whose repayment calculation equals less than the minimum repayment.

*Explanation of Change: This establishes a minimum amount for repayment agreements.*

Addendum 1: The Family Self-Sufficiency Program (also updated in the ACOP-City and County, Chapter 16: Family Self-Sufficiency Program)

~~Suitable employment is any permanent full-time employment (of at least 32 hours per week) that is obtained by the FSS head of household.~~

~~Full-time employment is defined as: For hourly or salaried employees—at least 32 hours per week at minimum wage and consecutively for the past six (6) months upon completion date of the contract.~~

~~Suitable employment generally refers to a job that offers wages comparable to your recent employment and duties that fit your education level and work experience.~~

*Explanation of Change: Removing old definition and expanding definition of suitable employment.*

**Glossary**

**SPORADIC INCOME:** Income received less than three pay periods in the year

*Explanation of Change – Defines definition of sporadic for purposes of income calculation*



August 30, 2019

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Pacific Rim Apartments: Tax Equity And Fiscal Responsibility Act (TEFRA)  
Hearing, Approval Of Tax-Exempt Bonds And Loan Commitment

SUMMARY

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

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report prior to final  
approval by the County of Sacramento.

Respectfully submitted,

  
LA SHELLE DOZIER  
Executive Director

Attachment

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
September 24, 2019

To: Board of Supervisors and 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: Pacific Rim Apartments: Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing, Approval Of Tax-Exempt Bonds And Loan Commitment

District(s): Kennedy

**RECOMMENDED ACTION**

This report recommends approval of the attached Board of Supervisors Resolution for the Pacific Rim Apartments which indicates that the required Tax Credit Equity and Fiscal Responsibility Act (TEFRA) public hearing has been conducted related to the proposed construction permanent financing of the Pacific Rim Project (Project). It also recommends approval of a \$2,455,000 HOME Investment Partnerships Program (HOME) fund loan with Alliance Property Group, Inc. (Developer) and the issuance of up to \$7,000,000 in tax-exempt mortgage revenue bonds for the Project.

**BACKGROUND**

Alliance Property Group, Inc. (Developer) has applied to the Sacramento Housing and Redevelopment Agency (Agency) for the issuance of up to \$7,000,000 in tax-exempt mortgage revenue bonds and a gap financing loan of \$2,455,000 in HOME Funds for the acquisition, rehabilitation and permanent financing of Pacific Rim Apartments (Project). The 1.59 acre property is located in the County of Sacramento at 6620 Sunnyslope Drive. A vicinity map and project photo are provided as Attachments 1 and 2.

Upon approval of the staff recommendation, an application for tax-exempt Mortgage Revenue bonds to the California Debt Limit Allocation Committee (CDLAC) and a four percent Low Income Housing Tax Credit (LIHTC) application to the California Tax Credit Allocation Committee (CTCAC) will be submitted no later than October 11, 2019.

Pacific Rim Apartments is an existing affordable housing multifamily development built in 2005. The project consists of 32 three-bedroom and two-bath units located within 2 two-story structures. The development currently includes 66 parking spaces.

Significant rehabilitation of the development is proposed. All kitchens and bathrooms will have new cabinets, solid-surface counters, sinks and finishes. All units will have new paint, flooring, carpeting, exterior doors, and all window blinds will be replaced. New energy efficient kitchen appliances, bathroom humidistats, sink fixtures, lighting, central heating, ventilation and air conditioning systems, and water heaters will be installed in all units. All tubs and accessories will be replaced in all units. All acoustic ceiling texture will be removed and replaced with new texture. Four units will be accessible units and will comply with the Americans with Disabilities Act (ADA).

The building's exterior will have new paint. Gutters, downspouts, and downspout extensions will be routed to surface drain. Windows and sliders showing leakage or condensation will be replaced. All units will have upper decking, guardrails, and handrails replaced with code-compliant ADA requirements. Asphalt composition roof shingles will be installed on all buildings. A new security CCTV system along with nine (9) web-based cameras will be installed throughout the site entrances, parking lot, community building, laundry room, and play area.

A new community building will be constructed that includes a kitchen, two restrooms, storage area, and community space. The community room will have new flooring, cabinets, solid surface countertops, range, range hood, countertop microwave, and refrigerator. A new laundry room will be constructed which will include new washers and dryers.

A playground will be installed. All access gates will meet code and a new automatic automobile gate will be installed. A bike rack, picnic table, and BBQ will be installed. A total of thirty-two (32) new carports will be installed over all parking spaces located along the southern property line. A new six foot masonry wall will be installed on the southern and eastern property lines. Driveways, parking lots, sidewalks, and ramps will be repaired, replaced, and upgraded to comply with ADA requirements. All dumpster areas will be upgraded as need to meet ADA requirements for accessibility. New signage, including parking and ADA will be installed as required by current code.

Agency construction staff will conduct inspections during the construction phase and will work closely with the Developer and the general contractor to ensure construction quality.

#### DEVELOPER

Alliance Property Group, Inc. (Developer) is dedicated to providing quality affordable housing with supportive programs to low-income persons in California and Hawaii. The Developer has 22 years of experience in residential and commercial real estate, including fourteen affordable developments consisting of 992 units and a portfolio of over \$345 million across the United States. Pacific Rim Apartments is the Developer's second project in Sacramento County.

#### TEMPORARY RELOCATION PLAN

Overland, Pacific & Cutler, LLC (OPC), will provide temporary relocation services to the residents of the Pacific Rim Apartments. Agency staff has reviewed OPC's qualifications and the temporary relocation plan, and has found that the proposed consultant and temporary relocation plan meets Agency requirements.

#### PROPERTY MANAGEMENT

Pacific Rim Apartments will be managed by FPI Management, Inc. (FPI). Currently, FPI manages over 40,000 affordable units nationwide. Agency staff has reviewed FPI's qualifications and the management plan, and has found that the proposed management company meets Agency requirements.

#### RESIDENT SERVICES

Resident services will be provided by All Things Are Possible After School & Family Resource Centers (ATAP), a not for profit entity, with 32 California affordable housing developments in its portfolio. A minimum of 7 hours per week of on-site resident services will be provided. Resident services will include an on-site resident services coordinator, after-school programs, and other programs. Agency staff has reviewed ATAP's qualifications and the resident services plan, and has found that the proposed resident services provider meets Agency requirements.



#### PROJECT FINANCING

Pacific Rim Apartments will be financed using a combination of four percent Low Income Housing Tax Credits, tax-exempt bond financing, an Agency loan consisting of \$2,455,000 in HOME Investment Partnerships Program funds (HOME), deferred developer fee, an existing Agency loan and net operating income during construction.

#### BOND FINANCING

The Housing Authority plans to issue tax-exempt bonds, the proceeds of which can provide acquisition, construction, and permanent financing for multifamily housing projects. Interest paid on the bonds is exempt from federal and state income tax; therefore, bondholders will accept a below-market yield from the bonds. These savings are, in turn, passed on to the Project owner in the form of a below-market rate loan, with interest rates approximately one to two percent below prevailing market rates. The bonds for the Project are intended to be privately-placed. The law firm of Orrick, Herrington and Sutcliffe, LLP, will serve as bond counsel to the Housing Authority.

#### LOW-INCOME SET-ASIDE REQUIREMENTS

As a condition of receiving tax credits and the benefits of tax-exempt bond financing, federal law requires that apartments be set-aside for targeted income groups. Income restrictions from LIHTC financing require that no households have income higher than 60 percent of Area Median Income (AMI). The Project affordability restrictions will be specified in regulatory agreements with the Developer. The Project Summary and Proforma are included as Attachments 3 and 4. A schedule of maximum income and rents are included as Attachment 5.

#### COMMISSION ACTION

At its meeting of September 4, 2019, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

POLICY CONSIDERATIONS

The recommended actions are consistent with approved Agency’s Multifamily Lending and Mortgage Revenue Bond Policies. Regulatory restrictions on the property will be specified in the regulatory agreements between the Developer and the Agency for a period of 55 years. Compliance with the regulatory agreement will be monitored by the Agency on an annual basis.

The Project contributes to the County’s 2013-2021 Housing Element goals by preserving and renovating 31 existing regulated affordable housing units. The Project will preserve 9 very-low and 22 low income units to meet the County’s affordable housing goals as represented in the following table:

Unit Type	% of Units	Affordability Restrictions for 55 years	No. of Units
Agency Loan, Tax-exempt Bonds, and LIHTC	6%	Very-Low Income (50% AMI)	2
Tax-exempt Bonds, and LIHTC	22%	Very-Low Income (50% AMI)	7
Agency Loan, Tax-exempt Bonds, and LIHTC	25%	Low-Income (60% AMI)	8
Tax-exempt Bonds, and LIHTC	44%	Low-Income (60% AMI)	14
Management Unit	3%	Unrestricted	1
Total	100%		32

ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA): This project has been determined to be categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301(a), “Existing Facilities” and 15303, “New Construction or Conversion of Small Structures”.

National Environmental Policy Act (NEPA): This project has been found to be Categorically Excluded from environmental review under NEPA regulations at 24 CFR Section 58.35(a) subsection (3) (ii) and converts to Exempt per 24 CFR Section 58.34 (a) subsection (12).

M/WBE/SECTION 3 CONSIDERATIONS

Minority and Women's Business Enterprise requirements, Section 3 requirements, and Local Business Enterprise requirements apply to this report and will follow guidelines according to the Section 3 economic opportunity plan.

FINANCIAL ANALYSIS

The proposed bond issuance will not be an obligation of the County, the Housing Authority or the Sacramento Housing and Redevelopment Agency. The bonds will be the obligation solely of the Project's owner, who will bear all costs associated with the issuance of the bonds. The Agency will receive a one-time issuance fee of 0.25 percent (25 basis points) of the bond amount (approximately \$13,400), which is payable at bond closing. The Agency will collect an annual payment for monitoring the regulatory restrictions and administration of the bonds, in the amount of 0.15 percent (15 basis points) of the bond amount (approximately \$8,000) for monitoring of the regulatory restrictions and administration of the bonds.

The Loan Commitment of \$2,455,000 in HOME funds for the financing of the Project will bear a four percent interest and carry a term of 40 years after completion of construction. The Conditional Loan Commitment is included as Attachment 6.

Respectfully submitted,



LA SHELLE DOZIER, Executive Director  
Sacramento Housing and Redevelopment Agency

APPROVED  
NAVDEEP S. GILL  
County Executive

By: \_\_\_\_\_  
ADMINISTRATOR  
Deputy County Executive

Pacific Rim Apartments: Tax Equity And Fiscal Responsibility Act (TEFRA)  
Hearing, Approval of Tax-Exempt Bonds And Loan Commitment  
Page 7

Attachments:

RES – Board of Supervisors TEFRA

RES – Housing Authority Bond Inducement Authorization

RES – Board of Supervisors Loan Commitment Authorization

ATT 1 – Vicinity Map

ATT 2 – Project Photo

ATT 3 – Project Summary

ATT 4 – Project Cashflow Proforma

ATT 5 – Maximum Income and Rent Limits

ATT 6 – Conditional Loan Commitment

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

ON DATE OF

**PACIFIC RIM: APPROVING THE ISSUANCE OF  
OBLIGATIONS BY THE HOUSING AUTHORITY OF THE  
COUNTY OF SACRAMENTO ON BEHALF OF ALLIANCE  
PROPERTY GROUP, INC.**

**WHEREAS**, the Housing Authority of the County of Sacramento, a housing authority organized and existing under the laws of the State of California (the "Authority"), proposes a plan of financing providing for the issuance of exempt facility bonds for a qualified residential rental project pursuant to Section 142(a)(7) of the Internal Revenue Code of 1986 (the "Code") in one or more series issued from time to time, including bonds issued to refund such exempt facility bonds in one or more series from time to time, and at no time to exceed \$7,000,000 (the "Obligations") and to lend the proceeds thereof to Pacific Rim, LP or a partnership of which Alliance Property Group, Inc. (the "Developer") or a related person to the Developer is the general partner, to be used to provide funds to finance or refinance the acquisition, rehabilitation and development of a 32-unit multifamily housing residential facility to be located at 6620 Sunnyslope Drive, Sacramento, California.

**WHEREAS**, Section 147(f) of the Code requires the execution and delivery of the Obligations to be approved by the Board of Supervisors of the County (the "Board"), as the elected representative of the County of Sacramento and the host jurisdiction of the subject multifamily housing residential facility, after a public hearing has been held following reasonable and proper notice.

**WHEREAS**, a public hearing was held by the Board on September 24, 2019, following duly published notice thereof, and all persons desiring to be heard have been heard;

**WHEREAS**, it is in the public interest and for the public benefit that the Board, as the elected representative of the County of Sacramento and the host jurisdiction of the subject multifamily housing residential facility, approve the execution and delivery by the Authority of the Obligations;

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

Section 1. The Board of Supervisors of the County of Sacramento hereby finds, determines and declares that issuance by the Authority of the Obligations in the maximum principal amount of \$7,000,000 for the purposes described above is hereby approved.

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

On a motion by Supervisor\_\_\_\_, seconded by Supervisor\_\_\_\_\_,  
the foregoing Resolution was passed and adopted by the Board of  
Supervisors of the County of Sacramento, State of California this 24th day  
of September, 2019, by the following vote, to wit:

AYES: Supervisors,  
NOES: Supervisors,  
ABSENT: Supervisors,  
ABSTAIN: Supervisors,  
RECUSAL: Supervisors,  
(PER POLITICAL REFORM ACT (§ 18702.5.))

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Chair of the Board of Supervisors  
of Sacramento County, California

(SEAL)

ATTEST:

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Clerk, Board of Supervisors

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

**HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO**

**ON THE DATE OF**

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

**WHEREAS**, the Housing Authority of the County of Sacramento (the "Authority") intends to issue tax-exempt obligations (the "Obligations") for the purpose, among other things, of making a loan to Pacific Rim, LP, or a limited partnership or a limited liability company related to or formed by Alliance Property Group, Inc. (the "Developer"), the proceeds of which shall be used by the Developer to finance the acquisition, rehabilitation and development of a 32-unit multifamily housing residential facility to be located at 6620 Sunnyslope Drive, Sacramento, California (the "Project").

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

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



**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING  
AUTHORITY OF THE COUNTY OF SACRAMENTO:**

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

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

Section 3. The maximum amount of proceeds of the Obligations to be used for reimbursement of expenditures for the acquisition, rehabilitation and development of the Project that are paid before the date of initial execution and delivery of the Obligations is not to exceed \$7,000,000.

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

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

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

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

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

On a motion by Member \_\_\_\_\_, seconded by Member \_\_\_\_\_, the foregoing Resolution was passed and adopted by the Board of the Housing Authority of the County of Sacramento this 11th day of June, 2019, by the following vote, to wit:

- AYES: Members,
- NOES: Members,
- ABSENT: Members,
- ABSTAIN: Members,
- RECUSAL: Members,  
(PER POLITICAL REFORM ACT (§ 18702.5.))

\_\_\_\_\_  
Chair of the Board of the Housing Authority  
of Sacramento County, California

(SEAL)

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

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

**PACIFIC RIM: A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO APPROVING A \$2,455,000 LOAN COMMITMENT CONSISTING HOME INVESTMENT PARTNERSHIPS FUNDS; EXECUTION OF LOAN COMMITMENT AND RELATED DOCUMENTS WITH ALLIANCE PROPERTY GROUP, INC. OR RELATED ENTITY; RELATED BUDGET AMENDMENT; RELATED FINDINGS; AND ENVIRONMENTAL FINDINGS**

**WHEREAS**, Alliance Property Group, Inc. (Developer) has applied to the Sacramento Housing and Redevelopment Agency (Agency) for a gap financing loan commitment of Two Million Four Hundred Fifty Five Thousand (\$2,455,000) of Home Investment Partnerships Program (HOME) funds for the acquisition and permanent financing of Pacific Rim (Project); and

**WHEREAS**, the Project qualifies for funding under the Agency's Multifamily Lending and Mortgage Revenue Bond Policies; and

**WHEREAS**, this project has been determined to be categorically exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301(a), "Existing Facilities" and 15303, "New Construction or Conversion of Small Structures"; and

**WHEREAS**, this project has been found to be Categorically Excluded from environmental review under NEPA regulations at 24 CFR Section 58.35(a) subsection (3)(ii) and converts to Exempt per 24 CFR Section 58.34 (a) subsection (12).

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

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

Section 2. The Loan Commitment letter attached to and incorporated in this resolution by this reference for the financing of Pacific Rim is approved in the amount Two Million Four Hundred Fifty Five Thousand (\$2,455,000) of HOME funds.

Section 3. The Agency is authorized to enter into and execute Loan Commitment and related documents and transmit to Alliance Property Group, Inc. or related entity, as approved to form by agency counsel, and perform other actions necessary to fulfill the intent of the Loan Commitment that accompanies this resolution, in accordance with its terms, and to ensure proper repayment of the Agency funds including, without limitation, subordination, extensions, and restructuring of such a loan consistent with Agency adopted policy and with this resolution. The Agency will return to the Board for approval of loan documents.

Section 4. The Agency is authorized to amend its budget and to transfer up to Two Million Four Hundred Fifty Five Thousand (\$2,455,000) of HOME funds for the proposed Project.

On a motion by Supervisor\_\_\_\_, seconded by Supervisor\_\_\_\_\_,  
the foregoing Resolution was passed and adopted by the Board of  
Supervisors of the County of Sacramento, State of California this 24th day  
of September, 2019, by the following vote, to wit:

AYES: Supervisors,  
NOES: Supervisors,  
ABSENT: Supervisors,  
ABSTAIN: Supervisors,  
RECUSAL: Supervisors,  
(PER POLITICAL REFORM ACT (§ 18702.5.))

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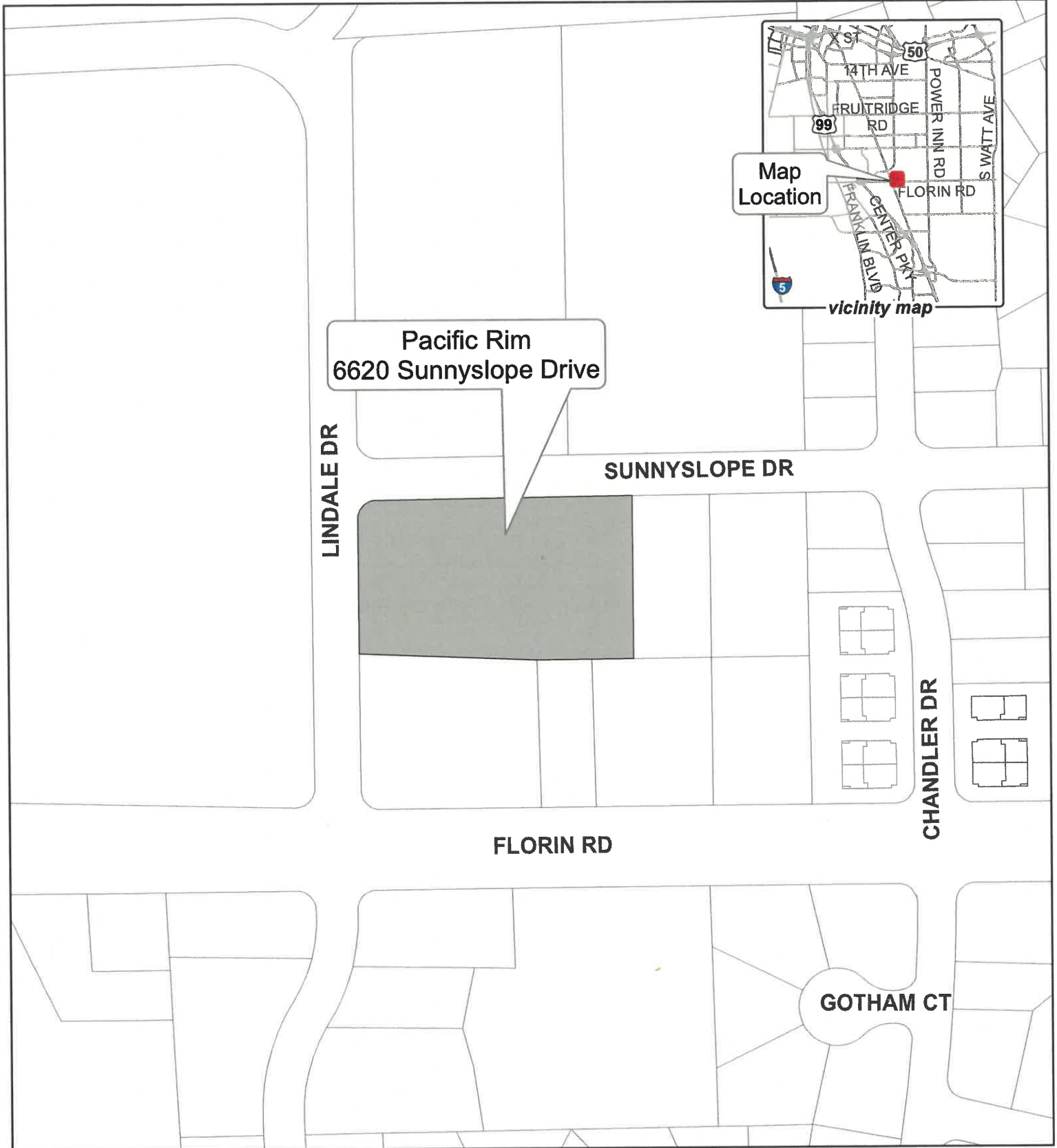
Chair of the Board of Supervisors  
of Sacramento County, California

(SEAL)

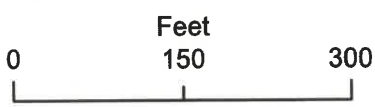
ATTEST: \_\_\_\_\_  
Clerk, Board of Supervisors



# Pacific Rim



 Pacific Rim



SHRA GIS  
April 19, 2019





Pacific Rim  
Residential Project Summary

<b>Address</b>	6620 Sunnyslope Drive, Sacramento, CA 95828		
<b>Number of Units</b>	32		
<b>Year Built</b>	2005		
<b>Acreage</b>	1.59 acres (69,260 sq. ft.)		
<b>Unit Mix and Rents</b>	<u>VLI 50% AMI</u>	<u>LI 60% AMI</u>	<u>Total</u>
3 Bedroom/ 2Bath	9	22	31
Management Unit (1 Bedroom exempt)	0	0	1
<b>Total</b>	<b>9</b>	<b>22</b>	<b>32</b>
<b>Square Footage</b>	<u>Unit Size (sq.ft.)</u>	<u>Total</u>	
3 Bedroom/ 2 Bath	1,015	32,480 sq.ft.	
Community Area		1,180 sq.ft.	
<b>Total</b>		<b>33,660 sq.ft.</b>	
<b>Resident Facilities</b>	Community room with kitchen, management office and area for resident services and recreational activities.		
<b>Permanent Sources</b>	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>
Permanent Loan	\$ 2,300,000	\$ 71,875	\$ 68.33
Tax Credit Equity	\$ 3,350,261	\$ 104,696	\$ 99.53
Existing Agency Loan	\$ 2,220,000	\$ 69,375	\$ 65.95
New Agency Loan	\$ 2,455,000	\$ 76,719	\$ 72.94
Net Operating Income	\$ 180,000	\$ 5,625	\$ 5.35
Deferred Developer Fee	\$ 335,974	\$ 10,499	\$ 9.98
Accrued Interest	\$ 253,200	\$ 7,913	\$ 7.52
Existing Seller Cash	\$ 85,000	\$ 2,656	\$ 2.53
<b>TOTAL SOURCES</b>	<b>\$ 11,179,435</b>	<b>\$ 349,357</b>	<b>\$ 332.13</b>
<b>Permanent Uses</b>	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>
Acquisition	\$ 4,400,000	\$ 137,500	\$ 130.72
Construction Costs	\$ 3,557,134	\$ 111,160	\$ 105.68
Architecture & Engineering	\$ 167,285	\$ 5,228	\$ 4.97
Permits	\$ 32,000	\$ 1,000	\$ 0.95
Hard Cost Contingency	\$ 355,713	\$ 11,116	\$ 10.57
Soft Cost Contingency	\$ 23,272	\$ 727	\$ 0.69
Financing Cost	\$ 751,834	\$ 23,495	\$ 22.34
Operating Reserves	\$ 180,000	\$ 5,625	\$ 5.35
Legal Fees	\$ 185,000	\$ 5,781	\$ 5.50
Relocation	\$ 96,000	\$ 3,000	\$ 2.85
Developer Fee	\$ 1,245,702	\$ 38,928	\$ 37.01
Third Party Fees, Marketing, Other	\$ 185,495	\$ 5,797	\$ 5.51
<b>TOTAL USES</b>	<b>\$ 11,179,435</b>	<b>\$ 349,357</b>	<b>\$ 332.13</b>
<b>Leveraging</b>	<u>SHRA \$ per Unit</u>	<u>Per Unit Cost</u>	<u>Leverage</u>
	\$ 76,719	\$ 349,357	SHRA : Other \$1.00 : \$3.55
<b>Management / Operations</b>	Alliance Property Group, Inc. FPI Management, Inc.		
Proposed Developer	Alliance Property Group, Inc.		
Property Management Company	FPI Management, Inc.		
Operations Budget	\$ 178,589	\$ 5,581	
Property Management	\$ 27,324	\$ 854	
Resident Services	\$ 12,420	\$ 388	
Taxes/Insurance	\$ 2,550	\$ 80	
Replacement Reserves	\$ 9,600	\$ 300	

Pacific Rim Cashflow Proforma

Pacific Rim	Unit Type	Number	Square Feet	Total Sq Feet	Max Gross Rent	Utility Allowance	Max Net Rent	Rent per Sq Foot	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
									2021	2022	2023	2024	2025	2030	2035	2040	2045	2050
3 Bedroom/2 Bath (50% AMI)		9	1,015	9,135	\$ 1,086	\$ 89.47	\$ 997	\$ 0.98	\$ 8,969	\$ 107,625				\$ 107,625				
3 Bedroom/2 Bath (60% AMI)		22	1,015	22,330	\$ 1,304	\$ 89.47	\$ 1,215	\$ 1.20	\$ 26,720	\$ 320,636				\$ 320,636				
Manager		1	1,015	1,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,920				\$ 13,920				
Totals		32	32,480	32,480			\$ 36,848		\$ 442,181					\$ 442,181				
	Income		annual increase						Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Potential Gross Income			2.50%	5,581	178,589	184,840	191,309	198,005	204,935	243,399	269,861	289,081	299,199	343,338	407,778	484,312	484,312	484,312
Other Income			2.00%	854	17,324	28,280	29,270	30,295	31,355	37,240	41,288	44,229	45,777	52,530	62,390	74,099	62,390	74,099
Less Vacancy			5.00%	388	12,420	12,855	13,305	13,770	14,252	16,927	18,767	20,104	20,808	23,877	28,359	33,682	28,359	33,682
Effective Gross Income			2.00%	80	2,550	2,601	2,653	2,706	2,760	3,047	3,234	3,365	3,432	3,715	4,102	4,528	4,102	4,528
Operating Expenses				300	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600
Property Management				6,903	\$230,483	\$238,176	\$246,137	\$254,376	\$262,903	\$310,213	\$342,751	\$366,380	\$378,816	\$433,061	\$512,228	\$606,222	\$512,228	\$606,222
Residential Services																		
Real Estate Taxes																		
Replacement Reserves																		
Total Expenses																		
<b>Net Operating Income</b>					<b>\$204,007</b>	<b>\$207,157</b>	<b>\$210,310</b>	<b>\$213,461</b>	<b>\$216,610</b>	<b>\$232,195</b>	<b>\$241,291</b>	<b>\$247,178</b>	<b>\$250,955</b>	<b>\$260,982</b>	<b>\$272,862</b>	<b>\$281,864</b>	<b>\$272,862</b>	<b>\$281,864</b>

	amount	rate	annual increase	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Senior Loan	\$2,300,000	6.25%	35	162,033	162,033	162,033	162,033	162,033	162,033	162,033	162,033	162,033	162,033
Housing Authority Monitoring Fee	\$5,374,451	0.15%		8,062	8,062	8,062	8,062	8,062	8,062	8,062	8,062	8,062	8,062
Debt Service Subtotal				\$170,095	\$170,095	\$170,095	\$170,095	\$170,095	\$170,095	\$170,095	\$170,095	\$170,095	\$170,095
<b>Priority Distributions</b>													
Asset Management Fee (GP)		2.00%		7,500	7,650	7,803	7,959	8,118	8,963	9,512	10,094	10,926	13,319
Partnership Management Fee (LP)		2.00%		7,500	7,650	7,803	7,959	8,118	8,963	9,512	10,094	10,926	13,319
Priority Distributions Subtotal				\$15,000	\$15,300	\$15,606	\$15,918	\$16,236	\$17,926	\$19,024	\$20,188	\$21,852	\$26,638
Net Cash after Priority Distributions				\$18,913	\$21,763	\$24,609	\$27,449	\$30,279	\$44,174	\$52,173	\$59,772	\$69,035	\$85,131
<b>Deferred Developer Fee</b>													
Principal Balance	\$335,974	4.00%		335,974	330,500	321,958	310,227	295,188	165,993	40,644	0	0	0
Interest for Period				13,439	13,220	12,878	12,409	11,808	6,640	1,626	0	0	0
Accumulated Interest				13,439	13,220	12,878	12,409	11,808	6,640	1,626	0	0	0
Payment				18,913	21,763	24,609	27,449	30,279	44,174	42,270	0	0	0
Balance				\$330,500	\$321,958	\$310,227	\$295,188	\$276,716	\$128,458	\$0	\$0	\$0	\$0
Net Cash after Deferred Developer Fee				\$0	\$0	\$0	\$0	\$0	\$0	\$9,903	\$59,772	\$69,035	\$85,131
<b>Existing SHRA Loan</b>													
Principal Balance	\$2,220,000	4.00%		2,220,000	2,220,000	2,220,000	2,220,000	2,220,000	2,220,000	2,220,000	2,220,000	2,220,000	2,220,000
Interest for Period				88,800	88,800	88,800	88,800	88,800	88,800	88,800	88,800	88,800	88,800
Accumulated Interest				88,800	177,600	266,400	355,200	444,000	888,000	1,154,400	1,332,000	1,420,800	1,522,658
Payment				0	0	0	0	0	0	0	0	0	0
Balance				\$2,308,800	\$2,397,600	\$2,486,400	\$2,575,200	\$2,664,000	\$3,108,000	\$3,374,400	\$3,552,000	\$3,673,623	\$3,742,597
Net Cash after Deferred Developer Fee				\$0	\$0	\$0	\$0	\$0	\$0	\$3,552,000	\$3,673,623	\$3,742,597	\$3,772,449
<b>New SHRA Loan</b>													
Principal Balance	\$2,455,000	4.00%		2,455,000	2,455,000	2,455,000	2,455,000	2,455,000	2,455,000	2,455,000	2,455,000	2,455,000	2,455,000
Interest for Period				98,200	98,200	98,800	98,800	98,800	98,800	98,800	98,800	98,800	98,800
Accumulated Interest				98,200	196,400	285,200	374,000	462,800	906,800	1,173,200	1,350,800	1,439,600	1,794,800
Payment				0	0	0	0	0	0	0	0	0	0
Balance				\$2,553,200	\$2,651,400	\$2,749,600	\$2,847,800	\$2,946,000	\$3,126,800	\$3,393,200	\$3,659,600	\$4,014,800	\$4,468,800
Net Cash after Deferred Developer Fee				\$0	\$0	\$0	\$0	\$0	\$0	\$3,659,600	\$4,014,800	\$4,468,800	\$4,902,800

**MAXIMUM GROSS INCOME AND RENT LIMITS 2019****LIHTC/HOME**

Rents at 50% and 60% of Area Median Income (AMI)

**Pacific Rim Income Limits:**

<b><u>Family Size</u></b>	<b><u>50% AMI</u></b>	<b><u>60% AMI</u></b>
1 person	\$ 29,300	\$ 35,160
2 person	\$ 33,450	\$ 40,140
3 person	\$ 37,650	\$ 45,180
4 person	\$ 41,800	\$ 50,160
5 person	\$ 45,150	\$ 54,180
6 person	\$ 48,500	\$ 58,200
7 person	\$ 51,850	\$ 62,220
8 person	\$ 55,200	\$ 66,240

**Rent Limits:**

<b><u>Unit Size</u></b>	<b><u>50% AMI</u></b>	<b><u>60% AMI</u></b>
3 Bedrooms	\$ 1,086	\$ 1,304



Date: September 24, 2019

Alliance Property Group, Inc.  
C/O Danielle Curls Bennett, President  
1730 East Holly Avenue, Suite 327  
El Segundo, CA 90245

RE: Conditional Funding Commitment for Pacific Rim Apartments

Dear Ms. Bennett,

On behalf of the Sacramento Housing and Redevelopment Agency (Agency), we are pleased to advise you of its commitment of \$2,455,000 in permanent loan funds (Loan) comprised of \$2,455,000 in County Home Investment Partnerships Program (HOME) for the purpose of financing the acquisition and rehabilitation of that certain real property known as Pacific Rim Apartments located at 6620 Sunnyslope Drive, 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 March 31, 2021.

1. **PROJECT DESCRIPTION:** Pacific Rim Apartments is an existing 32-unit affordable housing multifamily development built in 2005. The project consists of 32 three-bedroom and two-bath units located within 2 two-story structures. The development currently includes 66 parking spaces. The significant rehabilitation currently proposed will ensure a 15-year useful life of the Project. All units will be upgraded. All kitchens and bathrooms will have new cabinets, solid-surface counters, sinks and finishes. All units will have new paint, flooring, carpeting, exterior doors, and all window blinds will be replaced. New energy efficient kitchen appliances, bathroom humidistats, sink fixtures, lighting, central heating, ventilation and air conditioning systems, and water heaters will be installed in all units. Interior plumbing for countertop replacement will be replaced in all units. All tubs and accessories will be replaced in all units. All acoustic ceiling texture will be removed and replaced with new texture. Four units will be accessible units and will comply with the Americans with Disabilities Act (ADA).
2. **BORROWER:** The name of the Borrower for the Loan is Alliance Property Group, Inc. or related entity.
3. **PURPOSE OF LOAN:** The Loan is to be used by Borrower solely to pay the costs of acquisition, 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) Two Million Four Hundred Fifty-Five Thousand Dollars (\$2,455,000), or (b) an amount to be determined prior to close of the Loan based on a project budget approved by Agency.
5. **TERM OF LOAN:** The Loan shall mature 42 years or 504 months from the date of closing, at which point any and all unpaid principal and interest on the loan will be due and payable.
6. **INTEREST RATE:** The Loan will bear simple interest at four percent (4%) per annum. Interest shall be calculated on the basis of a 365-day year and actual number of days elapsed.
7. **ANNUAL REPAYMENT:** Annual principal and interest payments shall be deferred from the Loan's Effective Date through the first 204 months. Beginning in month 205, annual installments shall be made according to the payment schedule contained in the Loan Agreement, calculated to achieve an annual 1.2 debt coverage ratio. Annual payments shall be applied first to outstanding interest accrued and unpaid and then to principal.



8. SOURCE OF LOAN FUNDS:

Agency is making the Loan from the following sources of funds, and the Loan is subject to all requirements related to the use of such, whether Agency requirements or otherwise: Home Investment Partnerships Program. This Loan is conditioned upon Borrower's acceptance of Agency's requirements and conditions related to such lending programs and funding sources, including among others, the required forms of agreements for the Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.

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

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

9. ACCELERATION: Agency shall have the right to accelerate repayment of the Loan in the event of a default under any Loan Document or upon sale, transfer or alienation of the Property except as specifically provided for in the Loan documents.
10. SECURITY: The Loan shall be evidenced by promissory note(s) secured by a deed of trust with assignment of rents against the fee and/or leasehold interest in the Property and Improvements, which shall be a lien upon the Property and Improvements subject only to liens senior to the Agency's lien securing loans from the Community Business Bank. 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 \$3,350,200 in Low Income Housing Tax Credit Equity and no less than \$335,900 in deferred developer fee. If LIHTC equity goes below \$3,350,200 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, OPA or other agreements.
14. EVIDENCE OF FUNDS: Prior to the first disbursement of the Loan, Borrower must demonstrate evidence of adequate and assured funding to complete the development of the Project in accordance with the Agency's requirements. Borrower's evidence of available funds must include only one or more of the following: a) Borrower equity; b) firm and binding commitments for the Project from financial institution(s) or from other lender(s) approved by Agency in its absolute discretion; and c) Agency's contribution, provided, however, that Agency is not obligated by this letter to make any contribution not stated in the terms of the letter.
15. SOILS AND TOXIC REPORTS: Borrower has submitted to the Agency a hazardous substances report made in accordance with the American Society for Testing and Materials "Standard Practice for Environmental Site Assessments; Phase I Environmental Site Assessment Process" (Designation E1527-13) prepared by a licensed or registered environmental engineer or other qualified party prior to Loan closing. Borrower must, as a condition of disbursement of Loan funds, give assurances satisfactory to the Agency that hazardous materials are not present on the Property or that any hazardous materials on the Property will be remediated and that no further remediation is then required by the environmental agency having responsibility for monitoring such remediation.



16. LOAN IN BALANCE: Borrower will be required to maintain the Loan "in balance". The Loan is "in balance" whenever the amount of the undisbursed Loan funds, the remaining sums to be provided by the Borrower and the loan funds from other project lenders or the equity investor are sufficient, in the sole judgment of the Agency, to pay for the remainder of the work to be done on the project as required by written agreement with the Agency. Should the Agency determine that the Loan is not "in balance", the Agency may declare the Loan to be in default.
17. PLANS AND SPECIFICATION: Final plans and specifications, if any, for the project must be in accord with the proposal approved as part of the Loan application. Final plans and specifications will be subject to Agency's final approval prior to the disbursement of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the project. The final plans shall incorporate all related mitigation measures, 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%), 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 permanent loan conversion, Borrower shall submit to Agency a cost certification prepared by a qualified, independent auditor acceptable to Agency, which cost certification shall indicate the amounts actually spent for each item in the cost breakdown and shall indicate the final sources of funding. If there is an aggregate savings, in the total of all such cost breakdown items from the cost breakdown items in the original budget approved by the Agency, after adjusting for any decrease in any funding source including any loss of any equity investment due to an adjustment in the allowable tax credits, the Agency shall withhold for itself as loan repayment, one-half of such savings from the amount of retention then held by the Agency, and the Loan balance shall be reduced by the amount so withheld. The Agency, in its sole discretion, shall determine any reduction and/or repayment of the Agency loan based upon this cost certification and the original approved budget for the project.
23. START OF CONSTRUCTION: Borrower shall commence construction at the earliest possible date subject to the conditions of this Agency and other involved lenders, but no later than sixty (60) days following the close of construction financing.
24. COMPLETION OF CONSTRUCTION: Borrower shall complete the construction of the Improvements no later than 24 months following the close of construction financing.
25. SECURITY CAMERAS AND OUTSIDE LIGHTING: Project shall include installation of a security camera system at vehicular driveways and additional exterior lighting, 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. AFFIRMATIVE FAIR MARKETING: Borrower agrees to submit an Affirmative Marketing Plan to Agency and to follow all Agency affirmative marketing requirements.
35. RESIDENT SERVICES AGREEMENT: Prior to execution and close of the Loan, Borrower must submit to Agency any agreement providing for the resident services by a third party which agreement. The agreement, services, and service provider are all subject to Agency Approval. The agreement must include a minimum of seven (7) hours per week of on-site resident services.
36. LOW INCOME HOUSING TAX CREDITS (LIHTC): Borrower represents that as a condition of closing this Loan it is applying for an allocation of LIHTC's and agrees to perform all actions and to meet all requirements to maintain the LIHTC allocation if granted.
37. SMOKE-FREE ENVIRONMENT: At least 50% of the buildings but no less than 50% of the units must be smoke free. At least 50% of the floors must be smoke free. All indoor common areas must be smoke-free.
38. 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.



39. CONSISTENCY OF DOCUMENTS: As a material obligation under this commitment letter, Borrower shall assure that the loan documents for the Project are consistent with lender's commitment approved by the Agency and comply, in all respects, with this commitment letter.
40. CHANGES OR AMENDMENTS: No documents or contracts which are to be delivered to Agency or are subject to Agency's review or approval shall be modified or terminated without the prior written approval of Agency.
41. ACCEPTANCE OF THIS COMMITMENT: Borrower's acceptance of this Commitment shall be evidenced by signing and delivering to Agency the enclosed copy of this letter. Until receipt of such acceptance by Agency, Agency shall have no obligation under this letter. Agency may withdraw this commitment at any time prior to Borrower's acceptance.



Sincerely,

La Shelle Dozier  
Executive Director

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

Dated: September 24, 2019

**BORROWER:**

Alliance Property Group, Inc.

By: \_\_\_\_\_  
Danielle Curls Bennett, President

**The Exhibit listed below is incorporated in this Loan Commitment by this reference for the financing of the Pacific Rim Apartments:**  
Exhibit 1: Scope of Development



## Exhibit 1

### Pacific Rim Scope of Development

#### I. Project Description

The Pacific Rim Apartments project located at 6620 Sunnyslope Drive, Sacramento, California (the "Project") includes the acquisition and rehabilitation of an existing affordable housing community that was built in 2005. The Project consists of 32 units, all of which are three-bedroom, two bath flats in two (2) two-story walk up buildings. The rehabilitation of the Project will involve upgrades to the existing unit interiors, including modifications to two (2) units for accessibility increasing the number of accessible units to four (4) total, exterior upgrades including site work related to accessibility path of travel, new construction of a community building which will provide an office, kitchen, maintenance storage area, and laundry room, and play area.

#### II. General Requirements

- A. All materials used in the Project will be new.
- B. The Project will provide a total of four (4) accessible units and will comply with all Federal and State ADA accessibility requirements.
- C. The Project is an existing complex and has been approved for occupancy by the local building department.
- D. Web-based security cameras and equipment to record events will be installed at the (1) community building, and (2) parking lot entry gate, which are the primary ingress/egress points to and from the site and for the principal parking and common areas.
- E. Site lighting existing at parking and outside public areas. Site lighting will be installed with the new construction community building.
- F. All components of the Project which do or may present a health or safety hazard to the public or tenants will be corrected to the satisfaction of the local building department.
- G. A useful life of 15 years for all systems located with the Project will be installed, maintained and replaced as needed for a period of 15 years.
- H. A clear pest inspection report will be provided at the conclusion of the construction work.



I. The Project was built after 1979; therefore, no reports and/or certifications regarding lead-based paint or asbestos are required.

### III. Site Improvements

#### A. Landscaping:

1. Existing landscaping damaged during construction will be restored to existing condition. Trees will be trimmed. Grass area will be mowed and planter areas will be weed-free. All landscaping and irrigation will be kept in a well-maintained condition.

2. All soil will be covered in mulch, bark or some other ground cover with a weed barrier. Soil in planter areas will be established to a depth that ensures the ground cover does not freely spill into the adjacent concrete pathway. Planters will be sloped away from the building foundation with a minimum two percent (2%) slope.

B. **Irrigation:** Existing irrigation system will be repaired, as needed, for any areas damaged during construction. All landscaped areas will be served by a programmable automated irrigation system. The irrigation controller will be a “Smart Controller” that senses rain to reduce water use.

C. **Playground Equipment:** An activity zone suitable for children up to age 12, approved by SHRA, will be installed on-site.

D. **Pedestrian and Fire-Access Gates:** The existing pedestrian gate on the North side of the property will remain, and the vehicular gate on the North side of the property will remain locked. Gates will meet code. An automatic automobile gate will be installed at the Western entrance. A-Knox box will be added, as needed, for fire-access to the property.

E. **Site Accessories:** One (1) bike rack, one (1) picnic table with bench seating, and a BBQ installed over a concrete pad will be included in the development.

F. **Perimeter Fence:** Metal fence exists around North and West perimeter of the property and a portion of the East side of the property which will remain. Existing wood fences to be removed along the North property line and to be replaced with a solid concrete wall.

G. **Asphalt Parking Lot and Drive Aisles:** Parking lot and drive aisles will be seal coated and restriped. The parking lot will meet current code and ADA requirements, with respect to including required ADA van accessible parking. 32 new carports to be installed at the North parking lot.



H. **Sidewalks:** Concrete sidewalks on path of travel will be removed and replaced, as needed for accessibility.

I. **Trash Enclosures:** All dumpster areas will be upgraded as needed to meet current code and ADA requirements for accessibility.

J. **Sidewalks and Ramps:** The sidewalks and ramps will be upgraded as needed to meet current code and ADA requirements throughout the Project.

K. **Mailbox Units:** New cluster mailbox units will be installed in the new community building and shall include spaces for larger parcels delivered to the site.

L. **Signage:** New monument signage, buildings, apartments, parking, ADA, and property directional signage will be installed throughout as required by current code.

#### IV. **Building Exterior Improvements**

A. **Roof:** Roof overlay with cool roof over single existing roof will be installed on the two (2) existing buildings. The roofing on all buildings will have a minimum 20-year warranty asphalt composition shingles.

B. **Gutters, Downspouts and Downspout Extensions:** All gutters, downspouts and downspout extensions will be routed to surface drain to site bio-retention planters.

C. **Siding:** Existing exterior siding of the buildings contains a combination of cementations siding (lap and panel) and stucco which will remain.

D. **Balconies, Stairways, Railings and Patio Enclosures:** Upper level wood decks will be replaced with a composite decking material. Upper level deck framing to be removed and replaced to accommodate decking material. All exposed posts and beams will be painted. Wood railing at the existing decks and stairs will be removed and replaced with code-compliant metal railing. Common area stairs will meet current accessible codes for treads and risers, guardrails and handrails. Bottom of stairs will either be closed off for storage or provided with cane rails.

E. **Paint:** The exterior of both existing buildings and metal fencing will be re-painted.

F. **Windows and Sliders:** Any windows showing signs of condensation or leakage will be replaced with dual pane glass windows. Any window screen that is bent, ripped, or no longer there will be replaced.





G. **Lighting:** The exterior wall light fixtures will be replaced with new energy efficient wall packs to increase visibility. Site pole lights will have LED fixtures.

H. **Security:** New CCTV system with cameras at primary automobile entrances, parking, common areas, laundry room and community room. Web-based cameras will be located at the parking lot entrance, community building, laundry room, and play area for monitoring primary areas of ingress/egress and common areas.

## V. **Building Interior**

A. **ADA Units:** The Project will provide a total of four (4) ADA units with two (2) units with communication features as defined in CBC 11B 809.5.

B. **Central Heating, Ventilation and Air Conditioning (HVAC) Systems:** New Energy Star or better HVAC split systems will be installed in all units and community room.

C. **Water Heaters:** All units will have new Energy Star water heaters installed.

D. **Water Distribution Systems:** Interior plumbing for countertop replacement (faucets, traps, valves, supply) will be replaced in all units.

E. **Kitchens:** All kitchens will have new solid-surface counters, cabinets, drawers, dishwasher and refrigerator/freezer combination Energy Star appliances, free standing range, combination microwave /hood vent, sink, angle stops, low-flow faucets and finishes. New cabinet boxes will be made of plywood or solid wood. Face frames, doors and drawer faces will be sold hardwood.

F. **Bathrooms:** All bathrooms will have new solid-surface counters, sink, low-flow showerheads, low-flow toilets and low-flow faucets. All cabinets and drawers will be replaced. A new humidistat sensor and occupancy sensor will be installed in all bathrooms. All tubs and surrounds will be replaced, all accessories will be replaced.

G. **Ceilings and Walls:** All interior walls and ceilings will have a drywall finish. In select common areas (community room, office, etc.) higher grade finishes (wood, tile, etc.). Any acoustic ceiling texture will be removed and refinished to new texture to match wall texture.

H. **Doors Exterior:** All doors will meet current egress standards. All exterior door will be replaced and inter connecting hardware installed.



I. **Doors Interior:** All damaged interior doors will be replaced. All interior door hardware will be replaced.

J. **Flooring:** New luxury vinyl flooring (LVP) will be installed in the four (4) ADA units. All non-ADA living rooms, hallways, and kitchens will have LVP installed. All bathrooms will have new LVP installed. All bedrooms will have new carpet installed.

K. **Windows:** All blinds will be replaced.

L. **Paint:** All units will be painted throughout.

M. **Electrical:** GFI outlets will be installed to code. Existing hard-wired smoke detectors will remain, and any replacements required will be replaced with tamper resistant 20-year lithium batteries will be installed in the hallways and bedrooms in all units.

N. **Lighting:** All kitchens, bathrooms and hallways will have new energy efficient light fixtures installed. In the dining areas, existing ceiling fans will be replaced with new energy efficient ceiling fans.

## VI. Community Areas

A. **Community Room, Office, Kitchen and Restroom:** A new construction community building approximately 1,180 square feet will be constructed with an office, waiting area, kitchen, two (2) restrooms, storage area, and community space. The community space and kitchen will have LVP flooring, cabinets and solid surface countertops, range, range hood, countertop microwave, and refrigerator. Interior walls and ceiling will have a drywall finish and painted. The flooring manager's office and waiting area will be carpet. On the East side of the community building will provide for maintenance shop and common laundry room.

B. **Laundry Facilities:** Each unit will include a washer and dryer hook up. A new laundry room will be constructed adjacent to the new community building which will provide 4 washers and 2 pair of stacked dryers.

**Attachment 1: Lender's Minimum Construction Standards exhibit is on the following page.**



# Attachment 1: Lender's Minimum Construction Standards

This attachment is from Exhibit 5 from the Lender's Multifamily Lending Policies.

Rev. 12/2016

Technical Correction 11/2018

## EXHIBIT 5

### RENTAL PROPERTY MINIMUM CONSTRUCTION STANDARDS

The following is a list of the required construction standards that must be incorporated into projects participating in the Agency's investor assistance programs. All rental units and sites associated with these projects must meet or exceed these standards.

#### General Requirements

- A. Any component of the project which does or may present a health or safety hazard to the public or tenants shall be corrected to the satisfaction of the local building department.
- B. A useful life of 15 years for all systems located within the approved complex. This can be met in one of two ways, installing and maintaining systems with at least a 15-year scheduled life or install, maintain and replace as needed for a period of 15 years.

Any component of a rehabilitation project whose useful life expectancy has exceeded the useful life identified in the section, "Useful Life Expectancy," shall be replaced unless waived by the Agency in writing. It is not the intent of the Agency to replace systems that appear to have some economic life remaining and appear to be maintained and functioning effectively. It is the intent of the Agency to be assured that systems will be maintained and replaced as needed for a period of 15 years. The preferred method is by replacement and maintenance at the outset of the project; and by setting aside replacement reserves sufficient to address the needs based on current and projected conditions.

- C. A clear pest inspection report will be required at the conclusion of the construction work.
- D. All materials funded under this loan must be new unless previously approved. Recycled items must be approved in writing by the Agency prior to their use.
- E. All work shall comply with Federal and State ADA accessibility requirements. When there are differences the stricter of the two shall apply. Special attention needs to be applied when federal funding is involved.
- F. For all structures built before 1979, a report of compliance with the initial certified inspection report of lead-based paint and asbestos is required.
- G. All units shall be approved for occupancy by the local building department at the conclusion of the work and prior to occupancy, if applicable.
- H. Web-based security cameras and the equipment to record events are required for primary ingress/egress points to and from the site and for the principal parking and common areas.
- I. Site lighting is required for all parking and outside public spaces.



### **Site Work**

- A. All landscaping and irrigation systems must be in a well-maintained condition. Trees and large shrubs must be trimmed, grass areas must be mowed, and all planter areas must be weed-free. All landscaped areas must be served by a programmable automated irrigation system. Irrigation cannot be spraying on building. Sprinklers should minimize overspray that runs to storm drain drop inlets. Areas that show evidence of erosion of soil shall be landscaped to eliminate problem.
- B. All fencing must be in good and serviceable condition.
- C. All driveways and sidewalks must be in good condition. All cracked or uplifted areas (more than ¼") determined in need of repair by the Agency shall be repaired or replaced.
- D. All projects shall meet the parking requirements of the local Agency having jurisdiction over the project. "Grandfathered Projects" will need to show that they are in fact "Grandfathered" by the Local Agency having jurisdiction. All projects shall meet the governing ADA requirements for parking.
- E. A two percent (2%) slope shall be maintained for a distance of five feet from all structures and no standing water shall remain on the site. Provide an on-site drainage system if necessary.

### **Building Envelope and Moisture Protection**

- A. All wet areas must be sealed and watertight.
- B. Roofs must have 15 years or more of remaining life with no visible signs of leakage. A third layer of shingles is not allowed. Provide a 15 year certification if requested by the Agency.
- C. All siding must have 15 years or more of remaining life. Provide a 15 year certification if requested by the Agency.

### **Doors and Windows**

- A. All units must have screens on all windows that are designed to open. Windows designed to open must have functional locks and must operate freely without excessive effort. All windows must at least be low e, double pane energy efficient.
- B. All doors and doorjamb must be in good condition. No damaged or worn doorjamb or doors are allowed.
- C. All exterior doors must have deadbolt locks, keyed latch assemblies, viewers, and 2-inch screws in strike plates.
- D. All sliding exterior doors shall have screen doors and shall have functional locks and must operate freely without excessive effort.
- E. All doors and windows must meet current egress standards.



### **Casework**

- A. All cabinets shall be in very good condition both structurally and in appearance.
- B. All counter tops shall be in very good condition with no significant imperfections, scratches, burns, or other imperfections.

### **Finishes**

- A. Floor coverings must be in good, useable condition - no holes, tears, rips, or stains.
- B. All kitchens and bathrooms must be floored in sheet goods or tile to provide a cleanable, impervious surface.
- C. All exterior and interior surfaces must be painted. No peeling, cracking, chipping, or otherwise failing paint will be allowed. All painted surfaces must be new, or in near new condition and appearance.

### **Equipment**

- A. All appliances must be new or in very good operating condition. All new appliances must be energy star.
- B. Dishwashers are required in all non- permanent supportive housing, disabled, SRO, and homeless projects unless a waiver has been granted by the Executive Director. Permanent supportive, disabled, and homeless projects will be encouraged to provide dishwashers in each unit but will be reviewed and approved on a case-by case basis.
- C. All kitchens must have adequate cabinet and counter space.

### **Furnishings**

- A. All units must have window coverings on all windows.

### **Special Construction**

- A. Non-habitable structures on property must be painted to match primary buildings and must be structurally sound.
- B. Laundry facilities must be provided on the basis of one washer and dryer for every ten units, consistent with CTCAC requirements. If the project is more than 20 units, then 1 set of ADA accessible laundry machines must be provided.
- C. Laundry facilities must be provided on the basis of one washer dryer for every ten units, consistent with the TCAC requirements. If a project is more than 20 units, then 1 set of ADA accessible laundry machines must be provided.
- D. Public pools will have a self-closing gate. Fence and gate shall meet applicable current codes and standards. Joints between coping and concrete deck shall be appropriately caulked.



- E. In the case of new construction or substantial upgrade to existing pool, a handicap chair lift is the minimum requirement. The pool will meet applicable standards and codes.

### **Mechanical/Plumbing**

- A. Water heaters must be in enclosures in all habitable rooms and must be insulated and have earthquake strapping and pressure relief valves with lines that terminate to the exterior.
- B. All units must have heating and air conditioning. Wall mount or central systems are acceptable. Evaporated coolers are not acceptable.
- C. All plumbing fixtures shall be new or in very good working condition.
- D. All toilets, sinks, and tubs shall be chip and stain free.

### **Electrical**

- A. All new electrical panels must be of the breaker type. Fused disconnects must be approved by the Agency.
- B. All units must have at least one hard-wired smoke detector per bedroom corridor and a minimum of one battery-operated smoke detector per bedroom.
- C. All bathrooms must have at least one GFCI protected outlet, and tub surrounds must be a minimum of 1/8" laminated plastic.
- D. Kitchens must have all GFCI protected outlets within 6 feet of the sink.

### **Resident Services Community Space**

All properties, regardless of project type (i.e. senior, family, or large family), must devote space to actual resident services in the following minimum amounts:

Less than 100 units: 12 s.f. per unit (but no less than 400 s.f. in total)  
100 units and over: 1,200 s.f.

Resident services space includes common kitchens, computer rooms, meeting rooms and general gathering space. It does not include public restrooms, leasing offices, laundry facilities and lobbies.

### **Useful Life Expectancy**

A useful life expectancy list has been established and is available upon request to benchmark the lives of certain components on a multifamily site.

## **End of Scope of Development**



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

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

ON DATE OF

**September 4, 2019**

**PACIFIC RIM: AUTHORIZING A \$2,455,000 LOAN COMMITMENT IN COUNTY HOME INVESTMENT PARTNERSHIPS PROGRAM FUNDS; EXECUTION OF LOAN COMMITMENT AND RELATED DOCUMENTS WITH ALLIANCE PROPERTY GROUP, INC. OR RELATED ENTITY; RELATED BUDGET AMENDMENT; RELATED FINDINGS; AND ENVIRONMENTAL FINDINGS**

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

- Section 1: This project has been determined to be categorically exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301(a), "Existing Facilities" and 15303, "New Construction or Conversion of Small Structures".
- Section 2: This project has been found to be Categorically Excluded from environmental review under NEPA regulations at 24 CFR Section 58.35(a) subsection (3)(ii) and converts to Exempt per 24 CFR Section 58.34 (a) subsection (12).
- Section 3: Subject to approval by the Sacramento County Board of Supervisors, the Loan Commitment letter attached to and incorporated in this resolution by this reference for the financing of Pacific Rim (Loan Commitment) is approved, and the Sacramento Housing and Redevelopment Agency (Agency) Executive Director, or her designee, is authorized to execute the Loan Commitment and related documents and transmit to Alliance Property Group, Inc. or related entity.
- Section 4: The Executive Director, or her designee, is authorized to amend the Agency budget to transfer Two Million Four Hundred Fifty Five Thousand (\$2,455,000) of County Home Investment Partnerships Program (HOME) funds to Pacific Rim.

Section 5: Subject to the approval by the Board of Supervisors, the Executive Director, or her designee, is authorized to execute the Loan Agreement and related documents, and perform other actions necessary to fulfill the intent of repayment of funds, including without limitation, subordination, extensions and restricting of payments, all as approved by agency counsel.

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CHAIR

ATTEST:

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CLERK