

limitation on the amount or type of damages, compensation or benefits payable by Borrower or any consultant of Borrower or any other person or entity under workers' or workmen's compensation acts, disability benefit acts or other employee benefit acts. The agreements, representations and warranties in this Section 7.4 shall survive the expiration or early termination of this Agreement,

Section 7.5. Non-Liability of Employees or Partners of Borrower.

The Loan is made without recourse to the Borrower and secured solely by the Assignment and the Collateral Documents. No individual member, partner or employee of the Borrower may be personally liable to the Authority in the event of any default or breach by the Borrower or for any amount which may become due to the Authority or its successor or on any obligation under the terms of this Agreement.

Section 7.6. Non-Liability of Authority and Authority Officials, Employees and Agents.

No member, official, employee or agent of the Authority may be personally liable to Borrower in the event of any default or breach by the Authority or for any amount which may become due to Borrower or its successor or on any obligation under the terms of this Agreement.

Section 7.7. No Third-Party Beneficiaries.

There are no third-party beneficiaries to this Agreement.

Section 7.8. Future Authority and City Actions.

The Parties acknowledge and agree that:

(a) This Agreement does not constitute Authority or City approval of the Land Use Approvals, or approval of the construction of the Development;

(b) The City retains full discretion to approve or disapprove any Land Use Approvals; and

(c) Prior to consideration of any Land Use Approvals, the Authority and the City must first perform all applicable statutory preconditions to such consideration.

Section 7.9. Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no person described in Section 7.9(b), below, who exercises or has exercised any functions or responsibilities with respect to the activities funded pursuant to this Agreement or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during,

or at any time after, such person's tenure. Borrower shall exercise due diligence to ensure that the prohibition in this Section 7.9(a) is followed.

(b) The conflict of interest provisions of Section 7.9(a), above, apply to any person who is an employee, agent, consultant, officer, or any immediate family member of such person, or any elected or appointed official of the Authority, or any person related within the third (3rd) degree of such person.

Section 7.10. Notices, Demands and Communications.

Formal notices, demands, and communications between the Parties must be sufficiently given, and may not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the Parties as follows:

Authority: Housing Authority
 of the County of Sacramento
 801 12th Street
 Sacramento, CA 95814
 Attention: David Levin

with a copy to: Goldfarb & Lipman LLP
 1300 Clay Street, 11th Floor
 Oakland, CA 94612
 Attention: Michelle D. Brewer

Borrower: Twin Rivers Phase 3, L.P.
 c/o McCormack Baron Salazar

Attention: _____

With a copy to:

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section. Receipt will be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

Section 7.11. Applicable Law.

This Agreement is to be governed by and interpreted in accordance with the laws of the State of California. The venue for any legal action or proceeding concerning this Agreement will be in the County of Sacramento, California.

Section 7.12. Parties Bound.

Except as otherwise limited herein, the provisions of this Agreement will be binding upon and inure to the benefit of the Parties and their heirs, executors, administrators, legal representatives, successors, and assigns.

Section 7.13. Attorneys' Fees.

If any lawsuit is commenced to enforce any of the terms of this Agreement, the prevailing Party will have the right to recover its reasonable attorneys' fees and costs of suit from the other Party.

Section 7.14. Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions will continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

Section 7.15. Force Majeure.

In addition to the specific provisions of this Agreement, performance by either Party will not be deemed to be in default where delays or defaults are due to circumstances referenced in Section 10.2 of the MDA. An extension of time for such causes may be available in accordance with Section 10.3 of the MDA or other applicable provisions.

Section 7.16. Reserved.

Section 7.17. Waivers.

Any waiver by the Authority of any obligation or condition in this Agreement must be in writing. No waiver may be implied from any delay or failure of the Authority to take action on any breach or default of Borrower or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to Borrower to perform any obligation under this Agreement may not operate as a waiver or release from any of its obligations under this Agreement. Consent by the Authority to any act or omission by the Borrower may not be construed as consent to any other or subsequent act or omission or to waive the requirement for the Authority's written consent.

Section 7.18. Title of Parts and Sections.

Titles of the sections and subsections of this Agreement are inserted for convenience only and are to be disregarded in interpreting any part of the Agreement's provisions.

Section 7.19. Entire Understanding of the Parties.

This Agreement constitutes the entire understanding and agreement of the Parties with respect to the Loan.

Section 7.20. Multiple Originals; Counterpart.

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

[Signature page follows]

WHEREAS, this Predevelopment Loan Agreement for Twin Rivers Housing Phase 3 is effective as of the date first written above.

AUTHORITY:

HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO, a public body, corporate and politic

By: _____
La Shelle Dozier, Executive Director

BORROWER:

TWIN RIVERS PHASE 3, L.P., a California limited partnership

By: Twin Rivers Phase 3 MBS GP, Inc., a California corporation, its general partner

By: _____
Name: _____
Title: _____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Land situated in the City of Sacramento, County of Sacramento, State of California, as follows:

PARCEL ONE:

BEGINNING AT A CONCRETE MONUMENT MARKED RE 2675 SET AT THE INTERSECTION OF THE CENTER LINE OF 12TH STREET WITH THE CENTER LINE OF NORTH D STREET, AS SAID STREETS ARE SHOWN AND SO DESIGNATED ON THE OFFICIAL "MAP OF PART OF SACRAMENTO LYING BETWEEN 10TH AND 25TH STREETS, A STREET AND THE AMERICAN RIVER", RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY APRIL 24, 1850, IN BOOK 1 OF MAPS, MAP NO. 8; FROM WHICH POINT OR BEGINNING AN IRON PIPE MONUMENT SET BY THE CITY ENGINEER OF THE CITY OF SACRAMENTO AT THE INTERSECTION OF THE CENTER LINE OF SAID 12TH STREET WITH THE CENTER LINE OF NORTH B STREET BEARS SOUTH 18° 48' 10" WEST 841.92 FEET; THENCE FROM SAID POINT OF BEGINNING NORTH 18° 48' 10" EAST 917.64 FEET ALONG THE CENTER LINE OF SAID 12TH STREET TO A POINT ON THE SOUTHERLY BOUNDARY OF THAT CERTAIN RIGHT-OF-WAY DESCRIBED IN DEED EXECUTED BY ALICE L. MACK, ET AL., TO PACIFIC GAS AND ELECTRIC COMPANY, DATED JANUARY 28, 1912, AND RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 12, 1912, IN BOOK 349 OF DEEDS, PAGE 480; THENCE NORTH 84° 37' 10" EAST 969.90 FEET ALONG SAID SOUTHERLY BOUNDARY OF RIGHT-OF-WAY TO A POINT ON THE CENTER LINE OF 14TH STREET AS SHOWN ON SAID "MAP OF PART OF SACRAMENTO"; THENCE SOUTH 18° 50' 10" WEST 1083.05 FEET ALONG SAID CENTER LINE OF 14TH STREET TO A CONCRETE MONUMENT MARKED RE 2675 SET AT THE INTERSECTION OF THE CENTER LINE OF SAID 14TH STREET WITH THE NORTHERLY LINE OF 12TH STREET ROAD; THENCE CONTINUING SOUTH 18° 50' 10" WEST 46.05 FEET ALONG THE CENTER LINE OF SAID 14TH STREET TO POINT ON THE CENTER LINE OF 12TH STREET ROAD; THENCE SOUTHWESTERLY ALONG THE CENTER LINE OF 12TH STREET ROAD, CURVING TO THE LEFT ON AN ARC OF 1500.00 FEET RADIUS, SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 58° 08' 40" WEST 34.84 FEET; THENCE CONTINUING ALONG THE CENTER LINE OF 12TH STREET ROAD SOUTH 57° 29' 10" WEST 202.18 FEET TO THE INTERSECTION OF THE CENTER LINE OF 12TH STREET ROAD WITH THE CENTER LINE OF SAID NORTH D STREET; THENCE NORTH 71° 17' 00" WEST 38.48 FEET ALONG THE CENTER LINE OF NORTH D STREET TO A CONCRETE MONUMENT MARKED RE 2675 SET AT THE INTERSECTION OF SAID CENTER LINE OF NORTH D STREET WITH THE NORTHERLY LINE OF 12TH STREET ROAD; THENCE CONTINUING NORTH 71° 17' 00" WEST 697.21 FEET TO THE POINT OF BEGINNING.

PARCEL TWO:

BEGINNING AT THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN THAT CERTAIN DEED EXECUTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO TO THE NORTH SACRAMENTO SCHOOL DISTRICT OF SACRAMENTO COUNTY DATED NOVEMBER 7, 1941 AND RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY NOVEMBER 27, 1941 IN BOOK 921 OF OFFICIAL RECORDS AT PAGE 290; THENCE FROM SAID POINT OF BEGINNING NORTH 84° 37' 10" EAST 969.90 FEET TO THE SOUTHEAST CORNER OF THE SAID NORTH SACRAMENTO SCHOOL DISTRICT PROPERTY; THENCE NORTH 18° 50' 10" EAST 32.88; THENCE SOUTH 84° 37' 10" WEST 969.93 FEET, PARALLEL WITH THE SOUTHERLY BOUNDARY OF SAID NORTH SACRAMENTO SCHOOL DISTRICT PROPERTY TO A POINT ON THE WEST BOUNDARY OF SAID NORTH SACRAMENTO SCHOOL DISTRICT PROPERTY; THENCE SOUTH 18° 48' 10" WEST 32.88 FEET TO THE POINT OF BEGINNING.

APN: 001-0090-003-0000

October 20, 2020

Daniel Falcon, Managing Director
McCormack Baron Salazar, Inc.
117 S. Boyle Avenue, Mgmt. Office
Los Angeles, CA 90033

Re: Conditional Funding Commitment for Mirasol Village Block C (Phase 3)

Dear Mr. Falcon:

On behalf of the Sacramento Housing and Redevelopment Agency (Agency), we are pleased to advise you of its commitment of permanent loan funds (Loan) in an amount not to exceed \$3,038,000 in Choice Neighborhoods Implementation (CNI) funds for the purpose of financing the development of that certain real property known as Mirasol Village Block C (Phase 3) located 320 Dos Rios Street, Sacramento, California (Property). The Agency's decision is based on representations and information supplied by McCormack Baron Salazar, Inc. in its capacity as Housing Lead and Master Developer. 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 included in this funding commitment shall be included in the final loan documents without additional environmental review and governing board approval. In the event of any discrepancies between terms stated in this commitment and the loan documents, the terms stated in the loan commitment letter shall be deemed to be terms of this commitment.

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

This commitment will expire April 30, 2022.

1. **PROJECT DESCRIPTION:** Twin Rivers (Mirasol Village) Phase 3 (Project) is a new construction, mixed-income housing development. The Project is the third phase of development for the multi-phased, Twin Rivers public housing redevelopment project. The Project will include multifamily apartment, townhome, and garden-style walk-up buildings located on a City block (Block C). In addition to a maximum of 74 on-grade parking spaces, the Project will consist of a total of seven residential buildings that will include a minimum of 84 rental housing units. The housing units will be 1-4 bedrooms in size and include a minimum of 46 replacement housing units in accordance with the

HUD-approved replacement housing plan for the Project. The Project will also contain several outdoor amenities including tot lots, barbeque areas, and bike or car share.

2. BORROWER: The name of the Borrower for the Loan is Twin Rivers Phase 3, L.P., a California limited partnership with McCormack Baron Salazar, Inc., or related entity as the lead development partner.
3. PURPOSE OF LOAN: The Loan is to be used by Borrower solely to pay the costs of development of the Project and for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, as well as in such other agreements as may be generally required by the Agency for the use of the funding source for the Loan.
4. PRINCIPAL AMOUNT: The principal amount of the Loan will be a maximum of Three Million Thirty-Eight Thousand Dollars (\$3,038,000) or such lesser amount as may be needed and as determined by Borrower and approved by Agency prior to close of the Loan.
5. TERM OF LOAN: The Loan shall mature up to 55 years from the date of completion of construction, at which point any and all unpaid principal and interest on the loan will be due and payable. Final maturity date will be determined by impact of terms and conditions of other sources of financing approved for the Project.
6. INTEREST RATE: The Loan will bear simple interest at four percent (4%) per annum. Interest shall be calculated on a 365-day year, actual days elapsed basis.
7. ANNUAL REPAYMENT: Annual principal and interest payments shall be made according to the structured payment schedule contained in the final Loan Agreement and as calculated to achieve a minimum annual debt service coverage ratio of 1.2:1. Payments shall be applied first to outstanding interest accrued and unpaid and then to principal. All outstanding principal and interest is due and payable on the maturity date. Notwithstanding the preceding payment schedule, no payments shall be required on this Loan until the full balance of principal and interest on the proposed capitalized ground lease made by the Housing Authority of the County of Sacramento to Borrower pursuant to the Master Development Agreement is paid in full.
8. SOURCE OF LOAN FUNDS: Agency is making the Loan from Choice Neighborhoods Implementation (CNI) grant funds and is subject to all of the requirements related to the use of these funds, whether Agency requirements or otherwise. This Loan is conditioned upon Borrower's acceptance of Agency requirements and conditions related to its 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 additional liens senior to the Agency's lien securing loans needed for the Project and such other liens or items as the Agency may approve in writing prior to close. The Loan shall also be secured by security agreements where required. The Agency may agree to subordinate said deed of trust in order to accommodate completion of construction of the Project.
11. LEASE AND RENTAL SCHEDULE: All leases of the Property and Improvements shall be subject to Agency 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 stated in Borrower's request for the Loan. Proof of equity will generally be in the form of verified low income housing tax credit equity and deferred developer fee. If the final equity contribution is less than that as anticipated, the difference in equity must be offset by an increase in the 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 Agency loan, construction financing from private lender(s) in an amount(s) sufficient to complete construction of the Project according to a Scope of Work as approved by Agency (Construction Financing). The term of Construction Financing must not be 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 Construction Financing liens senior to the Agency's lien.
- (c) Such commitments for construction and permanent 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 Agency documents 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 will submit 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" at all times. The Loan is "in balance" whenever the amount of the undisbursed Loan funds, the remaining sums to be provided by the Borrower and the loan funds from other project lenders or the equity investor are sufficient, in the sole judgement of the Agency, to pay for the remainder of the work to be done on the project as required by written agreement with the Agency. Should the Agency determine that the Loan is not "in balance" the Agency may declare the Loan to be in default.
17. PLANS AND SPECIFICATION: Final plans and specifications, if any, for the project must be in accord with the approved proposal. Final plans and specifications will be subject to Agency's final approval prior to the disbursal of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the project. The final plans shall incorporate all related mitigation measures as required in the Mitigation Monitoring and Reporting Program of Twin Rivers (Mirasol Village) Transit Oriented Development and Light Rail Station Project as may applicable to Twin Rivers (Mirasol Village) Phase 3, 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%) of each construction disbursement as retention, 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 Project, which breakdown conforms to the project plans and specification and the approved budget for the Project. Borrower shall also deliver a list of all contractors and subcontractors to be employed in connection with the construction of the Improvements. If required by the Agency, Borrower shall also submit copies of all bids received for each item of work to be performed as well as copies of executed contracts and subcontracts with acceptable bidders.

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

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

22. COST SAVINGS: At completion of construction, Borrower shall submit to Agency a cost certification prepared by a qualified, independent auditor acceptable to Agency which 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 fifty percent (50%) of such savings from the amount of retention then held by the Agency and the Loan balance shall be reduced by the amount

so withheld. The Agency, in its sole discretion, shall determine any reduction and/or repayment of the Agency loan based upon this cost certification and the original approved budget for the project.

23. START OF CONSTRUCTION: Borrower shall commence construction at the earliest possible date subject to the conditions of this Agency and other involved lenders, but no later than sixty (60) days following the close of construction financing.
24. COMPLETION OF CONSTRUCTION: Borrower shall complete the construction of the Improvements no later than 24 months following the close of construction financing.
25. SECURITY CAMERAS AND OUTSIDE LIGHTING: Project shall include installation of a security camera system, exterior lighting, and security patrols, all as approved by the Agency.
26. INSURANCE PROVIDER: Each policy of insurance required under the Loan shall be obtained from a provider licensed to do business in California and having a current Best's Insurance Guide rating of A VII, which rating has been substantially the same or increasing for the last five (5) years, or such other equivalent rating, as may reasonably be approved by Lender's legal counsel.
27. HAZARD INSURANCE: Borrower shall procure and maintain fire and extended coverage insurance and during construction Builder's Risk completed value insurance in a form and substance approved by Agency. Coverage shall be for protection against loss of, or damage to the Improvements or materials for their construction to their full insurable value. Borrower shall also procure and maintain insurance against specific hazards affecting Agency's security for the Loan as may be required by Agency, governmental regulations, or any permanent lender. All such policies shall contain a standard mortgagee loss payable clause in favor of Agency. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000.00).
28. PUBLIC LIABILITY AND OTHER INSURANCE: Borrower must procure and maintain public liability and property damage insurance (with Agency named as additional insured) in a form approved by Agency. Coverage must be approved by Agency and must be in at least the following limits of liability: (1) Commercial General Liability insurance in Insurance Services Office (ISO) policy form CG 00 01 Commercial General Liability (Occurrence) or better with limits of liability, which are not less than \$1,000,000, per occurrence limit; \$5,000,000 general aggregate limit, and \$5,000,000 products and completed operations aggregate limit, all per location of the Project; (2) Property damage liability of \$1,000,000 each occurrence, \$1,000,000 single limit and \$1,000,000 aggregate; (3) Contractual liability for Bodily Injury of \$1,000,000 each occurrence, for Property Damage of \$1,000,000 each occurrence and \$1,000,000 aggregate, and Personal Injury with Employment Exclusion Deleted of \$1,000,000 aggregate; and (4) Comprehensive Automobile Liability for any vehicle used for or in connection with the Work of \$1,000,000. The insurance required shall be written with a

deductible of not more than TEN THOUSAND DOLLARS (\$10,000). Borrower must also procure and maintain workers' compensation and all other insurance required under applicable law, as required by law and as approved by Agency.

29. TITLE INSURANCE: Borrower must procure and deliver to Agency an ALTA Lender's Policy of Title Insurance, together with such endorsements as Agency may require, including but not limited to CLTA endorsement nos. 100, 116, and 102.5/102.7 insuring Agency in an amount equal to the principal amount of the Loan, that Agency's Deed of Trust constitutes a third lien or charge upon the Property and Improvements subject only to such items as shall have been approved by Agency. There must be no exceptions permitted for mechanic's 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 OR LEASE OF PROPERTY: Borrower shall provide Agency with copies of all documents relating to Borrower's ownership interest in 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 management, as Agency may request.
33. MANAGEMENT AGREEMENT: Prior to execution, Borrower must submit to Agency any agreement providing for the management or operation of the Property or Improvements by a third party which agreement is subject to Agency Approval.
34. RESIDENT SERVICES AGREEMENT: Prior to execution, Borrower must submit to Agency an agreement providing for the resident services by a third party which agreement is subject to Agency Approval.

35. LOW INCOME HOUSING TAX CREDITS (LIHTC): Borrower represents that as a condition of closing this Loan it is applying for an allocation of LIHTC's and agrees to perform all actions and meet all requirements to maintain the LIHTC allocation if granted.
36. SMOKE-FREE ENVIRONMENT: At least 50% of the buildings but no less than 50% of the units must be smoke free. All indoor common areas must be smoke-free.
37. DOCUMENTATION: This letter is not intended to describe all of the requirements, terms, conditions and documents for the Loan, which shall also include customary provisions and documents for an Agency transaction of this type. All documents to be delivered to or approved by Agency must be satisfactory to Agency in all respects. Borrower must promptly deliver to Agency any further documentation that may be required by Agency.
38. CONSISTENCY OF DOCUMENTS: As a material obligation under this commitment letter, Borrower shall assure that the loan documents for the Project are consistent with lender's commitment approved by the Agency and comply with same.
39. CHANGES OR AMENDMENTS: No documents or contracts which are to be delivered to Agency or are subject to Agency's review or approval shall be modified or terminated without the prior written approval of Agency.
40. ACCEPTANCE OF THIS COMMITMENT: Borrower's acceptance of this Commitment shall be evidenced by signing and delivering to Agency the enclosed copy of this letter. Until receipt of such acceptance by Agency, Agency shall have no obligation under this letter. Agency may withdraw this commitment at any time prior to Borrower's acceptance.

Sincerely,

La Shelle Dozier
Executive Director

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

BORROWER:

Twin Rivers Phase 3 L.P., a California limited partnership
By: McCormack Baron Salazar, Inc., or related entity

By: _____
Daniel Falcon, Managing Director

EXHIBIT B

Mirasol Village Block C (Twin Rivers Phase 3)	
	PREDEVELOPMENT BUDGET
SOURCES:	
PHA Predevelopment Loan - Choice Neighborhoods Funds	\$ 3,038,000
PHA Developer Overhead Fee Loan - Choice Neighborhoods Funds	\$ -
Partnership Loan - Non-Choice Neighborhoods Funds	\$ 1,012,667
TOTAL	\$ 4,050,667
USES:	
Master Planning	
Master Plan Design Fees	296,471
Total	296,471
Permits and Fees	
Building Permits	730,224
Impact Fees	600,000
Total	1,330,224
Architecture (Excluding Construction Admin)	
Architectural Design - Housing	1,491,492
Total	1,491,492
Engineering & Environmental Fees	
Survey	10,500
Geotech, Soils and Materials Testing	70,000
Phase 1 and Environmental Review Consultant	75,000
Green/Solar Consulting	70,000
Total	225,500
Financing Fees	
Tax Credit Application Fees	1,000
Tax Credit Reservation Fee	107,153
Tax Exempt Bond Fees	101,200
Financing Fees	172,625
Predev Loan Fee	18,750
Predev Loan Interest	167,585
Total	568,313
Professional Fees	
Market Study	8,000
Appraisals	8,000
Admin/Finance	10,000
Total	26,000
Subtotal Third Party Predevelopment Budget	3,938,000
Contingency	
Project Contingency	112,667
Total	112,667
TOTAL REIMBURSABLE COSTS	\$ 4,050,667
TOTAL PREDEVELOPMENT COSTS	\$ 4,050,667
Total Choice Neighborhood Funds Requested	3,038,000
Total Developer Funds	1,012,667

EXHIBIT C

PROMISSORY NOTE

PROMISSORY NOTE
Twin Rivers Housing Phase 3

\$3,038,000

Sacramento, California
_____, 2020

FOR VALUE RECEIVED, **TWIN RIVERS PHASE 3, L.P.**, a California limited partnership (the "Borrower"), promises to pay to the **HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO, CALIFORNIA**, a public body corporate and politic (the "HACOS" or the "Authority"), or order, the principal sum of Three Million Thirty-Eight Thousand Dollars (\$3,038,000), plus interest thereon pursuant to Section 2 below.

1. **Borrower's Obligation.** This promissory note (the "Note") evidences the Borrower's obligation to pay the Authority the principal amount of Three Million Thirty-Eight Thousand Dollars (\$3,038,000) for the funds loaned to the Borrower by Authority to finance predevelopment expenses in connection with the Twin Rivers Housing Phase 3 pursuant to the Predevelopment Loan Agreement between the Borrower and the Authority of even date herewith (the "Loan Agreement"). All capitalized terms used but not defined in this Note have the meanings set forth in the Loan Agreement.
2. **Interest.** No interest will accrue on this Note; provided, however, if a Default occurs, interest on the principal balance will begin to accrue as of the date of Default (following expiration of applicable notice and cure periods) and continuing until such time as the Loan funds are repaid in full or the Default is cured, at the default rate of the lesser of ten percent (10%), compounded annually, or the highest rate permitted by law.
3. **Term and Repayment Requirements.** The term of this Note (the "Term"), shall commence with the date of this Note and shall expire on the earlier of: (i) the date of the Construction Closing on Twin Rivers Housing Phase 3 or (ii) the termination of the MDA. Payments due under this Note are due in accordance with this Note and as set forth in Section 2.4 of the Loan Agreement.
4. **No Assumption.** This Note is not assumable by the successors and assigns of Borrower without the prior written consent of the Authority or as set forth in Section 4.3 of the Loan Agreement.
5. **Security.** This Note is secured by an Assignment, dated concurrently with this Note.

6. Terms of Payment.

(a) Borrower shall make all payments due under this Note in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

(b) All payments on this Note are to be paid to the Housing Authority of the County of Sacramento, 801 12th Street, Sacramento, CA 95814, Attention: Executive Director or to such other place as the Authority may from time to time designate in writing.

(c) Payment in Full. Subject to Section 2.4(c) of the Loan Agreement, all principal and interest, if any, on the Loan will, at the option of the Authority, be due and payable upon the earlier to occur of: (i) the expiration of the Term or, (ii) the occurrence of a Default as defined in Section 7 which remains uncured after any applicable notice and cure period. However, in the event the Authority elects to provide construction and/or permanent financing to the Project in accordance with the MDA, then the outstanding balance of the Loan shall be included in the principal balance of any such future financing and governed by such future loan documents and the Loan Documents shall be terminated and of no further force or effect; provided that in no event shall this Agreement constitute a commitment by the Authority to provide any such future financing.

(d) All payments on this Note will be without expense to the Authority. Borrower shall pay all costs and expenses, and reasonable attorney's fees of the Authority, incurred in connection with the payment of this Note and the release of any security hereof.

(e) Notwithstanding any other provision of this Note, or any instrument securing the obligations of the Borrower under this Note, if, for any reason whatsoever, the payment of any sums by the Borrower pursuant to the terms of this Note would result in the payment of interest which would exceed the amount that the Authority may legally charge under the laws of the State of California, then the amount by which payments exceed the lawful interest rate will automatically be deducted from the principal balance owing on this Note, so that in no event will the Borrower be obligated under the terms of this Note to pay any interest which would exceed the lawful interest rate.

7. Default.

(a) Upon the occurrence of a Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note, will, at the option of the Authority, become immediately due and payable upon written notice by the Authority to the Borrower without further demand.

(b) The Authority's failure to exercise the remedy set forth in Subsection 7(a) above or any other remedy provided by law upon the occurrence of a Default will not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other Default. The acceptance by Authority hereof of any payment which is less than the total of all amounts due and payable at the time of such payment will not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or

nullify any prior exercise of any such remedy or option, without the express consent of the Authority, except as and to the extent otherwise provided by law.

8. Waivers.

(a) The Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, and notice of dishonor of this Note. The Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time and that the Authority may accept further security or release any security for this Note, all without, in any way, affecting the liability of the Borrower.

(b) No extension of time for payment of this Note or any installment hereof made by agreement by the Authority with any person now or hereafter liable for payment of this note will operate to release, discharge, modify, change or affect the original liability of the Borrower under this Note, either in whole or in part.

(c) The obligations of the Borrower under this Note are absolute, and the Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

(a) All notices to the Authority or the Borrower must be given in the manner and at the addresses set forth in the Loan Agreement or to such addresses as the Authority and the Borrower may hereinafter designate.

(b) The Borrower promises to pay all costs and expenses, including reasonable attorney's fees incurred by the Authority in the enforcement of the provision of this Note, regardless of whether suit is filed to seek enforcement.

(c) This Note may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

(d) This Note is governed by and construed in accordance with the laws of the State of California.

(e) The times for the performance of any obligations hereunder will be strictly construed, time being of the essence.

(f) This Note, together with the Loan Documents, contains the entire agreement between the parties as to the Loan. This Note may not be modified except upon written consent of the parties.

(g) This Note is made without recourse to the Borrower and secured solely by the Assignment and the Collateral Documents. No individual member, partner or employee of the Borrower may be personally liable to the Authority in the event of any default or breach by

the Borrower or for any amount which may become due to the Authority or its successor or for any obligation under the terms of this Note.

IN WITNESS WHEREOF, this Promissory Note is executed by Borrower, effective as of the date first written above.

BORROWER:

TWIN RIVERS PHASE 3, L.P., a California limited partnership

By: Twin Rivers Phase 3 MBS GP, Inc., a California corporation, its general partner

By: _____
Name: _____
Title: _____

EXHIBIT D

ASSIGNMENT AGREEMENT

ASSIGNMENT OF COLLATERAL DOCUMENTS
Twin Rivers Housing Phase1

This Assignment of Collateral Documents (the "Assignment") is entered into as of _____, 2020, by and between the **HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO, CALIFORNIA**, a public body, corporate and politic (the "Assignor") and **TWIN RIVERS PHASE 3, L.P.**, a limited partnership ("Assignee") with reference to the following facts:

RECITALS

A. Pursuant to the terms of that certain Predevelopment Loan Agreement dated of even date herewith, by and between Assignor and Assignee (the "Predevelopment Loan Agreement"), Assignor desires to assign to Assignee, and Assignee desires to accept from Assignor, the assignment of Assignor's right, title, and interest in and under those agreements, contracts and other work product described below and incurred by Assignor in connection with the Development, as listed in Schedule I attached hereto, as the same may be amended from time to time.

B. The consent to such assignments by various third parties may be required in the form of consent attached hereto as Schedule II.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties mutually agree as follows:

TERMS

1. Assignment by Assignor. Pursuant to Section 2.5 of the Predevelopment Loan Agreement, Assignor hereby assigns and delegates to Assignee, and Assignee hereby accepts from Assignor, all of Assignor's right, title, and interest in and obligations under the following, to the extent paid for from Loan funds:

(a) all architectural designs, construction, engineering and consulting contracts (including Development Contracts as defined in the Loan Agreement) and development agreements, and any and all amendments, modifications, supplements, addenda and general conditions thereto (collectively, the "Project Agreements") heretofore or hereafter entered into by Borrower and any Contractor (as defined below);

(b) all plans and specifications, shop drawings, working drawings, reports (including Development Reports as defined in the Predevelopment Loan Agreement), studies, amendments, modifications, changes, supplements, general conditions, addenda and work

product thereto (collectively, the "Reports, Plans and Specifications") heretofore or hereafter prepared by Borrower or any Contractor;

(c) all land use approvals, conditional use permits, building permits and other governmental entitlements and approvals of any nature obtained for the Development (collectively, the "Land Use Approvals"); and

(d) all financing or other applications and all other tangible documents, except those of a proprietary or confidential nature ("General Documents").

For purposes of this Agreement, the term "Contractor" means any architect, contractor, engineer, consultant or other person or entity entering into Agreements with Borrower (other than attorney agreements for the provision of legal services) and/or preparing reports, plans and specifications or other documents for Borrower with respect to the Development. Such Project Agreements, Reports, Plans and Specifications, Land Use Approvals, and General Documents, shall hereinafter be collectively referred to as the "Collateral Documents". It is intended that all Collateral Documents funded with the Loan, whenever produced, be assigned through the Assignment to Assignee as security for the Loan. So long as there shall be no Event of Default under the Predevelopment Loan Documents, Assignor shall retain all obligations and rights under the Collateral Documents.

2. Purpose. This Assignment is made to secure: (i) payment to Assignee of all sums now or hereafter owing under the Note, dated concurrently herewith and made by Assignor to the order of Assignee, and any and all additional advances, modifications, extensions, renewals, and amendments thereof; and (ii) payment and performance by Assignor of all its obligations under the Predevelopment Loan Agreement.

3. No Assumption of Obligations. Assignee does not assume any of Assignor's obligations or duties under any Collateral Documents, including, but not limited to, the obligation to pay for the preparation of any Collateral Documents, until and unless Assignee exercises its rights under this Assignment.

4. Attorney-In-Fact. Assignor hereby irrevocably appoints Assignee as its attorney-in-fact, which power is coupled with an interest, so that Assignee shall have the right to demand, receive, and enforce any and all of Assignor's rights with respect to the Collateral Documents, and to perform any and all acts in the name of Assignor or in the name of Assignee with the same force and effect as if performed by Assignor in the absence of this Assignment, upon the occurrence of: (i) a Default by Assignor (after notice and opportunity to cure) or an event which, with notice or the passage of time or both, would constitute a Default under the Predevelopment Loan Agreement, or (ii) any termination of the Predevelopment Loan Agreement. Until such occurrences, Borrower will be entitled to exercise all rights pertaining to the Collateral Documents.

5. No Previous Assignment. Assignor represents and warrants to Assignee that no previous assignment(s) of its right or interest in or to the Collateral Documents has or have been made, and Assignor agrees not to assign, sell, pledge, transfer, mortgage, or hypothecate its right

or interest therein (without the written approval of Assignee's Executive Director) so long as Assignee holds or retains any security interest under the Predevelopment Loan Agreement.

6. Governing Law. This Assignment is to be governed by the laws of the State of California, except to the extent that federal law preempts the laws of the State of California. Assignor consents to the jurisdiction of any federal or state court within the State of California having proper venue for the filing and maintenance of any action arising hereunder and agrees that the prevailing party in any such action will be entitled, in addition to any other recovery, to reasonable attorneys' fees and costs.

7. Binding Upon Successors and Assigns. This Assignment is binding upon and will inure to the benefit of the heirs, legal representatives, successors-in-interest, and assigns of Assignor and Assignee; provided, however, this Section 7 may not be construed and is not intended to waive the restrictions on assignment, sale, transfer, mortgage, pledge, hypothecation, or encumbrance by Assignor contained in the Predevelopment Loan Agreement.

8. Capitalized Terms. Capitalized terms used but not defined in this Assignment have the meanings set forth in the Predevelopment Loan Agreement.

9. Headings. Section headings contained in this Assignment are inserted as a matter of convenience and for ease of reference only and will be disregarded for all other purposes, including the construction or enforcement of this Assignment or any of its provisions.

10. Termination. This Assignment will terminate, and the lien of the Assignee under this Assignment will be released upon the Assignor's repayment in full of the Predevelopment Loan or termination of the Predevelopment Loan pursuant to Section 6.5 of the Predevelopment Loan Agreement.

11. Counterparts. This Assignment may be executed in counterparts by the Parties hereto, each of which shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument.

SIGNATURES FOLLOW ON NEXT PAGE.

WHEREAS, this Assignment has been entered into and made effective by the undersigned as of the dates first above written.

ASSIGNEE

TWIN RIVERS PHASE 3, L.P., a California limited partnership

By: Twin Rivers Phase 3 MBS GP, Inc., a California corporation, its general partner

By: _____
Name: _____
Title: _____

ASSIGNOR

HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO, a public body, corporate and politic

By: _____
Name: _____
Title: _____



October 2, 2020

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Approval of a Second Substantial Amendment to the 2020-2024 Consolidated Plan, a Second Substantial Amendment to the 2020 One-Year Action Plan, and an Amendment to the Citizen Participation Plan to the Coronavirus Aid, Relief, and Economic Security Act (CARES) Funding

RECOMMENDATION

Staff is presenting this information to the Commission for final review prior to review by the City of Sacramento.

Respectfully submitted,


Executive Director

Attachment



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2671

www.City of Sacramento.org

Public Hearing
October 13, 2020

Honorable Mayor and Members of the City Council

Title: Approval of a Second Substantial Amendment to the 2020-2024 Consolidated Plan, a Second Substantial Amendment to the 2020 One-Year Action Plan, and an Amendment to the Citizen Participation Plan to the Coronavirus Aid, Relief, and Economic Security Act (CARES) Funding

Location/Council District: Citywide

Recommendation: Conduct a public hearing and upon conclusion adopt a City Council Resolution a) approving the second Substantial Amendment to the 2020-2024 Consolidated Plan as set out in Exhibit A, and directing the Sacramento Housing and Redevelopment Agency (SHRA) to submit to the amended plan to the United States Department of Housing and Urban Development (HUD); b) approving the second Substantial Amendment to the 2020 One-Year Action Plan to allocate Emergency Solutions Grant – Coronavirus 2 (ESG-CV2) and Community Development Block Grant Coronavirus 3 (CDBG-CV3) funds as described in Exhibit B and submit to HUD; c) authorizing SHRA to amend its budget to allocate ESG-CV2 and CDBG-CV3 funding for programs and activities in accordance with the amended 2020 One-Year Action Plan; d) authorizing the City Manager or his designee to execute agreements with SHRA to carry out the activities contained in the amended 2020 One-Year Action Plan in compliance with applicable federal laws and regulations, as approved to form by SHRA Counsel and the City Attorney; e) authorizing and delegating authority to SHRA to act as agent on behalf of the City of Sacramento to execute grant agreements with HUD and execute agreements and contracts with the appropriate entities to carry out programs and projects in accordance with the amended 2020 Action Plan and in compliance with applicable federal laws and regulations as approved to form by SHRA Counsel; f) authorizing SHRA to make any budget adjustments and execute related documents as administer the federal programs as described in the amended 2020 Action Plan in compliance with applicable federal laws and regulations as outlined in Exhibit B; g) approving the City and County of Sacramento amended Citizen Participation Plan amendment (Exhibit C), and making related findings.

Contact: Tyrone Roderick Williams, Deputy Executive Director, (916) 440-1316, Sacramento Housing and Redevelopment Agency

Presenters: Celia Yniguez, Program Manager, (916) 440-1350, Sacramento Housing and Redevelopment Agency

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES), Public Law 116-136 was approved which made \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) and \$4 billion in Emergency Solutions Grant Coronavirus (ESG-CV) funds available to respond to the growing effects of the historic COVID-19 public health crisis on the community. HUD allocated in multiple rounds. The first round released in April included CDBG-CV1, ESG-CV1 and HOPWA supplemental. In June, the second round, ESG-CV2, was released followed in September with the third round, CDBG-CV3. All require allocation through Action Plan Amendments.

Sacramento COVID-19 Homeless Response Plan

The COVID-19 Homelessness Response Team (Response Team) composed of staff from the City and County of Sacramento, Sacramento Steps Forward (SSF) developed the Sacramento COVID-19 Homelessness Response Plan (Response Plan). The strategies and actions were designed to slow the spread of COVID-19 and mitigate impacts for persons experiencing homelessness.

The Sacramento City Council and Sacramento County Board of Supervisors approved the Plan on April 7, 2020 and Sacramento Continuum of Care adopted it on April 8, 2020. Subsequently, on April 21, 2020, the City Council allocated the first round of CARES funding including \$2.8 million in CDBG-CV1 and \$1.4 million in ESG-CV1 to the Response Plan.

The Response Plan received more than \$15 million in collective County and City funding to use for COVID-19 specific responses. The three areas of direct services to people experiencing homelessness included:

- 1) Keeping existing shelters safe and operational through education and provision of supplies;
- 2) Expanding sheltering capacity focusing on isolation/quarantine opportunities through the use of motels and trailers; and
- 3) Supporting encampments through outreach, supply delivery, and increased sanitation.

After two months the Response Team determined that due to the continued impacts of COVID-19 the Response Plan required modifications. These modifications in addition to new Re-housing Strategies were presented to the Sacramento Continuum of Care as an informational item on July 8 and were approved by the Sacramento County Board of Supervisors July 14 and the City Council on August 18, 2020. The Homeless Response Plan modifications reduced the original number of isolation/quarantine rooms, extended the duration of the sheltering program through December, added case management services for participants.

2020 Action Plan and Consolidated Plan second amendment

The new Re-housing Strategies include short term and long term rehousing components. The short term strategy includes, 1) Providing rehousing assistance into existing permanent housing; and the long term strategy includes, 2) SHRA leading the development of new permanent supportive housing through motel acquisition and conversion.

SHRA was the co-applicant on a State of California, Homekey Program application submitted in August. The Homekey Program provides funding that can be used for the acquisition, rehabilitation and operation of motels to house homeless individuals and families. The funding application was for the acquisition, renovation and operating of the Hawthorn Suites motel located at 312 Bercut Drive. The property will be used as transitional housing that will transition to a permanent supportive housing project. The project is called the Bercut Village development and was approved by the state for \$12,484,000. An additional \$1.7 million in funding from ESG-CV2 funding will be needed to complete the project.

ESG-CV2 and CDBG-CV3 Allocations

The ESG-CV2 allocation amount is \$10,205,871 based upon a new formula. As with the first allocation, funds are to follow ESG program guidelines and are to be used to prevent, prepare for, and respond to the coronavirus pandemic among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impact of COVID-19.

The ESG program provides funding for:

- Street Outreach - engage homeless individuals and families living on the street;
- Emergency Shelters - shelter operations and providing essential services to shelter residents;
- Rapid Rehousing - rapidly rehouse homeless individuals and families with rental assistance and services; and
- Prevention - providing rental assistance and services to prevent families/individuals from becoming homeless.

The modifications to the Response Plan require allocation of ESG-CV2 resources. This report allocates funding to implement the following activities: Downtown Streets Team (outreach) and North 5th Street Navigation Center (emergency shelter) and program administration. The \$7.1 million to the Bercut Village development will be done in a separate report on October 13, 2020.

Emergency Solutions Grant - CV2	
Downtown Streets Team	\$350,000
North 5th Street Navigation Center	\$2,245,577
Program Administration (5%)	\$510,294
Action Plan Amendment #2	\$3,105,871
Bercut Village development (allocation in separate report, October 13)	\$7,100,000
Total ESG-CV2 funding	\$10,205,871

In September, HUD allocated \$3,600,966 in CDBG-CV3 to the City (round two of CDBG-CV was directed to states). The limit on CDBG-CV funding to public services was waived providing a flexible source to address COVID-19 impacts. A new formula was developed for the third round of CDBG funding which considered “communities with high rates of individuals in industries with high job loss in states with high unemployment” to specifically help those struggling to meet their monthly rental or mortgage obligations. Therefore, SHRA recommends allocating \$2 million in CDBG-CV3 funds to the Sacramento Emergency Rental Assistance program, rather than ESG-CV-2. When combined with the \$2.7 million in Coronavirus Relief Funding provided directly to the City from the US Treasury for the mitigation of COVID-19 impacts, the City Council direction provided on August 18, 2020 has been achieved.

Community Development Block Grant – CV3	
Sacramento Emergency Rental Assistance Program	\$2,000,000
Unallocated	\$1,420,918
Program Administration (5%)	\$180,048
Total	\$3,600,966

Staff is requesting approval of a second Substantial Amendment to the 2020-2024 Consolidated Plan and a second Substantial Amendment to the 2020 One-Year Action Plan as detailed in Exhibit A and requests authorization to submit the amended plan to HUD. The 2020-2024 Consolidated Plan and the 2020 One-Year Action Plan were approved by Resolution 2019-0408 on October 22, 2019, which was amended on April 21, 2020 by Resolution 2020-0098. The Consolidated Plan and One-Year Action Plan amendments identify new resources and proposed activities for the expenditure of the ESG-CV2 and CDBG-CV3 funds to address the COVID-19 crisis. Newly funded activities support the Response Team’s recommendations and are scheduled to be implemented as soon as agreements are executed (Exhibit B). An amendment to the Citizen Participation Plan is also proposed. The amendment includes updated language related to the providing public engagement through virtual public meetings (Exhibit C).

The public hearing before the City Council was noticed on October 1, 2020. SHRA received the required HUD waiver allowing for a 5-day public comment period on April 7, 2020.

Policy Considerations: The proposed appropriation of funds for new and existing activities is consistent with the goals and objectives outlined in the amended Consolidated Plan. The Consolidated Plan goals include assisting low- and moderate-income persons and areas with the following: housing, homeless facilities and services, public services, public facility and infrastructure improvements, and planning activities.

Economic Impacts: Not applicable.

Environmental Considerations: California Environmental Quality Act (CEQA): The recommended actions are considered administrative or fiscal activities and therefore are not considered a project subject to CEQA pursuant to 14 CCR section 15378(b). Additionally, any funds used for emergency projects related to COVID will be exempt from CEQA review pursuant to 14 CCR section 15269(c). National Environmental Policy Act (NEPA): The recommended actions are administrative and management activities and are therefore exempt under NEPA pursuant to 24 CFR 58.34(a)(1) and (3). Additionally, any activities undertaken with the above mentioned funds will either be exempt from NEPA pursuant to 24 CFR 58.34(a)(3) or (4), or categorically excluded pursuant to 24 CFR 58.35(b)(1) or (2). If required, NEPA review will be completed prior to taking any choice limiting action.

Sustainability Considerations: Not applicable.

Commission Action: *Sacramento Housing and Redevelopment Commission:* It is anticipated that, at its October 7, 2020 meeting, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Council in the event the item is not approved.

Rationale for Recommendation: As a condition of the receipt of various CARES Act grants provided through HUD, the 2020-2024 Consolidated Plan and the Citizen Participation Plan are proposed for amendment to include new funding resources and allow for virtual public meetings. The 2020 Action Plan is proposed to be amended to include the ESG-CV2 and CDBG-CV3 CARES Act funding. The amendment includes a description of proposed activities and expenditures that meet the goals and priorities of the Consolidated Plan. These funds are designated to activities which will assist the community's vulnerable populations during this health crisis.

Financial Considerations: The ESG-CV2 funding is \$10,205,871 and CDBG-CV3 is \$3,600,966. This report proposes allocations of \$2,245,577 to provide emergency shelter operations and essential services; \$350,000 to outreach services (new) category; and \$510,294 for program administration. The remaining ESG-CV2 funding of \$7.1 million will be allocated to the Bercut Village development in a staff report scheduled for October 13, 2020.

This report proposes allocation of \$2,000,000 in CDBG-CV3 funds to the Sacramento Emergency Rental Assistance Program, consistent with the Council approval of the program on September 22, 2020. The allocation of \$180,048 in CDBG-CV3 to administration is also proposed. The remaining \$1,420,918 of CDBG-CV3 will be allocated in a subsequent report. The Consolidated Plan and Action Plan Amendment details are provided in Attachment A and B to the resolution.

Local Business Enterprise (LBE) - M/WBE and Section 3 requirements: 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 they may be applicable.

Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

Attachments

- 1-Description/Analysis
- 2-Resolution
- 3-Exhibit A to Resolution - 2020-2024 Consolidated Plan Amendment #2
- 4-Exhibit B to Resolution – 2020 Action Plan Amendment #2
- 5-Exhibit C to Resolution –Citizen Participation Plan Amendment

RESOLUTION NO. 2020 -

Adopted by the Sacramento City Council

On date of

Authorization for the Substantial Amendment #2 to the 2020-2024 Consolidated Plan; Substantially Amend the 2020 One-Year Action Plan for the Community Development Block Grant (CDBG), Housing Opportunities for Persons With AIDS (HOPWA), and Emergency Solutions Grant (ESG) Funded Projects and Programs for the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); Authorization for the Substantial Amendment #2 to the 2020 One-Year Action Plan for the Community Development Block Grant, Housing Opportunities for Persons With AIDS (HOPWA), and Emergency Solutions Grant Funded Projects and Programs for the Coronavirus Aid, Relief, and Economic Security Act; Amendment of Prior Years' Action Plans; Amend the City and County of Sacramento Citizen Participation Plan; Amendment to the Sacramento Housing and Redevelopment Agency (SHRA) Budget; Execute Documents for the Administration of Federal Programs related to the Coronavirus Aid, Relief and Economic Security Act

BACKGROUND

- A. The United States Department of Housing and Urban Development (HUD) requires the adoption of a Five-Year Consolidated Plan and annual Action Plan, consistent with the Consolidated Plan, to identify the programs and projects for expenditure of federal Community Development Block Grant, HOME Investment Partnership Program (HOME), Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS.
- B. Since 1982 the Sacramento Housing and Redevelopment Agency (SHRA) and its constituent entities has served as the public entity designated to efficiently administer the CDBG program and was subsequently designated as the public entity to administer HOME, ESG, and HOPWA, funding originating from HUD.
- C. As the recipient of HUD funding and designated agent for the City of Sacramento, SHRA is authorized to submit environmental determinations on the City's behalf and on the behalf of non-profit sub-recipients.
- D. The recommended actions are consistent with the goals and objectives contained in the 2020-2024 Consolidated Plan, the Analysis of Impediments to Fair Housing Choice (AI) and the 2020 Action Plan which were approved by Resolution No. 2019-0408.
- E. On March 27, 2020, the President of the United States signed the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136. This made available \$5 billion CDBG Coronavirus (CDBG-CV) funds, \$4 billion in ESG Coronavirus (ESG-CV) and \$65 million in HOPWA supplemental funds to respond to the growing effects of the historic COVID-19 public health crisis.

- F. The CARES Act allocated funding to the City of Sacramento based upon fiscal year 2020 formulas in the following amounts: \$2,869,932 of CDBG-CV, \$1,453,941 of ESG-CV and \$218,082 of HOPWA supplemental allocation.
- G. The CARES Act allocated a second round of ESG-CV funding, ESG-CV2 to the City of Sacramento based upon a new formula in the amount of \$10,205,871.
- H. The CARES Act allocated a third round of CDBG-CV funding, CDBG-CV3 to the City of Sacramento based upon a new formula in the amount of \$3,600,966.
- I. The CARES Act authorized the HUD Secretary to grant waivers and alternative requirement of statutes and regulations in connection with the use of CDBG-CV funds, including the suspension of the 15 percent cap on public services; reducing the public comment period to 5 days for consolidated plan and action plan amendments, and allowing the option of virtual hearings.
- J. The CARES Act authorized the HUD Secretary to grant waivers and alternative requirement of statutes and regulations in connection with the use of ESG-CV funds, including the suspension of the spending cap on emergency shelter and outreach activities; administrative cost cap is increased to 10 percent; funds are exempt from the match requirements; funds not subject to consultation and citizen participation requirements; subrecipients may deviate from applicable procurement standards; and supportive services are not a required to receive treatment.
- K. SHRA has applied and received for waivers for the CDBG-CV, ESG-CV and HOPWA supplemental funds.
- L. The City Council and County Board of Supervisors approved Sacramento COVID-19 Homeless Response Plan (Response Plan) and authorized implementation of the plan on April 7, 2020. The comprehensive plan utilizes, local, state and federal funding. The Board of Supervisors approved an amendment on July 14. The Response Plan designates the City and County with lead responsibilities.
- M. The 2020-2024 Consolidated Plan, the 2020 Action Plan and the City and County of Sacramento Citizen Participation Plan were amended to accept and allocate the CARES Act funding by City Council Resolution No. 2020-0098.
- N. On October 1, 2020 a notice to solicit comments on the proposed actions was published. The actions are scheduled to be approved at the Sacramento City Council meeting on October 13, 2020, which meets the five-day public comment period requirement.
- O. The recommended actions are considered administrative activities and therefore are not considered a project subject to the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15378, and are exempt under the National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.34(a)(1) and (3). Environmental reviews for individual activities or programs identified in the Action Plan will be completed prior to project commitment or choice limiting actions.

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

- Section 1. All evidence presented having been duly considered, the findings are found to be true and correct and are hereby adopted.
- Section 2. The 2020-2024 Consolidated Plan Substantial Amendment #2 is approved and SHRA is directed to submit the Consolidated Plan to HUD as set out in Exhibit A.
- Section 3. The 2020 One-Year Action Plan Substantial Amendment #2 allocates ESG-CV2 and CDBG-CV3 funds as described in Exhibit B is approved. SHRA is directed to submit the amended 2020 One-Year Action Plan to HUD.
- Section 4. SHRA is authorized to amend its budget to allocate ESG-CV2 and CDBG-CV3 funding for programs and activities in accordance with the amended 2020 One-Year Action Plan and the amendments of the prior years' Action Plans.
- Section 5. The City Manager, or designee, is authorized to execute agreements with SHRA to carry out activities contained in the amended 2020 One-Year Action Plan and amendment to the various years' Action Plans in compliance with applicable federal laws and regulations as approved to form by SHRA Counsel and the City Attorney.
- Section 6. SHRA is authorized and delegated authority to act as agent on behalf of the City of Sacramento to execute grant agreements with HUD and execute agreements and contracts with the appropriate entities to carry out projects and programs in accordance with the amended 2020 One-Year Action Plan and amendments to prior years' Action Plans in compliance with applicable federal laws and regulations as approved to form by SHRA Counsel.
- Section 7. SHRA is authorized to make budget adjustments and execute any and all related documents as necessary to administer federal programs, including invoicing, contracts, and amendments as described in the amended 2020 One-Year Action Plan as described in Exhibit B in compliance with applicable federal laws and regulations.
- Section 8. The City and County of Sacramento Citizen Participation Plan is amended (Exhibit C).

Table of Contents:

- Exhibit A - 2021-2024 Consolidated Plan Amendment #2
- Exhibit B - 2020 Action Plan Amendment #2
- Exhibit C - City and County of Sacramento Citizen Participation Plan Amendment

**City of Sacramento
Amendment to 2020-2024 Consolidated Plan #2**

Coronavirus Aid, Relief, and Economic Security Act (CARES), Public Law 116-136
March 27, 2020, Coronavirus Aid, Relief, and Economic Security Act (CARES), Public Law 116-136 was signed by the President of the United States. The CARES Act authorized the HUD Secretary to grant waivers and alternative requirement of statutes and regulations in connection with the use of Community Development Block Grant – CARES (CDBG-CV) funds, including the suspension of the 15 percent cap on public services; reducing the public comment period to 5 days for consolidated plan and action plan amendments, and allowing the option of virtual hearings.

The CARES Act authorized the HUD Secretary to grant waivers and alternative requirement of statutes and regulations in connection with the use of Emergency Shelter Grant - CARES (ESG-CV) funds, including the suspension of the spending cap on emergency shelter and outreach activities; administrative cost cap is increased to 10 percent; funds are exempt from the match requirements; funds not subject to consultation and citizen participation requirements; subrecipients may deviate from applicable procurement standards; and supportive services are not a required to receive treatment.

This report formally amends the 2020-2024 Consolidated Plan, amends the Citizen Participation Plan and allocates new CARES Act funding to City of Sacramento activities listed below. Newly funded activities will be implemented as soon as possible and will comply with federal regulations governing the timely expenditure of funds. Below is new language:

PR-15 Citizen Participation

Substantial amendment public comment period and public hearing.

Public hearings for the Consolidated Plan, Annual Action Plan and Citizen Participation Plan to add language related to the CARES, Public Law 116-136, were held on October 13, 2020. These hearings were promoted through the SHRA website, Sacramento Bee (also translated into Spanish), Sacramento Observer, Hai Van News, and Latino Times. The five-day public comment period began on October 1, 2020. The formal public hearing was held before the Sacramento Housing and Redevelopment Commission (SHRC) on October 7, 2020. The public had the opportunity to ask questions at the Board of Supervisors meeting on October 20, 2020 and the City Council meeting on October 13, 2020.

SP-05 Overview

March 27, 2020, Coronavirus Aid, Relief, and Economic Security Act (CARES), Public Law 116-136 was signed by the President of the United States. The CARES Act allocated to the City of Sacramento the following funding:

- \$10,205,871 of Emergency Shelter Grant-Coronavirus Aid, Relief, and Economic Securities (CARES) second round allocation (ESG-CV2)
- \$3,600,966 of Community Development Block Grant - Coronavirus Aid, Relief, and Economic Securities (CARES) third round allocation (CDBG-CV3)

SP-35 Anticipated Resources

- \$10,205,871 of ESG-CV2
- \$3,600,966 of CDBG-CV3

SP-45 Goals

Additional resources are added to:

3 – Emergency Shelter, and Outreach Activities –
ESG-CV2 \$2,595,577

3 – Public Services activities including Homeless Prevention Activities –
CDBG-CV3 \$2,000,000

5 – Administration –
ESG-CV2 \$510,294

5 – Administration –
CDBG-CV3 \$180,048

(Remaining ESG-CV2 (\$7,100,000) is proposed for allocation in a separate Action Plan Amendment on October 13 and the remaining CDBG-CV3 (\$1,420,918) funding will be allocated in subsequent Action Plan Amendment.)

SP-60 Homeless Strategy

Under SHRA subsection, ESG-funded Prevention Program the following language was added. The SHRA Prevention Program will be administered by the Sacramento Housing Authority and will assist seniors, transitioning age youth (TAY), and other at-risk of homelessness households (families and individuals). An Outreach Program will be administered by SHRA or its subrecipient to engage unsheltered homeless individuals. Prevention assistance was provided as outlined in the Housing Authority's Prevention Program and per ESG- Prevention regulations (24 CFR Part 576) and HUD Notices, Award Letters, Guidance or other HUD notification.

City of Sacramento

Coronavirus Aid, Relief, and Economic Security Act (CARES), Public Law 116-136
 March 27, 2020, Coronavirus Aid, Relief, and Economic Security Act (CARES), Public Law 116-136 was signed by the President of the United States. The CARES Act authorized the HUD Secretary to grant waivers and alternative requirement of statutes and regulations in connection with the use of Community Development Block Grant – CARES (CDBG-CV) funds, including the suspension of the 15 percent cap on public services; reducing the public comment period to 5 days for consolidated plan and action plan amendments, and allowing the option of virtual hearings.

The CARES Act authorized the HUD Secretary to grant waivers and alternative requirement of statutes and regulations in connection with the use of Emergency Shelter Grant - CARES (ESG-CV) funds, including the suspension of the spending cap on emergency shelter and outreach activities; administrative cost cap is increased to 10 percent; funds are exempt from the match requirements; funds not subject to consultation and citizen participation requirements; subrecipients may deviate from applicable procurement standards; and supportive services are not a required to receive treatment.

Amendment #2 to 2020 Action Plan and Previous Year's Action Plans

This report formally amends the 2020 Action Plan and previous years' Action Plans by adding the Prevention Program, and adding and allocating 2020 CARES Act funding to activities listed below: Newly funded activities will be implemented as soon as possible and will comply with federal regulations governing the timely expenditure of funds.

Amendment #2 to 2020 Action Plan

This report formally amends the 2020 Action Plan by allocating new CARES Act funding to the activities identified below. Newly funded activities are scheduled to be begin implemented as soon as possible and will comply with federal regulations governing the timely expenditure of funds. Below is new language which will be incorporated into the 2020 Action Plan:

AP-15 Expected Resources

- \$10,205,871 of Emergency Shelter Grant-Coronavirus Aid, Relief, and Economic Securities (CARES) second round allocation (ESG-CV2)
- \$3,600,966 of Community Development Block Grant - Coronavirus Aid, Relief, and Economic Securities (CARES) third round allocation (CDBG-CV3)

AP-35 Projects

- 3 - Emergency Shelter, and Outreach Activities –ESG-CV2 \$ 2,595,577
 - Emergency Shelter Operations - \$2,245,577
 - Outreach Services - \$350,000
- 3 – Public Services activities including Homeless Prevention/Emergency Rental Assistance Program CDBG-CV3 \$2,000,000
- 5 – Administration - ESG-CV2 \$510,294
- 5 – Administration – CDBG-CV3 \$180,048

(Remaining ESG-CV2 (\$7,100,000) is proposed for allocation in a separate Action Plan Amendment on October 13 and the remaining CDBG-CV3 (\$1,420,918) funding will be allocated in subsequent Action Plan Amendment.)

AP-65 Homeless and Other Special Needs Activities

ESG-funded Prevention Program added. The SHRA Prevention Program will be administered by the Sacramento Housing Authority and will assist at-risk of homelessness seniors, transitioning age youth (TAY), and other at-risk of homelessness households (families and individuals). An Outreach Program will be administered by SHRA to or its subrecipient engage unsheltered homeless individuals. Prevention assistance will be provided as outlined in the Housing Authority's Prevention Program and per ESG- Prevention regulations (24 CFR Part 576) and HUD Notices, Award Letters and Guidance or other HUD notification.

2020 One-Year Action Plan Amendment #2		
Recommendation – Emergency Solutions Grant		
ESG Shelter(s) and Outreach: Funds to provide emergency shelter operations, delivery and essential services, outreach activities (new); programs will be undertaken per ESG regulations.	Amount	Fund
- Outreach	\$350,000	ESG-CV2
- Emergency Shelter	\$2,245,577	
Total Programs	\$2,595,577	
ESG Program Administration: Administrative services for the implementation of ESG-funded activities (5%)	\$510,294	ESG-CV2
Total	\$3,205,871	

2020 One-Year Action Plan Amendment #2			
Recommendation – Community Development Block Grant			
Activity Name	Amount	Source	CDBG Criteria
Homeless Prevention Activities (Public Services): Funds will be used to design, administer, and implement homeless prevention program providing emergency rental assistance to those financially impacted by COVID-19.	\$2,000,000	CDBG-CV3	05S/LMC
CDBG Planning and Administration: Administrative and Planning Services for CDBG Programs (5%)	\$180,048	CDBG-CV3	21A
Total	\$2,180,048		

**City and County of Sacramento
Citizen Participation Plan Amendment for Virtual Meetings/Hearings**

The language below will be added to the current City and County of Sacramento Citizen Participation plan:

Virtual Meetings/Hearings

Virtual meetings and virtual public hearings will be held in place of in-person meetings/hearings as authorized by the Sacramento Housing and Redevelopment Commission, Sacramento City Council, and Sacramento County Board of Supervisors. In addition, this Citizen Participation Plan will follow HUD notices, waivers, award letters or other communications related to virtual and in-person public meetings or hearings.

Meetings of the Sacramento Housing and Redevelopment Commission are closed to the public until further notice in compliance with state guidelines on social distancing, in accordance with the Brown Act, (as currently in effect under the State Emergency Services Act), the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020. These measures facilitate participation by members of the Commission, Staff, and the public and allow meetings to be conducted by teleconference, videoconference, or both.

Refer to the Sacramento City Council and Sacramento County Board of Supervisor's web pages for current public meeting policies and procedures.

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
October 7, 2020

Authorization for the Substantial Amendment #2 to the 2020-2024 Consolidated Plan; Authorization for the Substantial Amendment #2 to the 2020 One-Year Action Plan for the Emergency Solutions Grant (ESG) Funded Projects and Programs for the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); Amendment of Prior Years' Action Plans; Amend the City and County of Sacramento Citizen Participation Plan; Amendment to the Sacramento Housing and Redevelopment Agency (SHRA) Budget; Execute Documents for the Administration of Federal Programs related to the Coronavirus Aid, Relief and Economic Security Act

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires adoption of a Consolidated Plan to identify the programs and projects for the expenditure of federal Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), and Emergency Solutions Grant funds.

WHEREAS, since 1982 the Sacramento Housing and Redevelopment Agency (SHRA) and its constituent entities has served as the public entity designated to efficiently administer the community development funding originating from the United States Department of Housing and Urban Development (HUD) on behalf of the City and County of Sacramento.

WHEREAS, SHRA serves as a joint staffing agency for administration of Consolidated Plan programs in both the City of Sacramento and the County of Sacramento.

WHEREAS, as the recipient of HUD funding and designated agent for the City and County of Sacramento, SHRA is authorized to submit an environmental determination on their behalf and on behalf of non-profit subrecipients.

WHEREAS, the 2020-2024 Consolidated Plan, the Analysis of Impediments to Fair Housing Choice (AI) and the 2020 Action Plan which were approved by Sacramento Housing and Redevelopment Commission by Resolution No. 2019-22.

WHEREAS, on March 27, 2020, the President of the United States signed the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136. This made available \$5 billion CDBG Coronavirus (CDBG-CV) funds, \$4 billion in ESG Coronavirus (ESG-CV) and \$65 million

in HOPWA supplemental funds to respond to the growing effects of the historic COVID-19 public health crisis.

WHEREAS, the 2020-2024 Consolidated Plan, the 2020 Action Plan and the City and County of Sacramento Citizen Participation Plan were amended to accept and allocate the CARES Act funding by Sacramento Housing and Redevelopment Commission by Resolution No. 2020-08.

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

Section 1. All evidence presented having been duly considered, the Sacramento Housing and Redevelopment Commission accepts the findings which are found to be true and correct and are hereby adopted.

Section 2. Subject to approval of the Substantial Amendment #2 to the 2020-2024 Consolidated Plan (Exhibit A) Substantial Amendment #2 to the 2020 One-Year Action Plan (Exhibit B) by the Sacramento City Council and the Sacramento County Board of Supervisors, the Executive Director, or designee, is authorized to:

- Amend the Sacramento Housing and Redevelopment Agency (SHRA) budget to allocate the Emergency Solutions Grant ESG-CV2 and Community Development Block Grant CDBG-CV3 funding for programs and projects in accordance with 2020 One-Year Action Plan Substantial Amendment #2.
- Execute agreements, contracts, and documents with HUD and the appropriate entities to carry out the Action Plans' activities in compliance with adopted policies, guidelines and federal law, as approved to form by SHRA Counsel.
- Submit the Amendment #2 2020-2024 Consolidated Plan and amended 2020 One-Year Action Plan to the United States Department of Housing and Urban Development (HUD).

Section 3. The City and County of Sacramento Citizen Participation Plan Amendment in Exhibit B is adopted.

CHAIR

Authorization For The Substantial Amendment #2 To The 2020-2024 Consolidated Plan;
Authorization For The Substantial Amendment #2 To The 2020 One-Year Action Plan For The
Emergency Solutions Grant Funded Projects And Programs For The Coronavirus Aid, Relief,
And Economic Security Act
Page 3

ATTEST:

CLERK



October 2, 2020

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Adopt Second Substantial Amendment To The 2020-2024 Consolidated Plan; Adopt Second Substantial Amendment To The 2020 One-Year Action Plan; Amend The Sacramento Housing And Redevelopment Agency (SHRA) Budget; Adopt Amendment To The Citizen Participation Plan Related To The Coronavirus Aid, Relief, And Economic Security Act (CARES)

RECOMMENDATION

Staff is presenting this information to the Commission for final review prior to review by the County of Sacramento.

Respectfully submitted,


Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
October 20, 2020

To: Board of Supervisors

Through: Navdeep S. Gill, County Executive
Bruce Wagstaff, Deputy County Executive, Social Services

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

Subject: Adopt Second Substantial Amendment To The 2020-2024
Consolidated Plan; Adopt Second Substantial Amendment
To The 2020 One-Year Action Plan; Amend The
Sacramento Housing And Redevelopment Agency (SHRA)
Budget; Adopt Amendment To The Citizen Participation
Plan Related To The Coronavirus Aid, Relief, And Economic
Security Act (CARES); Approve the Sacramento Emergency
Rental Assistance (SERA) Program

District(s): All

RECOMMENDED ACTION

Adopt a Board of Supervisors Resolution for the Consolidated Plan and Action Plan which:

1. Adopts the second Substantial Amendment to the 2020-2024 Consolidated Plan as set out in Attachment 1 and directs the Sacramento Housing And Redevelopment Agency (SHRA) to submit to the United States Department of Housing and Urban Development (HUD);
2. Adopts the second Substantial Amendment to the 2020 One-Year Action Plan which allocates Emergency Solutions Grant-Coronavirus 2 (ESG-CV2) and Community Development Block Grant Coronavirus 3 (CDBG-CV3) funds to various programs and activities as set out in Attachment 2 and directs SHRA to submit to HUD;
3. Authorizes SHRA to amend its budget according to Attachment 2;
4. Authorizes the County Executive, or designee, to execute agreements with SHRA to carry out the Amended 2020 One-Year Action Plan activities;

Adopt Second Substantial Amendment To The 2020-2024 Consolidated Plan;
Adopt Second Substantial Amendment To The 2020 One-Year Action Plan;
Amend the Sacramento Housing And Redevelopment Agency (SHRA)
Budget; Adopt Amendment To The Citizen Participation Plan Related To The
Coronavirus Aid, Relief, And Economic Security Act (CARES); Approve the
Sacramento Rental Assistance Program
Page 2

5. Authorizes SHRA to make any budget adjustments and execute any and all related documents, including invoicing, contracts and amendments as necessary to carry out the activities identified in the amended 2020 Action Plan in compliance with applicable federal laws and regulations and delegates authority to SHRA to execute agreements and contracts with HUD and appropriate entities to implement the Action Plan;
6. Adopts the amendment to the City and County of Sacramento Citizen Participation Plan as set out in Attachment 3; and
7. Makes related findings.

Adopt a Board of Supervisors Resolution for the Sacramento Emergency Rental Assistance program which:

1. Approves the Sacramento Emergency Rental Assistance (SERA) Program as the Homeless Prevention Program (HPP) and authorizes the SHRA to administer the SERA Program.
2. Authorizes SHRA to take all actions necessary to allocate \$1,154,005 of CDBG-CV3 funds for administration of the SERA Program.
3. Authorizes SHRA to amend its budget in the amount of the SERA funds to be used for the SERA Program.
4. Authorizes SHRA to negotiate, enter into and execute any contracts and related documents for the purpose of administering the program.
5. Makes related findings

BACKGROUND

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES), Public Law 116-136 was approved which made \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV1) and \$4 billion in Emergency Solutions Grant Coronavirus (ESG-CV1) funds available to respond to the growing effects of the historic COVID-19 public health crisis. Since the first round of funding, HUD has allocated additional funding in multiple rounds. The first round released in April included CDBG-CV1 and ESG-CV1. In June, the second round, ESG-CV2 was released. In September the third round, CDBG-CV3 was awarded. Before funds can be spent, they must be allocated through Action Plan Amendments.

Adopt Second Substantial Amendment To The 2020-2024 Consolidated Plan;
Adopt Second Substantial Amendment To The 2020 One-Year Action Plan;
Amend the Sacramento Housing And Redevelopment Agency (SHRA)
Budget; Adopt Amendment To The Citizen Participation Plan Related To The
Coronavirus Aid, Relief, And Economic Security Act (CARES); Approve the
Sacramento Rental Assistance Program
Page 3

Sacramento COVID-19 Homeless Response Plan

The COVID-19 Homelessness Response Team (Response Team) composed of staff from the City and County of Sacramento, Sacramento Steps Forward (SSF) developed the Sacramento COVID-19 Homelessness Response Plan (Response Plan). The strategies and actions were designed to slow the spread of COVID-19 and mitigate impacts for persons experiencing homelessness.

The Sacramento City Council and Sacramento County Board of Supervisors approved the Plan on April 7, 2020 and Sacramento Continuum of Care adopted it on April 8, 2020. Subsequently, on April 21, 2020, the County Board of Supervisors allocated \$3.4 million in CDBG-CV1 and \$1.7 million in ESG-CV1 as funding sources for the Response Plan.

The Response Plan received more than \$15 million in collective County and City funding to use for COVID-19 specific responses. The three areas of direct services to people experiencing homelessness included:

1. Keeping existing shelters safe and operational through education and provision of supplies;
2. Expanding sheltering capacity focusing on isolation/quarantine opportunities through the use of approximately 850 motel units administered by the Department of Human Assistance (DHA), and 59 trailer units located at Cal Expo and administered by the City of Sacramento; and
3. Supporting encampments through outreach, supply delivery, and increased sanitation.

After two months, the Response Team determined that due to the continued impacts of COVID-19, the Response Plan required modifications. These modifications in addition to new Re-housing Strategies were presented to the Sacramento Continuum of Care as an informational item on July 8 and were approved by the Sacramento County Board of Supervisors July 14 and the City Council on August 18, 2020. The Homeless Response Plan modifications reduced the original number of isolation/quarantine rooms, extended the duration of the sheltering program through September and added case management services for participants.

Adopt Second Substantial Amendment To The 2020-2024 Consolidated Plan;
Adopt Second Substantial Amendment To The 2020 One-Year Action Plan;
Amend the Sacramento Housing And Redevelopment Agency (SHRA)
Budget; Adopt Amendment To The Citizen Participation Plan Related To The
Coronavirus Aid, Relief, And Economic Security Act (CARES); Approve the
Sacramento Rental Assistance Program
Page 4

The new Re-housing Strategies include short term and long term re-housing components. The short term strategy includes, 1) Providing re-housing assistance into existing permanent housing; and the long term strategy includes, 2) SHRA leading the development of new permanent supportive housing through motel acquisition and conversion.

On July 14, 2020, the Response Plan modifications were approved. That same day the Director of the Department of Health Services (DHS) and the County Health Officer sent a letter to the COVID-19 Homelessness Response Team urging the continuation of the preventative and isolation units in response to increases in new COVID-19 positive cases in Sacramento County. As a result, the Response Team prepared a second update to the Response Plan, scheduled for approval at the Board on October 20, 2020. The proposed set of modifications extends operations of the isolation/quarantine units and provides for additional re-housing strategies and includes a summary of the Response Plan outcomes from April 8 to September 3, 2020. The proposed actions in this report recommends allocations of new ESG-CV and CDBG-CV funds for the implementation of the Response Plan and all modifications.

New ESG-CV2 and CDBG-CV3 Allocations

In June, HUD allocated a second round of funding, ESG-CV2 in the amount of \$11,878,700 based upon a new formula. As with the first allocation, these funds are to be used to prevent, prepare for, and respond to the coronavirus pandemic among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impact of COVID-19.

The ESG program provides funding for:

- Street Outreach - engage homeless individuals and families living on the street;
- Emergency Shelters - shelter operations and providing essential services to shelter residents;
- Rapid Re-housing - rapidly re-house homeless individuals and families with rental assistance and services; and
- Prevention - providing rental assistance and services to prevent families/individuals from becoming homeless.

Adopt Second Substantial Amendment To The 2020-2024 Consolidated Plan;
 Adopt Second Substantial Amendment To The 2020 One-Year Action Plan;
 Amend the Sacramento Housing And Redevelopment Agency (SHRA)
 Budget; Adopt Amendment To The Citizen Participation Plan Related To The
 Coronavirus Aid, Relief, And Economic Security Act (CARES); Approve the
 Sacramento Rental Assistance Program
 Page 5

The modifications to the Response Plan increased the length of motel operations and added re-housing strategies for participants, therefore the actions in this report support those changes and recommend allocating ESG-CV2 to the following ESG program categories: 1) \$5,020,000 to Emergency Shelter Operations; 2) \$5,227,000 to Re-housing Programs; 3) \$1,000,000 to Homeless Prevention Programs; and 4) \$631,700 to program administration. The specific activities are listed below:

Emergency Solutions Grant - CV2	
	Amount
Emergency Shelters	
COVID-19 Preventative Quarantine Motel	\$4,400,000
Full Services Rehousing Shelter (scattered sites)	\$620,000
subtotal	\$5,020,000
Rapid Rehousing	
Flexible Housing Pool (FHP)	\$3,727,000
Bringing Families Home (BFH)	\$1,500,000
subtotal	\$5,227,000
Prevention (Homeless)	
Homeless Prevention Program for Seniors and Transition Age Youth	\$1,000,000
SHRA program administration	\$631,000
Total	\$11,878,700

In September, HUD allocated a third round of funding, CDBG-CV3 in the amount of \$4,109,479 to the County (round two of CDBG-CV was directed to states). The limit on CDBG-CV funding to public services was waived providing a flexible source to address COVID-19 impacts. Due to the continued need for resources to address COVID-19 in the unhoused community, the report recommends allocation of funding to the County to extend the operations of one COVID-19 motel site and funding transitional housing and services for individuals exiting jail without stable housing.

Rental Assistance

The impact of COVID-19 on the national and local economy has been significant. Bloomberg News reported on August 25, 2020 that 16 million people in the U.S. are currently out of work and one third of renters cannot

pay for their housing. According to a national study 'The COVID-19 Eviction Crisis: An Estimated 30-40 Million People In America Are At Risk' collaboratively published on August 7, 2020 by staff from various well renowned universities, with the end of the eviction moratorium approximately 30 million Americans are "at risk" of being evicted in the coming months. This will result in a large wave of housing displacement and insecurity.

The nation is bracing for an eviction crisis of historic magnitude. Studies show that evictions affect Black, Asian and Latino renters at higher rates than white renters. Renters with children are also more likely to be severely impacted by the eviction crisis. The pandemic has placed an enormous economic strain on families to pay rent and subsequently strained landlords and property owners to pay mortgages. Many legislative bills were passed in recent months to provide temporary relief to rental households. Unfortunately, the eviction moratorium does not erase past tenant payments that will be due in early 2021.

To address the rental housing crisis, the report recommends approval of and funding of the Sacramento Emergency Rental Assistance (SERA) program consistent with the City of Sacramento program approved in September. Attachment 4 provides background information and the program details, developed through extensive community input with partners including tenant and landlord advocates. Below is an overview of SERA.

Population Criteria	Renter households with an address in the unincorporated portion of Sacramento County, employed but have experienced a loss of income due to COVID-19.
Prioritization	Families with minor children Households where the current income is 30% of the Area Median Income (AMI) or less Completed applications with all necessary documentation
Income Qualifications	Families or individuals with a gross household income at or below 50% AMI
Assistance Payments	Up to \$4,000 per household which may be used for past due rent and remaining balance used for current rent payments if family is still unemployed.

Adopt Second Substantial Amendment To The 2020-2024 Consolidated Plan;
 Adopt Second Substantial Amendment To The 2020 One-Year Action Plan;
 Amend the Sacramento Housing And Redevelopment Agency (SHRA)
 Budget; Adopt Amendment To The Citizen Participation Plan Related To The
 Coronavirus Aid, Relief, And Economic Security Act (CARES); Approve the
 Sacramento Rental Assistance Program
 Page 7

Benefits Status	Eligibility excludes those living in public housing or receiving an ongoing rental subsidy from the government or non-profit entity.
Administrator	Sacramento Housing and Redevelopment Agency.
Recipient of funds	Rental property owner or landlord.
Application Process	Online. Dedicated staff will be available to answer questions by phone and stationed at two locations.
Application Process	If more than 1,000 eligible households apply, a computerized random ordering will be applied to identify prospective program participants to begin the eligibility process.
Administration of program	Verification of information will be part of the eligibility process. Payments will be made directly to the landlord after verification of amount owed. Landlords will be asked to sign a statement of non-eviction.

To address Sacramento County residents struggling to meet their monthly rent, this report also recommend approving the SERA program and allocation of \$1,154,005 in CDBG-CV3 funding. It is estimated that 250 families will be assisted with this funding.

Below are all of the activities recommended for CDBG-CV3 funding:

Community Development Block Grant- CV3	
Emergency Shelters	
COVID-19 Preventative Quarantine Shelter (January to March)	\$2,100,000
Transitional Housing for persons released from jail who are experiencing homelessness	\$650,000
Sacramento Emergency Rental Assistance Program	\$1,154,005
SHRA program administration	\$205,474
Total	\$4,109,479

Adopt Second Substantial Amendment To The 2020-2024 Consolidated Plan;
Adopt Second Substantial Amendment To The 2020 One-Year Action Plan;
Amend the Sacramento Housing And Redevelopment Agency (SHRA)
Budget; Adopt Amendment To The Citizen Participation Plan Related To The
Coronavirus Aid, Relief, And Economic Security Act (CARES); Approve the
Sacramento Rental Assistance Program
Page 8

Staff is requesting approval of a second Substantial Amendment to the 2020-2024 Consolidated Plan and a second Substantial Amendment to the 2020 One-Year Action Plan as detailed in Attachment 2 and requests authorization to submit the amended plan to HUD. The 2020-2024 Consolidated Plan and the 2020 One-Year Action Plan was approved by Resolution 2019-0743 on October 22, 2019, which was amended on April 21, 2020 by Resolution 2020-0259. The Consolidated Plan and One-Year Action Plan amendments identify new resources and proposed activities for the expenditure of ESG-CV2 and CDBG-CV3 funds to address the COVID-19 crisis. Newly funded activities are consistent with the Response Team's recommendations and are scheduled to begin implementation as soon as agreements are executed (Attachment 2). An amendment to the Citizen Participation Plan is also proposed. The amendment includes updated language related to providing public engagement through virtual public meetings (Attachment 3).

The public hearing before the Board of Supervisors was noticed on October 20, 2020. SHRA received the required HUD waiver allowing for a 5-day public comment period on April 7, 2020.

COMMISSION ACTION

At its meeting of October 7, 2020, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. Staff will notify the Board in the event the item is not approved.

POLICY CONSIDERATIONS

The proposed appropriation of funds for new and existing activities is consistent with the goals and objectives outlined in the amended Consolidated Plan. The Consolidated Plan goals include assisting low- and moderate-income persons and areas with the following: housing, homeless facilities and services, public services, public facility and infrastructure improvements, and planning activities.

ENVIRONMENTAL REVIEW

Adopt Second Substantial Amendment To The 2020-2024 Consolidated Plan;
Adopt Second Substantial Amendment To The 2020 One-Year Action Plan;
Amend the Sacramento Housing And Redevelopment Agency (SHRA)
Budget; Adopt Amendment To The Citizen Participation Plan Related To The
Coronavirus Aid, Relief, And Economic Security Act (CARES); Approve the
Sacramento Rental Assistance Program
Page 9

California Environmental Quality Act (CEQA): The recommended actions are considered administrative or fiscal activities and therefore are not considered a project subject to CEQA pursuant to 14 CCR section 15378(b). Additionally, any funds used for emergency projects related to COVID will be exempt from CEQA review pursuant to 14 CCR section 15269(c).

National Environmental Policy Act (NEPA): The recommended actions are administrative and management activities and are therefore exempt under NEPA pursuant to 24 CFR 58.34(a)(1) and (3). Additionally, any activities undertaken with the above mentioned funds will either be exempt from NEPA pursuant to 24 CFR 58.34(a)(3) or (4), or categorically excluded pursuant to 24 CFR 58.35(b)(1) or (2). If required, NEPA review will be completed prior to taking any choice limiting action.

M/WBE/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 they may be applicable.

FINANCIAL ANALYSIS

It is proposed that the SHRA budget be amended to incorporate the ESG-CV2 funding and allocating \$11,247,000 to ESG Shelter(s), Rapid Re-Housing and Prevention, emergency shelter operations and essential services, homelessness prevention (new) and rapid re-housing (existing) and administration expenses. The report also recommends the SHRA budget be amended to incorporate \$4,109,479 in CDBG-CV3 for public service activities including emergency shelter operations and essential services, and homeless prevention activities. Attachment 2 provides additional detail on the allocations.

Adopt Second Substantial Amendment To The 2020-2024 Consolidated Plan;
Adopt Second Substantial Amendment To The 2020 One-Year Action Plan;
Amend the Sacramento Housing And Redevelopment Agency (SHRA)
Budget; Adopt Amendment To The Citizen Participation Plan Related To The
Coronavirus Aid, Relief, And Economic Security Act (CARES); Approve the
Sacramento Rental Assistance Program
Page 10

Respectfully Submitted,

APPROVED
NAVDEEP S. GILL,
County Executive



LA SHELLE DOZIER, Executive Director
Sacramento Housing and
Redevelopment Agency

By: _____
BRUCE WAGSTAFF
Deputy County Executive

Attachments:

- RES – Resolution for Substantial Amendment to the 2020-2024 Consolidated Plan #2
- ATT 1 – Substantial Amendment to the 2020-2024 Consolidated Plan #2
- ATT 2 – Substantial Amendment to the 2020 Action Plan #2
- ATT 3 – Amendment to the Citizen Participation Plan
- RES – Resolution for the Approval of the Sacramento Emergency Rental Assistance Program
- ATT 4 - Sacramento Emergency Rental Assistance Program Background and Program Description

RESOLUTION NO.

APPROVAL OF THE SUBSTANTIAL AMENDMENT #2 TO THE 2020- 2024 CONSOLIDATED PLAN; APPROVAL OF THE SUBSTANTIAL AMENDMENT #2 TO THE 2020 ONE-YEAR ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), AND EMERGENCY SOLUTIONS GRANT (ESG) FUNDED PROJECTS AND PROGRAMS FOR THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES ACT); AUTHORIZATION TO EXECUTE DOCUMENTS FOR THE ADMINISTRATION OF FEDERAL PROGRAMS; APPROVE THE AMENDMENT TO THE CITIZEN PARTICIPATION PLAN; AMENDMENT TO THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY BUDGET RELATED TO THE CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT

WHEREAS, the United States Department of Housing and Urban Development (HUD) requires the adoption of a Five-Year Consolidated Plan and annual Action Plan, consistent with the Consolidated Plan, to identify the programs and projects for expenditure of federal CDBG, HOME, and ESG; and

WHEREAS, since 1982 the Sacramento Housing and Redevelopment Agency (SHRA), on behalf of the County of Sacramento, has served as the public entity designated to efficiently administer the CDBG program and was subsequently designated as the public entity to administer HOME and ESG, funding originated from HUD; and

WHEREAS, on March 27, 2020, the President of the United States signed the Coronavirus Aid, Relief, and Economic Security Act (CARES), Public Law 116-136. This made available \$5 billion CDBG Coronavirus (CDBG-CV) funds, \$4 billion in ESG Coronavirus (ESG-CV) and \$65 million in HOPWA supplemental funds to respond to the growing effects of the historic public health crisis of COVID-19; and

WHEREAS, the CARES Act allocated funding to the County of Sacramento based upon the fiscal year 2020 formula in the following amounts: \$3,470,768 of CDBG-CV1 and \$1,453,941 of ESG-CV1; and

WHEREAS, the CARES Act allocated a second round of ESG-CV

funding, ESG-CV2 to the County of Sacramento based upon a new formula in the amount of \$11,878,70 and CDBG-CV3 to the County of Sacramento based upon a new formula in the amount of \$4,109,479; and

WHEREAS, the CARES Act authorized the HUD Secretary to grant waivers and alternative requirement of statutes and regulations in connection with the use of CDBG-CV funds, including the suspension of the 15 percent cap on public services; reducing the comment period to 5 days for consolidated plan and action plan amendments, and allowing the option of virtual hearings; and

WHEREAS, the CARES Act authorized the Secretary to grant waivers and alternative requirement of statutes and regulations in connection with the use of ESG-CV funds, including the suspension of the spending cap on emergency shelter and outreach activities; administrative cost cap is increased to 10 percent; funds are exempt from the match requirements; funds not subject to consultation and citizen participation requirements; subrecipients may deviate from applicable procurement standards; and supportive services are not a required to receive treatment; and

WHEREAS, SHRA has applied and received for waivers for the CDBG-CV, and ESG-CV funds; and

WHEREAS, the City Council and County Board of Supervisors approved Sacramento COVID-19 Homeless Response Plan (Response Plan) and authorized implementation of the plan on April 7, 2020. The Board of Supervisors approved an amendment on July 14. The comprehensive plan utilizes, local, state and federal funding. The Response Plan designates the City and County with lead responsibilities; and

WHEREAS, on September 13, 2020, a notice to solicit comments on the proposed actions was published. The actions are scheduled to be approved at the Sacramento County Board of Supervisors meeting on October 20, 2020, which meets the five-day public comment period requirement; and

WHEREAS, the recommended actions are considered administrative activities and therefore are not considered a project subject to the California Environmental Quality Act pursuant to Guidelines Section 15378, and are exempt under the National Environmental Policy Act pursuant to 24 CFR 58.34(a) (1) and (3) Environmental reviews for individual activities or programs identified in the Action Plan will be completed prior to project commitment or choice limiting actions.

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

Section 1: All evidence present having been duly considered, the Sacramento County Board of Supervisors accepts the findings, which are found to be true and correct are hereby adopted.

Section 2: The Substantial Amendment #2 2020-2024 Consolidated Plan as set forth in Attachment 1, is adopted. SHRA is directed to submit the Consolidated Plan to HUD.

Section 3: The Substantial Amendment #2 to the 2020 One-Year Action Plan, which allocates ESG-CV2 and CDBG-CV3 funds to various programs and activities as set forth in Attachment 2, is approved.

Section 4: SHRA is authorized to amend its budget in accordance with Attachment 2 and amend to allocate ESG-CV2 and CDBG-CV3 funds to programs and activities in accordance with the amended 2020 Action Plan in compliance with the applicable federal laws and regulations as approved to form by SHRA and County Counsel.

Section 5: The County Executive, or designee, is authorized to execute agreements with SHRA to carry out activities in the amended 2020 One-Year Action Plan in compliance with adopted policies, guidelines, regulations as approved to form by SHRA and County Counsel.

Section 6: SHRA is authorized to make any budget adjustments and execute any and all related documents, including invoicing, contracts, and amendments as necessary to carry out the activities identified in the amended 2020 One-Year Action Plan in compliance with applicable federal laws and regulations. SHRA is delegated to execute agreements and contracts with HUD and appropriate entities to implement the Action Plan.

Section 7: The amended City and County of Sacramento Citizen Participation Plan as set forth in Attachment 3, is approved.

On a motion by Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 20th day of October, 2020, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,

(PER POLITICAL REFORM ACT(§ 18702.5.)

Chair of the Board of
Supervisors of Sacramento
County, California

(SEAL)

ATTEST:

Clerk, Board of Supervisors

County of Sacramento
Amendment #2 to 2020-2024 Consolidated Plan

Coronavirus Aid, Relief, and Economic Security Act (CARES), Public Law 116-136

March 27, 2020, Coronavirus Aid, Relief, and Economic Security Act (CARES), Public Law 116-136 was signed by the President of the United States. The CARES Act authorized the HUD Secretary to grant waivers and alternative requirement of statutes and regulations in connection with the use of Community Development Block Grant – CARES (CDBG-CV) funds, including the suspension of the 15 percent cap on public services; reducing the public comment period to 5 days for consolidated plan and action plan amendments, and allowing the option of virtual hearings.

The CARES Act authorized the HUD Secretary to grant waivers and alternative requirement of statutes and regulations in connection with the use of Emergency Shelter Grant - CARES (ESG-CV) funds, including the suspension of the spending cap on emergency shelter and outreach activities; administrative cost cap is increased to 10 percent; funds are exempt from the match requirements; funds not subject to consultation and citizen participation requirements; subrecipients may deviate from applicable procurement standards; and supportive services are not a required to receive treatment.

This report formally amends the 2020-2024 Consolidated Plan, amends the Citizen Participation Plan and allocates new CARES Act funding to City of Sacramento activities listed below. Newly funded activities will be implemented as soon as possible and will comply with federal regulations governing the timely expenditure of funds. Below is new language:

PR-15 Citizen Participation

Substantial amendment public comment period and public hearing

Public hearings for the Consolidated Plan, Annual Action Plan and Citizen Participation Plan to add language related to the Coronavirus Aid, Relief, and Economic Security Act (CARES), Public Law 116-136, were held on September 22, 2020. These hearings were promoted through the SHRA website, Sacramento Bee (also translated into Spanish), Sacramento Observer, Hai Van News, and Latino Times. The 5-day public comment period began on October 5, 2020. The formal public hearing was held before the Sacramento Housing and Redevelopment Commission (SHRC) on October 7, 2020. The public had the opportunity to ask questions at the Board of Supervisors October 13, 2020 and the City Council meetings on October 13, 2020.

SP-05 Overview

March 27, 2020, Coronavirus Aid, Relief, and Economic Security Act (CARES), Public Law 116-136 was signed by the President of the United States. The CARES Act allocated to the County of Sacramento the following funding:

- \$11,878,700 of Emergency Shelter Grant-Coronavirus Aid, Relief, and Economic Securities (CARES) second round allocation (ESG-CV2)
- \$4,109,479 of Community Development Block Grant - Coronavirus Aid, Relief, and Economic Securities (CARES) third round allocation (CDBG-CV3)

SP-35 Anticipated Resources

- \$11,878,700 of ESG-CV2
- 4,109,479 of CDBG-CV3

SP-45 Goals

Additional resources are added to:

3 – Emergency Shelter, Rapid Re-Housing and Prevention Activities – ESG-CV2 \$11,247,000 million

3 – Public Services activities including Emergency Shelter and Homeless Prevention Activities - CDBG-CV3 \$3,904,005

5 – Administration - ESG-CV2 \$631,700

5 – Administration - CDBG-CV3 \$205,474

SP-60 Homeless Strategy

Under SHRA subsection, ESG-funded Prevention Program the following language was added. The SHRA Prevention Program will be administered by the Sacramento Housing Authority or its subrecipient to and will assist seniors, transitioning age youth (TAY), and other at-risk of homelessness households (families and individuals). Prevention assistance was provided as outlined in the Housing Authority's Prevention Program and per ESG-Prevention regulations (24 CFR Part 576) and HUD Notices, Award Letters, Guidance or other HUD notification.

County of Sacramento
Amendment #2 to 2020 Action Plan and Previous Year's Action Plans

Coronavirus Aid, Relief, and Economic Security Act (CARES), Public Law 116-136

March 27, 2020, Coronavirus Aid, Relief, and Economic Security Act (CARES), Public Law 116-136 was signed by the President of the United States. The CARES Act authorized the HUD Secretary to grant waivers and alternative requirement of statutes and regulations in connection with the use of Community Development Block Grant – CARES (CDBG-CV) funds, including the suspension of the 15 percent cap on public services; reducing the public comment period to 5 days for consolidated plan and action plan amendments, and allowing the option of virtual hearings.

The CARES Act authorized the HUD Secretary to grant waivers and alternative requirement of statutes and regulations in connection with the use of Emergency Shelter Grant - CARES (ESG-CV) funds, including the suspension of the spending cap on emergency shelter and outreach activities; administrative cost cap is increased to 10 percent; funds are exempt from the match requirements; funds not subject to consultation and citizen participation requirements; subrecipients may deviate from applicable procurement standards; and supportive services are not a required to receive treatment.

Amendment #2 to 2020 Action Plan

This report formally amends the 2020 Action Plan by allocating new CARES Act funding to the County of Sacramento activities listed below: Newly funded activities are scheduled to be begin implemented as soon as possible and will comply with federal regulations governing the timely expenditure of funds. Below is new language which will be incorporated into the 2020 Action Plan:

AP-15 Expected Resources

- \$11,878,700 of Emergency Shelter Grant-Coronavirus Aid, Relief, and Economic Securities (CARES) second round allocation (ESG-CV2)
- \$4,109,479 of Community Development Block Grant - Coronavirus Aid, Relief, and Economic Securities (CARES) third round allocation (CDBG-CV3)

AP-35 Projects

- 3 - Emergency Shelter, Rapid Re-Housing and Prevention Activities –
 - COVID-19 Preventative Quarantine Motels - \$4,000,000
 - Full Services Rehousing Shelter (scattered sites) - \$620,000
 - Flexible Housing Pool - \$3,727,000
 - Bringing Families Home - \$1,500,000
 - Homeless Prevention Program for Seniors and Transition Age Youth - \$1,000,000
 - Total Programs - ESG-CV2 \$11,247,000

3 – Public Services

- COVID-19 Preventative Quarantine Motels - \$2,100,000
- Transitional Housing for persons released from jail -\$650,000
- Public Services activities including Homeless Prevention/Sacramento Emergency Rental Assistance program CDBG-CV3 \$1,154,005

- Administration - ESG-CV2 \$631,700
- Administration - CDBG-CV3 \$205,474

AP-65 Homeless and Other Special Needs Activities

ESG-funded Prevention Program added. The SHRA Prevention Program will be administered by the Sacramento Housing Authority and will assist at-risk of homelessness seniors, transitioning age youth (TAY), and other at-risk of homelessness households (families and individuals). Prevention assistance will be provided as outlined in the Housing Authority’s Prevention Program and per ESG- Prevention regulations (24 CFR Part 576) and HUD Notices, Award Letters and Guidance or other HUD notification.

2020 One-Year Action Plan Amendment #2		
Recommendation – Emergency Solutions Grant	Amount	Fund
ESG Shelter(s), Rapid Re-Housing and Prevention: Funds to provide emergency shelter operations, delivery and essential services, homelessness prevention (new) and rapid re-housing (existing) programs will be undertaken per ESG regulations.	\$11,247,000	ESG-CV2
ESG Program Administration: SHRA administrative services for the implementation of ESG-funded activities	\$631,700	ESG-CV2
Total	\$11,878,700	

2020 One-Year Action Plan Amendment #2

Recommendation – Community Development Block Grant

Activity Name	Amount	Source	CDBG Criteria
Homeless Activities (Public Services): Funds will be used to design, administer, and implement homeless programs including but not limited to housing and shelter, detoxification, medical and counseling services, and provision of food.	\$2,100,000	CDBG-CV3	03T/LMC
Homeless Activities (Public Services): Transitional Housing for persons released from jail who are experiencing homelessness	\$650,000	CDBG-CV3	03T/LMC
Homeless Prevention Activities (Public Services): Funds will be used to design, administer, and implement homeless prevention program providing emergency rental assistance to those financially impacted by COVID-19.	\$1,154,005	CDBG-CV3	05S/LMC
CDBG Planning and Administration: Administrative and Planning Services for CDBG Programs (5%)	\$205,474	CDBG-CV3	21A
Total	\$4,109,479		

**City and County of Sacramento
Citizen Participation Plan Amendment for Virtual Meetings/Hearings**

The language below will be added to the current City and County of Sacramento Citizen Participation plan:

Virtual Meetings/Hearings

Virtual meetings and virtual public hearings will be held in place of in-person meetings/hearings as authorized by the Sacramento Housing and Redevelopment Commission, Sacramento City Council, and Sacramento County Board of Supervisors. In addition, this Citizen Participation Plan will follow all required HUD notices, waivers, award letters or other communications related to virtual and in-person public meetings or hearings.

Meetings of the Sacramento Housing and Redevelopment Commission are closed to the public until further notice in compliance with state guidelines on social distancing, in accordance with the Brown Act, (as currently in effect under the State Emergency Services Act), the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020. These measures facilitate participation by members of the Commission, Staff, and the public and allow meetings to be conducted by teleconference, videoconference, or both.

Refer to the Sacramento City Council and Sacramento County Board of Supervisor's web pages for current public meeting policies and procedures.

RESOLUTION NO. _____

**APPROVAL OF SACRAMENTO EMERGENCY RENTAL ASSISTANCE
(SERA) PROGRAM RELATED TO THE CORONAVIRUS AID, RELIEF AND
ECONOMIC SECURITY ACT**

WHEREAS, on March 4, 2020, Governor Newsom proclaimed a State of Emergency as a result of the threat of the coronavirus disease (COVID-19) in the State of California.

WHEREAS, on March 5, 2020, the County of Sacramento proclaimed a public health emergency as a result of the threat of COVID-19 (pandemic) in the county.

WHEREAS, on March 27, 2020, the President of the United States signed the Coronavirus Aid, Relief, and Economic Security Act (CARES), Public Law 116-136. This made available \$5 billion CDBG Coronavirus (CDBG-CV) funds, to respond to the growing effects of the historic public health crisis of COVID-19.

WHEREAS, the CARES Act allocated \$4,109,479 in CDBG-CV3 funding to the County of Sacramento based upon a new formula.

WHEREAS, the CARES Act authorized the HUD Secretary to grant waivers and alternative requirement of statutes and regulations in connection with the use of CDBG-CV3 funds, including the suspension of the 15 percent cap on public services; reducing the comment period to 5 days for consolidated plan and action plan amendments, and allowing the option of virtual hearings.

WHEREAS, SHRA has applied and received for waivers for the CDBG-CV.

WHEREAS the proposed action is not a project requiring review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378 and is Categorically Excluded under the National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.35(b)(2).

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

Section 1: All evidence presented having been dully considered, the Sacramento County Board of Supervisors accepts the findings, including the environmental facts and findings which are found to be true and correct are hereby adopted.

Section 2. The Sacramento Emergency Rental Assistance (SERA) Program is approved as the Homeless Prevention Program and the Sacramento Housing and Redevelopment Agency (Agency) is authorized to administer the SERA Program.

Section 3. The Agency is directed to take all actions necessary to allocate \$1,154,005 (SERA Funds) of CDBG-CV3 funds for administration of the SERA Program.

Section 4. The Agency is authorized to amend its budget in the amount of the SERA Funds to be used for the SERA Program.

Section 5. The Agency is authorized to negotiate, enter into and execute any contracts and related documents deemed necessary by the Agency, in a form approved by the Agency's Office of the General Counsel, for the purpose of administering the program.

Sacramento Emergency Rental Assistance Program

Background

In Spring 2020, the United States was impacted by the Coronavirus (COVID-19) pandemic which significantly impacted the nation and the County of Sacramento. On a national level, Bloomberg News reported on August 25, 2020 that 16 million people in the U.S. are currently out of work and one third of renters cannot pay for their housing. According to a national study 'The COVID-19 Eviction Crisis: An Estimated 30-40 Million People In America Are At Risk' collaboratively published on August 7, 2020 by staff from various well renowned universities, with the end of the eviction moratorium approximately 30 million Americans are "at risk" of being evicted in the coming months. This will result in a large wave of housing displacement and insecurity.

The nation is bracing for an eviction crisis of historic magnitude. Studies show that evictions affect Black, Asian and Latino renters at higher rates than white renters. Renters with children are also more likely to be severely impacted by the eviction crisis. The pandemic has placed an enormous economic strain on families to pay rent and subsequently strained landlords and property owners to pay mortgages. Many legislative bills have been passed in recent months to provide temporary relief to rental households.

Rent Relief Bills

On August 31, 2020 the California Legislature approved and the Governor signed urgency ordinance Assembly Bill 3088. Also known as the "COVID-19 Tenant Relief Act", this bill prohibits residential evictions for renters who missed rental payments between March 1 and August 31, 2020.

Renters who are impacted by COVID-19 will have to pay at least 25% of each rental payment that comes due or will come due between September 1, 2020 and January 31, 2021 in order to prevent eviction. However, if the renter cannot pay 25% of each rental payment, the landlord can proceed with an eviction starting February 1, 2021. Assembly Bill 3088 still requires renters to pay the full cost of rent and landlords have the ability to take tenants to small claims court starting March 1, 2021 to receive unpaid rental payments.

On September 4, 2020 the Federal Center for Disease Control and Prevention (CDC) announced the issuance of an Order to temporarily halt residential evictions to prevent the further spread of COVID-19. Under this

Order, "a landlord, owner of a residential property, or other person with a legal right to pursue eviction or possessory action, shall not evict any covered person from any residential property in any jurisdiction" through December 31, 2020. While there is a moratorium on evictions, there is no relief provided to erase past tenant payments that will be due in 2021.

Financial Relief

To provide financial relief to families impacted by COVID-19, on March 27, 2020 Congress approved the Coronavirus Aid, Relief and Economic Security Act (CARES), Public Law 116-136. This act established a \$150 billion Coronavirus Relief fund.

Commencing in mid-April, the Internal Revenue Service delivered one-time stimulus checks of \$1,200 for individuals earning below \$75,000 and \$2,400 for couples earning below \$150,000. In addition, \$600-a-week of supplemental federal unemployment helped families who were unemployed due to COVID-19.

All payments from the federal government have currently ceased and many residents who are still unemployed/under employed do not have the funds to pay their rent or mortgages. The nation is bracing for an eviction tsunami which will disproportionately impact low income families leading them to the precipice of homelessness.

With the approval of the CARES Act on March 27, 2020, local jurisdictions received funds to reduce the impact of COVID-19 on the local economy. The Sacramento City Council developed a framework and funding priorities for the City Coronavirus Relief Funds (CRF) and \$2.7 million was allocated on August 18, 2020 for the implementation of a Homeless Prevention Program (HPP) in the form of emergency rental assistance. The deadline for expending CRF funds is December 30, 2020. SHRA staff was requested to develop the rental assistance program which was presented and approved on September 22, 2020.

On September 11, 2020 HUD awarded \$3.6 million of CARES Community Development Block Grant (CDBG-CV3) funds to SHRA on behalf of the City of Sacramento. These funds were provided to "communities with high rates of individuals in industries with high job loss in states with high unemployment" to specifically help those struggling to meet their monthly rental or mortgage obligations. On October 13, 2020 \$2.0 million of City CDBG-CV3 was allocated to the rental assistance program. This created a total of \$4.7 million of City funds for the program.

Similarly, HUD awarded \$ 4,109,479 million of CARES Community Development Block Grant (CDBG-CV3) funds to SHRA on behalf of the County of Sacramento. It is recommended that \$1,154,005 be allocated to the rental assistance program for County residents.

Areas Impacted by Evictions and COVID-19

As the entire nation is impacted by the pandemic, cities across the United States have adopted rental assistance programs. Given the limited data available on local unemployment statistics tied specifically to COVID-19, zip code data was reviewed to identify the highest number of COVID cases, the highest eviction records from 2014-2016 coupled with high Priority Index data.

The Priority Index data was obtained from the Urban Institute which estimates the level of need by measuring the prevalence of low-income renters who are at risk of experiencing housing instability and homelessness. The weighted index was:

- o 50% weighted for housing instability risk (people living in poverty, renters, severely cost burdened households, unemployed families)
- o 10% for families impacted by COVID-19 and
- o 40% for equity (people of color, extremely low income renter households, households receiving public assistance).

Listed below are the top zip codes in the unincorporated County most impacted by all three factors:

Zip code	COVID cases	2014-16 Eviction Average
95660	610	297
95608	877	244
95843	724	107

With the cessation of all federal stimulus payments and with high unemployment rates based on COVID-19, there is a significant need for an emergency rental assistance program to assist low income families and to prevent an onslaught of evictions in 2021.

During the August 18, 2020 City Council meeting, SHRA staff was requested to develop an emergency rental assistance program that meets the threshold eligibility of the funding sources and prioritizes families with children. Additional feedback was received from the community to prioritize

those on the cusp of homelessness (earning 30 percent of area median income or less).

Staff developed a program that will quickly assist families in need of emergency rental assistance. Extensive community input was conducted with over 25 partners including tenant and landlord advocates. All input was thoroughly evaluated as the program was developed.

The table below summarizes the components of the proposed Sacramento Emergency Rental Assistance (SERA) program. If the Board allocates funds to this program, the goal of implementation is to have a program that is consistent between the City and County where funds can be provided quickly to the impacted renter families.

SACRAMENTO EMERGENCY RENTAL ASSISTANCE (SERA) PROGRAM

Population Criteria	Renter households with an address in the unincorporated portion of Sacramento County who were employed but have experienced a loss of income due to COVID-19.
Prioritization	<p>1a. Families with minor children with income at or below 30% of area median income (AMI).</p> <p>1b. Families with minor children with income at or below 50% of AMI.</p> <p>1c. Families without minor children with income at or below 30% of AMI.</p> <p>1d. Families without minor children with income at or below 50% of AMI. See income chart below.</p> <p>2. Completed applications with all necessary documentation</p>
Income Qualifications	Families or individuals with a gross household income at or below 50% AMI. See income chart below.
Assistance Payments	Up to \$4,000 per household which may be used for past due rent and remaining balance used for current rent payments if family is still unemployed.
Duration of program	County CDBG-CV3 is available for two years. Program may end sooner if all funds are utilized prior to this timeframe.
Benefits Status	Eligibility excludes those living in public housing or receiving an ongoing rental subsidy from the government or non-profit entity.
Administrator	Sacramento Housing and Redevelopment Agency.
Recipient of funds	Rental property owner or landlord.

Application Process	Online. Dedicated staff will be available to answer questions by phone and will be stationed at 2 locations to help families upload documents and/or provide other assistance as necessary.
Application Process	If more than 1,000 eligible households apply, a computerized random ordering will be applied to identify prospective program participants to begin the eligibility process.
Funding Source	County CDBG-CV3
Administration of program	Verification of information will be part of the eligibility process. Payments will be made directly to the landlord after verification of amount owed. Landlords will be asked to sign a statement of non-eviction.

Median Income	Family of:	1	2	3	4	5
\$86,300	50% of AMI	\$30,250	\$34,550	\$38,850	\$43,150	\$46,650
	30% of AMI	\$18,150	\$20,750	\$23,350	\$26,200	\$30,680



October 2, 2020

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Approval of Funding and Loan Agreements, 2020 Action Plan Amendment for River District Landing (Bercut Village and Discovery Apartment Homes - 321 Bercut Drive) and Capitol Park Hotel Loan Agreement Amendment

RECOMMENDATION

Staff is presenting this information to the Commission for final review prior to review by the City of Sacramento.

Respectfully submitted,


Executive Director

Attachment



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

**Discussion
October 13, 2020**

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

**Title: River District Landing (Bercut Village and Discovery Apartment Homes) –
Approval of Financing, Loan, and Operations Agreements, and Related
Documents; 2020 Action Plan Amendment; and Reallocation of Measure U Funds**

Location/Council District: 321 Bercut Drive/Council District 3

Recommendation: Pass a Motion by two-thirds vote waiving Sacramento City Code section 4.04.020 and Council Rules of Procedure Chapter 7, Section E.2.d that mandate all labor agreements and all agreements greater than \$1million shall be made available to the public at least ten (10) days prior to Council action; and Adopt: 1) a Housing Authority Resolution approving a) the rescission of Resolution No. 89-024 adopted on June 27, 1989, b) authorization to the Executive Director, or designee, to negotiate, enter into and execute i) Homekey Program funding and operator agreements and related documents for the Bercut Village development associated with the \$9,375,000 acquisition, \$825,000 rehabilitation and \$2,284,098 operations financing with Jamboree Housing or related entity (Developer) and execute other documents and perform other actions including without limitation, negotiation, subordination, regulatory agreement, financial restructuring, and extensions, ii) other documents related to Bercut Village to fulfill the intent of the Homekey Program requirements, including without limitation, negotiation, subordination, financial restructuring, and extensions, iii) acquisition loan agreement and related documents for the financing of Discovery Apartment Homes with \$2,255,000 in Housing Authority Successor Agency funds with the Developer, execute other documents and perform other actions including without limitation, negotiation, subordination, regulatory agreement, financial restructuring, and extensions, c) Executive Director, or designee, to negotiate, enter into and execute agreements and contracts with Sacramento Steps Forward and/or appropriate entities to carry out referral services to the Bercut Village interim housing program, d) the Housing Authority budget amendment, and e) the related findings; 2) a City Council Resolution approving a) the amendment to the 2020 One-Year Action Plan to allocate Emergency Solutions Grant (ESG) and Community Development Block Grant (CDBG) funds to Bercut Village, and Sacramento Housing and Redevelopment Agency (SHRA) is directed to submit the amended 2020 One-Year Action Plan to the US Department of Housing Urban Development (HUD), b) allocation of \$1,267,885 in ESG-CV2 for the