NOTICE OF REGULAR MEETING
Sacramento Housing and Redevelopment Commission
TELECONFERENCE MEETING ONLY
Wednesday, February 17, 2021 – 6:00 pm
801 12th Street Commission Room
Sacramento CA

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.

The Sacramento Housing and Redevelopment Commission meeting will be broadcast live on YouTube. To view the meeting please visit: https://youtu.be/_nt9tw-Gs44

Members of the public who wish to make comments can do so in two ways:

1. Email comments to publiccomments@shra.org which will be read into the record by the Clerk during the meeting.

2. Comment by phone during the meeting by dialing (888) 970-1444. Please call and indicate if you wish to comment during the general ‘Citizens Comments’ period or on a specific agenda item.

Please contact the Agency Clerk’s office at 916-440-1330, if you have questions about the public comment procedure. In compliance with the Americans with Disabilities Act (ADA), SHRA requests that individuals who require special accommodations to access and/or participate in Commission meetings contact the office at (916) 440-1330 at least 24 hours before the scheduled meeting. Agenda materials are available for review online at www.shra.org. If you need assistance with locating reports contact the Agency Clerk at (916) 440-1330 for assistance.

ROLL CALL

APPROVAL OF AGENDA
CITIZENS COMMENTS
While the Commission welcomes and encourages participation in the Commission meetings, please limit your comments to three minutes, so that everyone may be heard. SHRA provides opportunities for the public to address the Commission at this time in order to listen to opinions regarding non-agendized matters within the subject matter jurisdiction of SHRA. Consistent with the Brown Act, the public comment periods on the agenda are not intended to be “question and answer” periods or conversations with Commission members. Members of the public with questions are encouraged to contact staff before or after the meeting. Members of the public wishing to provide comment should either email comments to publiccomments@shra.org or be present them verbally by calling (888) 970-1444.

APPROVAL OF MINUTES – February 3, 2021

BUSINESS ITEMS

1. Implementation of the Sacramento Emergency Rental Assistance Program Phase 2

2. Approval of Loan Commitment for Sage at Folsom Senior Development continued from Agenda of February 3, 2021

PRESENTATIONS

3. Promise Zone Update

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT
MINUTES
Sacramento Housing and Redevelopment Commission (SHRC)
Regular Meeting
February 3, 2021
Meeting noticed on January 29, 2021

ROLL CALL

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:02 p.m. by Chair Morgan. Note that meeting was held via teleconference following the Governor's executive order during the coronavirus pandemic.

MEMBERS PRESENT: Alcalay, Boyd, Morgan, Nunley, Osmany, Staajabu, Starks, Woo

MEMBERS ABSENT: Griffin (two vacancies)

STAFF PRESENT: La Shelle Dozier, Brad Nakano, Susanna Jackson, Celia Yniguez, Susan Veazey, Vickie Smith, Ahmad Halimi, Lira Goff

APPROVAL OF AGENDA

The Agenda was approved as submitted. The Chair announced that items number 3 and 4 will be presented together.

CITIZENS COMMENTS

None.

APPROVAL OF MINUTES – December 2, 2020 minutes were approved as submitted.

BUSINESS ITEMS

1. Approval of Loan Commitment for Sage at Folsom Senior Development

   The item was presented by Jaylin McQuillon. This item is continued to the February 17, 2021 meeting, pending follow-up with the City of Folsom.

PRESENTATIONS

2. Housing Element Review - County

   The item was presented by Kate Rose of the County of Sacramento. Leanne Muller and Leighann Moffitt of the County of Sacramento, also participated.
3. One Year Action Plan Federal Programs Allocation Process - Workshop Number One - City Report


   The item was presented by Celia Yniguez.

5. Sacramento Emergency Rental Assistance Program Update

   MaryLiz Paulson presented the item.

BUSINESS ITEMS

6. Election of SHRA Commission Chair for 2021

   Commissioner Nunley nominated Chair Morgan to serve as Chair for the year 2020. Commissioner Boyd seconded the motion. Commissioner Nunley was nominated, but declined.

   A vote was held to close nominations. The votes were as follows:

   AYES: Alcalay, Boyd, Morgan, Nunley, Osmany, Staajabu, Starks, Woo
   NOES: None
   ABSENT: Griffin
   ABSTAIN: None

   Nominations were closed.

   Chair Morgan was the sole nominee. The Commission voted for the 2021 Chair seat, the votes were as follows:

   AYES: Boyd, Morgan, Nunley, Osmany, Staajabu, Starks, Woo
   NOES: Alcalay
   ABSENT: Griffin
   ABSTAIN: None

   Chair Morgan was declared to be the Chair for 2021.
7. **Election of SHRA Commission Vice-Chair for 2021**

Chair Morgan nominated Commissioner Nunley to serve as Vice-Chair for the year 2021. Commissioner Starks seconded the motion. Commissioner Osmany was nominated, but declined. Commissioner Starks was nominated, but declined.

A vote was held to close nominations. The votes were as follows:

**AYES:** Alcalay, Boyd, Morgan, Nunley, Osmany, Staajabu, Starks, Woo

**NOES:** None

**ABSENT:** Griffin

**ABSTAIN:** None

Nominations were closed.

Commissioner Nunley was the sole nominee. The Commission voted for the 2021 Vice-Chair seat, the votes were as follows:

**AYES:** Alcalay, Morgan, Nunley, Osmany, Staajabu, Starks, Woo

**NOES:** Boyd

**ABSENT:** Griffin

**ABSTAIN:** None

Commissioner Nunley was declared to be the Vice-Chair for 2021.

**EXECUTIVE DIRECTOR'S REPORT**

Executive Director La Shelle Dozier reviewed the following:
- The next meeting is scheduled for February 17, 2021.
- Announced that Lira Goff has been promoted to Interim Agency Clerk. Vickie Smith is working on special projects.

**COMMISSION CHAIR REPORT**

None.

**ITEMS AND QUESTIONS OF COMMISSION MEMBERS**

None.

**ADJOURNMENT**
As there was no further business to be conducted, Chair Morgan adjourned the meeting at 7:53 pm.

_____________________________  Clerk
Sacramento Housing and Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

(City Council/Housing Authority) COVID-19 Response: CARES Act Framework and Funding Priorities; Homelessness: Sacramento Emergency Rental Assistance (SERA) Phase 2 Program

RECOMMENDATION:

Staff is presenting this information to the Commission for review, prior to final review by the Sacramento City Council and Housing Authority of the City of Sacramento.

Respectfully Submitted

LA SHELLLE DOZIER
Executive Director

Attachment
Title: (City Council/Housing Authority) COVID-19 Response: CARES Act Framework and Funding Priorities; Homelessness: Sacramento Emergency Rental Assistance (SERA) Phase 2 Program

Location: Citywide

Recommendation: 1) Adopt a City Council Resolution: a) authorizing the Housing Authority of the City of Sacramento (Housing Authority) to administer SERA Phase 2 Program; b) authorizing the City Manager, or City Manager’s designee, to accept $16,435,224 upon receipt (State Funds) from the State Business, Consumer Services and Housing Agency (BCSH); Housing and Community Development (HCD) department and to accept $15,270,933.50 received from the U.S. Department of the Treasury Emergency Rental Assistance Program and to execute an agreement (Agreement) with the Housing Authority of the City (Housing Authority) for administration of the SERA Phase 2 Program for a total of amount of $31,706,158 (SERA Program Funds); c) authorizing the City Manager to establish the Emergency Rental Assistance Program (G02610600), establish the revenue and expenditure budgets of $31,706,158 in the appropriate grant funds, and d) authorizing the City Manager or the City Manager’s designee to enter into and execute any contracts and related documents deemed necessary for the purpose of allocating the SERA Program Funds to the Housing Authority; and e) making related findings; and 2) Adopt a Housing Authority Resolution: a) approving the Sacramento Emergency Rental Assistance (SERA) Phase 2 Program and authorizing the Housing Authority to administer SERA Phase 2 Program; b) approving the Housing Authority’s use of SERA Program Funds for the administration of SERA Phase 2; c) authorizing the Executive Director, or the Executive Director’s designee, to enter into an agreement with the City of Sacramento to receive SERA Program Funds for SERA Phase 2; d) authorizing the amendment of the Housing Authority’s budget in the amount of SERA Program Funds for the SERA Phase 2 Program; e) authorizing the Executive Director to increase the Housing Authority’s head count by thirty-two (32) FTE to hire employees to administer the program and manage the communication center; f) authorizing the Executive Director, or the Executive Director’s designee, to enter into and execute any contracts and related documents necessary to administer the SERA Program, including temporary staffing contracts; and g) making related findings.
Contact: La Shelle Dozier, Executive Director, (916) 440-1319, Sacramento Housing and Redevelopment Agency; Danielle Foster, Housing Policy Manager, (916) 808-1869, City of Sacramento; Sarah O'Daniel, Deputy Executive Director, (916) 440-1319, Sacramento Housing and Redevelopment Agency

Presenter: Danielle Foster, Housing Policy Manager, (916) 808-1869, City of Sacramento, Sarah O'Daniel, Deputy Executive Director, (916) 440-1319, Sacramento Housing and Redevelopment Agency

Attachments:
1-Description/Analysis
2-City Council Resolution
3-Housing Authority Resolution
4-SERA Phase One Data Report
Description/Analysis

Issue Detail: In Spring 2020, the United States was impacted by the Coronavirus (COVID-19) pandemic which significantly impacted the nation and the City of Sacramento. These impacts are continuing to be felt one year later as the pandemic is still not contained worldwide. On a national level, many actions were taken by local, state and the federal government to stabilize households with mortgage and rent relief. Despite such actions, many households continue to struggle financially – especially low-income workers, many of whom are renters. Approximately 80 percent of households with less than $50,000 in annual earnings rent their unit.

In a 2021 report by the California Legislative Analyst’s Office (LAO) titled ‘How Has Covid-19 Affected Renters and Homeowners?’ it was reported that 1.4 million Californians remain out of work and California renters owe $400 million in unpaid rent as of December 2020.

The nation is bracing for an eviction crisis of historic magnitude. Studies show that evictions affect Black and Latinx renters at higher rates than white renters with black women being evicted at the highest rates. The majority of Black and Latinx adults entered the pandemic without emergency funds. 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 and help them avoid accruing additional rental debt going forward.

Rent Relief Bills
At the local level, on March 17, 2020, the Sacramento City Council adopted an emergency ordinance to establish a temporary moratorium on evicting residential tenants unable to pay rent due to COVID-19. The City’s ordinance allowing non-payment of rent was extended until September 30, 2020 in accordance with the Governor’s Executive Order issued on June 30, 2020.

At the state level, 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.

In this bill, 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 requires renters to pay the full cost of rent and landlords have the ability to take tenants to small claims court to receive unpaid rental payments. The state eviction moratorium was extended on January 28, 2021 until June 30, 2021 with the passing of the COVID-19 Tenant Relief Act Senate Bill (SB) 91 (which will be discussed further in the report).

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". This order was recently extended through March 31, 2021. While there is a halt on evictions, there is no relief provided to erase past tenant payments that will be due once all moratoriums are lifted.

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. Payments from the federal government ceased during the summer of 2020.

In addition, local jurisdictions received funds to reduce the impact of COVID-19 on the local economy. On April 21, 2020, the City of Sacramento received $89.6 million in CARES Coronavirus Relief Funds (CARES CRF).

On September 22, 2020, $2.7 million of CARES CRF funds was allocated by City Council to the Housing Authority of the City (Housing Authority) to establish an emergency rental assistance program that provides rental payments to low-income families for rent owed in arrears or for current payments, thereby preventing them from being evicted and becoming homeless.

These funds were augmented with additional $665,000 of CARES CRF funds on December 15, 2020. Initially all CRF funds had to be expended by December 30, 2020. In addition, on October 13, 2020, $2 million of Community Development Block Grant coronavirus Phase 3 funds (CDBG-CV3) was added to the program for a total of $5.36 million available for rental assistance to City households.
On December 20, 2020, Congress approved a $900 billion pandemic relief package in which $25 billion was allocated to the U.S. Department of Treasury (Treasury) to disburse emergency rental assistance program (ERAP) funds to local jurisdictions and the states to assist unemployed renters at the brink of facing eviction. On January 25, 2021, the City of Sacramento received $15,270,933.50 for the federal ERAP program. Guidelines were provided by the Treasury to administer the program.

On January 28, 2021, the California Legislature passed the COVID-19 Tenant Relief Act (SB 91) extending eviction protections through June 30, 2021 and created a mechanism to deploy $2.6 billion in ERAP resources (received from the Treasury) to assist California tenants and landlords impacted by COVID-19. With this program, the City of Sacramento can receive an additional $16,435,224 with the caveat that the programmatic rules of the state must be followed to administer both the state and federal ERAP funds.

There are three options provided by the state to administer the funds:

1. State Program: The City provides the state with their federal allocation and both the state and federal allocations are managed by the state. The program will be administered by a Community Development Financial Institution partnering with the State; or

2. Self-Administer: The City receives a state block grant allocation ($16,435,224) and administers the rental funds consistent with state and federal program requirements; or

3. Self-Administer and State Administer: The City self-administers the federal allocation but does not conform their local program to the state requirements. The City cannot apply for a block grant. The state will administer their own program based on state criteria while the City administers their own local program with federal funds. The responsibility to manage the duplication of benefits will rest with the City.

On February 12, 2021, the City of Sacramento submitted an Expression of Intent Form to the Department of Housing and Community Development (HCD) for Option 2 which is to receive the state block grant allocation and administer the program locally consistent with state and federal guidelines. With the addition of these funds, the City will receive a total of $31,706,158 (of federal and state funds combined) to provide emergency rental assistance to families in the City of Sacramento.

It is recommended that these funds totaling $31,706,158 be allocated to the Housing Authority to administer the local Sacramento Emergency Rental Assistance Phase 2 Program (SERA).
The Housing Authority has significant experience administering rental assistance programs including most recently the SERA Phase 1 Program. With the funds allocated to the Housing Authority in fall, 2020, there was an urgency to expend all $3.36 million of CARES CRF funds by December 30, 2020 to meet federal deadlines. Housing Authority staff met with community partners including tenant and landlord advocates, developed an applicant portal, opened the application period in October, 2020 and expended 100 percent of the CARES CRF rental assistance funds by the December deadline. Please refer to Attachment 4 for details on the families served in SERA Phase 1. While the Housing Authority did an excellent job of getting funds disbursed and residents assisted in a timely manner, the City, through local Community-Based Organizations (CBOs), would like to complete additional outreach to difficult to reach neighborhoods with this round of funding.

City staff is supportive of the local self-administer option for the following reasons:

- It provides local jobs for the administration of the program;
- It offers an ease of process to residents so that they don’t have to apply to multiple locations (e.g. state and the Housing Authority);
- It provides the opportunity for the City and the Housing Authority to partner with local CBOs in the outreach and application assistance to further reach neighborhoods not yet served, particularly residents with a primary language different than English; and
- It simplifies the duplication of benefits tracking that the City, and the Housing Authority as its contractor, is responsible for completing.

With the addition of new ERAP funds, the Treasury provided guidance on the emergency rental assistance program. While the state regulations closely dovetail the federal guidelines, there are some variations that must be adhered to in order to receive the state funds and administer a joint (state/federally funded) local program. Here are some of the state requirements that are distinct from the federal guidelines:

- Landlords receive immediate relief with 80 percent of the tenant’s rental arrears accumulated between April 1, 2020 and March 31, 2021. Landlords in turn, agree to accept this payment as payment in full of any unpaid rent for that period.

- If the landlord does not participate in the program, the eligible tenant may apply to the program for 25 percent of their rental arrears which will be paid to the landlord.

- The program allows for prospective payments of 25 percent of monthly rent for the months of April, May and June 2021.
Based on these guidelines the table below summarizes the components of the proposed Sacramento Emergency Rental Assistance (SERA) Phase 2 program. Please note that some of the local policies may change based on additional guidance received from the Treasury or the State HCD department.

**SACRAMENTO EMERGENCY RENTAL ASSISTANCE (SERA) PROGRAM**

<table>
<thead>
<tr>
<th>Total Fund Amount</th>
<th>$31,706,158</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population Criteria</strong></td>
<td>City renter households in which at least one or more individuals meets the following criteria:</td>
</tr>
<tr>
<td></td>
<td>Household member is unemployed or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship due to COVID-19.</td>
</tr>
<tr>
<td></td>
<td>Demonstrates a risk of experiencing homelessness or housing instability.</td>
</tr>
<tr>
<td><strong>Prioritization</strong></td>
<td>Households that earn up to 50 percent area median income (AMI) and those who have been unemployed for 90 days prior to the date of application.</td>
</tr>
<tr>
<td></td>
<td>Families with rental arrears.</td>
</tr>
<tr>
<td></td>
<td>Please see income chart below for AMI information by family size.</td>
</tr>
<tr>
<td><strong>Income Qualifications</strong></td>
<td>Families or individuals with a gross household income at or below 80% percent AMI.</td>
</tr>
<tr>
<td><strong>Assistance Payments</strong></td>
<td>Landlords receive 80 percent of the tenant's rental arrears accumulated between April 1, 2020 and March 31, 2021.</td>
</tr>
<tr>
<td></td>
<td>Landlords in turn, agree to accept this payment as payment in full of any unpaid rent for that period.</td>
</tr>
<tr>
<td></td>
<td>If the landlord does not participate in the program for a particular tenant, the eligible tenant may apply to the program for 25 percent of their rental arrears which will be paid to the landlord.</td>
</tr>
<tr>
<td></td>
<td>The program allows for prospective payments of 25 percent of monthly rent for the months of April, May and June.</td>
</tr>
<tr>
<td>Duration of program</td>
<td>December 30, 2021. Program may end sooner if all funds are utilized prior to this timeframe.</td>
</tr>
<tr>
<td>--------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Duplicative Benefits</td>
<td>An eligible household that occupies a federally-subsidized residential or mixed-use property may receive rental assistance, provided that funds are not applied to costs that have been or will be reimbursed under any other federal assistance. Assistance may only be used to pay for expenses related to significant hardship due to COVID-19 that is not paid for by other rental assistance programs.</td>
</tr>
<tr>
<td>Administrator</td>
<td>Housing Authority of the City of Sacramento</td>
</tr>
<tr>
<td>Final Recipient of funds</td>
<td>Funds will be paid directly to landlords and utility service providers. Landlords can apply on behalf of the tenants (with approval from tenant prior to processing application). Tenants can apply for themselves.</td>
</tr>
<tr>
<td>Application Process</td>
<td>Online. Dedicated staff will be available to answer questions by phone and email. They can also virtually help families upload documents and/or provide other assistance as necessary. Forms will be translated into Spanish, Chinese, Hmong, and Russian. Translators can assist non-English speakers.</td>
</tr>
<tr>
<td>Application Timeframe</td>
<td>Multiple times during 2021 to meet state guidelines.</td>
</tr>
<tr>
<td>Funding Sources</td>
<td>U.S. Department of Treasury and State Department of Housing and Community Development</td>
</tr>
<tr>
<td>Administration of program</td>
<td>Verification of information will be part of the eligibility process. Landlord will be asked to forgive the remaining 20 percent of payments for rental arrears to meet state guidelines. Funds must be administered in at least three rounds to meet state guidelines. Prioritizing (1) Below 50 percent AMI or unemployed for 90 days; (2) Below 80 percent AMI and in a community disproportionately impacted by COVID-19; (3) Below 80 percent AMI and not addressed in by rounds 1&amp;2.</td>
</tr>
<tr>
<td>Median Income (2020)</td>
<td>Family of:</td>
</tr>
<tr>
<td>---------------------</td>
<td>------------</td>
</tr>
<tr>
<td>$86,300</td>
<td>80% of AMI</td>
</tr>
<tr>
<td>$86,300</td>
<td>50% of AMI</td>
</tr>
<tr>
<td>$86,300</td>
<td>30% of AMI</td>
</tr>
</tbody>
</table>

* 2021 Income Limits are not available yet. Once available, staff will utilize the updated Income Limits.

Staff will conduct robust outreach to the community contacting non-profit organizations, community-based groups, landlord and tenant advocate groups to share information on the program. Rental assistance information and applications will be translated online into Spanish, Vietnamese, Russian, Hmong and Chinese. Phone calls received from non-English speaking households will be answered using a translation service.

Contractual partnerships will be established with a minimum of five local CBOs to conduct significant outreach to low-income renters, including non-English speaking households, to assist them in the application process for this program and to provide continued assistance to the families during the application review process.

Here is the anticipated timeline for the program:

<table>
<thead>
<tr>
<th>Description</th>
<th>Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Council Meeting</td>
<td>February 16, 2021</td>
<td>Authority for Housing Authority to administer program on behalf of the City</td>
</tr>
<tr>
<td>Board of Supervisor Meeting</td>
<td>February 24, 2021</td>
<td>Authority for Housing Authority to administer program on behalf of the county</td>
</tr>
<tr>
<td>Community meetings</td>
<td>Month of February and ongoing during the year</td>
<td>Meetings with non-profits, community organizations, landlord groups, tenant and landlord advocates</td>
</tr>
<tr>
<td>Community-Based Organizations Contracts</td>
<td>March 15, 2021</td>
<td>Complete contracts with CBOs for application assistance</td>
</tr>
<tr>
<td>Wait list opening</td>
<td>February 25- March 19, 2021</td>
<td>Additional wait list openings to take place during the year</td>
</tr>
</tbody>
</table>
Community partnerships | February – December 2021 | Ongoing technical assistance to community organizations to assist families with applications
Expend all state funds | August 1, 2021 | State requirement
Expend at least 65 percent of federal funds | September 30, 2021 | Benchmark to be considered for additional federal rental assistance funds
Expenditure of state and federal funds | December 30, 2021 | Meet all funding requirements

**Policy Considerations:** The proposed appropriation of funds is consistent with the goals and objectives outlined in federal and state guidelines to provide immediate relief to rental households around the country. These funds are specifically allocated by the Treasury and the State of California for the sole purpose of providing emergency rental assistance relief to Sacramento City rental households.

**Economic Impacts:** Not applicable.

**Environmental Considerations:**

*California Environmental Quality Act (CEQA):* The proposed action is not a project under CEQA pursuant to CEQA Guidelines §15378.

*National Environmental Policy Act (NEPA):* The proposed action is categorically excluded under NEPA pursuant to 24 CFR 58.35(b)(2).

**Sustainability:** Not applicable.

**Commission/Committee Action:** At its meeting of February 17, 2021, the Sacramento Housing and Redevelopment Commission will consider the staff recommendation for this item. Staff will notify the Council in the event the item is not approved.

**Rationale for Recommendation:** In a 2021 report by the California Legislative Analyst’s Office (LAO) titled ‘How Has Covid-19 Affected Renters and Homeowners?’ 1.4 million Californians remain out of work and California renters owe $400 million in unpaid rent as of December 2020. Rental assistance is direly needed to prevent households from being evicted once the eviction moratorium is lifted. These funds will provide families with critical financial resources to remain stably housed in Sacramento.
Financial Considerations: The Emergency Rental Assistance program (G02610600) is comprised of $15,270,934 from the Treasury funds and $16,435,224 of State ERAP funds for a total of $31,706,158 that is being recommended for allocation to the Housing Authority to operate the SERA Phase 2 program in the City of Sacramento. This funding allocation includes up to 10 percent for administrative expenses including hiring staff to operate the expanded SERA program.

This program will provide $31,706,158 of state and federal funding towards emergency rental assistance. The Housing Authority is proposing the following budget for the City program:

| Direct Financial Assistance to Renters | $28,535,542 |
| Community-Based Organizations Contracts | $500,000 |
| SHRA Delivery (Administration) | $2,195,024 |
| State Administrative Carve Out | $475,592 |
| **Total** | **$31,706,158** |

Local Business Enterprise (LBE): Not applicable.
RESOLUTION NO. 2021-

Adopted by the Sacramento City Council

COVID-19 Response: Sacramento Emergency Rental Assistance
Phase 2 Program

BACKGROUND

A. On January 5, 2021, the United States Department of the Treasury (Treasury) notified eligible jurisdictions regarding the availability of Emergency Rental Assistance Program (ERAP) funding to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic.

B. On January 25, 2021, the City of Sacramento received a direct allocation of $15,270,933.50 of federal ERAP funds from the Treasury.

C. On February 12, 2021, the City of Sacramento submitted the Expression of Intent to receive State ERAP funds of $16,435,224 (State Funds) from the State Business, Consumer Services and Housing Agency (BCSH), Housing and Community Development (HCD) department.

D. 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).

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

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

Section 2. The Housing Authority of the City (Housing Authority) is authorized to administer the Sacramento Emergency Rental Assistance Program (SERA) Phase 2 Program.

Section 3. The City Manager, or his designee, is authorized to accept the amounts of $15,270,933.50 received from the Treasury and $16,435,224 of State Funds upon receipt from HCD, establish the Emergency Rental Assistance Project (G02610600), and establish the revenue and expenditure budgets of $31,706,158 in the appropriate grant funds.
Section 4. The City Manager, or his designee, is authorized to execute an agreement (Agreement) with the Housing Authority, in a form approved by the City Attorney, for administration of the SERA Phase 2 Program in an amount not to exceed $31,706,158 (SERA Funds), with up to 10 percent of SERA Funds to be used for administrative expenses, including a minimum of $500,000 for contracts with Community-Based Organizations to assist with community outreach and application assistance.

Section 5. The City Manager, or his designee, is authorized to negotiate, enter into and execute any contracts and related documents, in a form approved by the City Attorney, deemed necessary for the purpose of allocating the SERA Funds to the Housing Authority.
RESOLUTION NO. 2021-
Adopted by the Housing Authority of the City of Sacramento

APPROVAL OF SACRAMENTO EMERGENCY RENTAL ASSISTANCE (SERA) PHASE 2 PROGRAM

BACKGROUND

A. WHEREAS, On January 5, 2021, the United States Department of the Treasury (Treasury) notified eligible jurisdictions regarding the availability of Emergency Rental Assistance Program (ERAP) funding to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic; and

B. WHEREAS, the City of Sacramento received a direct allocation of $15,270,933.50 of federal ERAP funds from the Treasury; and

C. WHEREAS, on February 12, 2021, the City of Sacramento submitted the Expression of Intent to receive State ERAP funds of $16,435,224 from the State Business, Consumer Services and Housing Agency (BCSH), Housing and Community Development (HCD) department; and

M. 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).

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY RESOLVES AS FOLLOWS:

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

Section 2. The Sacramento Emergency Rental Assistance Program (SERA) Phase 2 Program and use of $31,706,158, comprised of $15,270,934 of Treasury funds and $16,435,224 of State HCD funds (SERA Funds) are approved for administration of the SERA Phase 2 Program including the allocation of up to 10 percent of the SERA Funds for administrative expenses to operate the SERA Phase 2 Program, including a minimum of $500,000 for contracts with Community-Based Organizations to assist with community outreach and application assistance (Administrative Cost).

Section 3. The Executive Director, or her designee, is authorized to enter into an agreement with the City of Sacramento for the SERA Funds to provide financial assistance to eligible households that are unable to pay rent and utilities due to the COVID-19 pandemic.
Section 4. The Executive Director, or her designee, is authorized to amend the Housing Authority budget in the amount of the SERA Funds to be used for the SERA Phase 2 Program.

Section 5. The addition of thirty-two (32) full time employees and contracts with Community-Based Organizations to support the Housing Authority's administration of the SERA Phase 2 Program is approved.

Section 6. The Executive Director, or her designee, is authorized to negotiate, enter into and execute any contracts and related documents deemed necessary by the Executive Director, or her designee, including temporary staffing contracts in the aggregate not to exceed the Administrative Cost, in a form approved by the Housing Authority's Office of the General Counsel for the purpose of administering the SERA Phase 2 Program.
Sacramento Emergency Rental Assistance (SERA) Program
Coronavirus Relief Funds (CRF) and Community Development Block Grant (CDBG) Disbursement Report
City of Sacramento
February 5, 2021

CRF & CDBG Disbursement Overview

<table>
<thead>
<tr>
<th></th>
<th>CRF</th>
<th>CDBG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Assistance Provided</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Families Assisted</td>
<td>881</td>
<td>49</td>
<td>930</td>
</tr>
<tr>
<td>Landlords Assisted</td>
<td>530</td>
<td>47</td>
<td>562*</td>
</tr>
<tr>
<td>Funds Disbursed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funds Disbursed</td>
<td>$3,034,557</td>
<td>$168,771</td>
<td>$3,203,328</td>
</tr>
<tr>
<td>Percentage of Funds Disbursed</td>
<td>100%</td>
<td>9%*</td>
<td>66%</td>
</tr>
<tr>
<td>Average Disbursement</td>
<td>$3,444</td>
<td>$3,444</td>
<td>$3,444</td>
</tr>
<tr>
<td>Applications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Submitted Applications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of Applications Assisted</td>
<td>59%</td>
<td>3%*</td>
<td>62%</td>
</tr>
</tbody>
</table>

*This number represents the total count of unique landlords. Some landlords had tenants assisted by both funding sources.
*All eligible and responsive applications were assisted

Demographics

<table>
<thead>
<tr>
<th></th>
<th>City Families Assisted</th>
<th>Percentage of City Families Assisted</th>
<th>Families Assisted Chart</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minor Children</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Families with minor children</td>
<td>635</td>
<td>68%</td>
<td></td>
</tr>
<tr>
<td>Families without minor children</td>
<td>295</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>Area Median Income (AMI)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30% or below AMI</td>
<td>709</td>
<td>76%</td>
<td></td>
</tr>
<tr>
<td>31-50% of AMI</td>
<td>200</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>51-80% of AMI</td>
<td>21</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Over 80% AMI</td>
<td>0</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Citizenship by Family*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Citizen</td>
<td>761</td>
<td>82%</td>
<td></td>
</tr>
<tr>
<td>Non US Citizen</td>
<td>169</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Race - Head of Household</td>
<td>City Families Assisted</td>
<td>Percentage of City Families Assisted</td>
<td></td>
</tr>
<tr>
<td>----------------------------------</td>
<td>------------------------</td>
<td>-------------------------------------</td>
<td></td>
</tr>
<tr>
<td>American Indian or Alaska Native</td>
<td>10</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Asian</td>
<td>92</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Black/African American</td>
<td>353</td>
<td>38%</td>
<td></td>
</tr>
<tr>
<td>Native Hawaiian/Pacific Islander</td>
<td>25</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>197</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>Other**</td>
<td>253</td>
<td>27%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ethnicity - Head of Household</th>
<th>City Families Assisted</th>
<th>Percentage of City Families Assisted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic or Latino</td>
<td>209</td>
<td>22%</td>
</tr>
<tr>
<td>Not Hispanic or Latino</td>
<td>721</td>
<td>78%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age - Head of Household</th>
<th>City Families Assisted</th>
<th>Percentage of City Families Assisted</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-17</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>18-24</td>
<td>72</td>
<td>8%</td>
</tr>
<tr>
<td>25-34</td>
<td>319</td>
<td>34%</td>
</tr>
<tr>
<td>35-54</td>
<td>472</td>
<td>51%</td>
</tr>
<tr>
<td>55-61</td>
<td>48</td>
<td>5%</td>
</tr>
<tr>
<td>62+</td>
<td>19</td>
<td>2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Applicant Preferred Language</th>
<th>City Families Assisted</th>
<th>Percentage of City Families Assisted</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>903</td>
<td>97%</td>
</tr>
<tr>
<td>Spanish</td>
<td>26</td>
<td>3%</td>
</tr>
<tr>
<td>Chinese</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Vietnamese</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Russian</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Hmong</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Household Size</th>
<th>City Families Assisted</th>
<th>Percentage of City Families Assisted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>201</td>
<td>22%</td>
</tr>
<tr>
<td>2</td>
<td>208</td>
<td>22%</td>
</tr>
<tr>
<td>3</td>
<td>202</td>
<td>22%</td>
</tr>
<tr>
<td>4</td>
<td>158</td>
<td>17%</td>
</tr>
<tr>
<td>5</td>
<td>94</td>
<td>10%</td>
</tr>
<tr>
<td>6</td>
<td>38</td>
<td>4%</td>
</tr>
<tr>
<td>7</td>
<td>18</td>
<td>2%</td>
</tr>
<tr>
<td>8</td>
<td>6</td>
<td>1%</td>
</tr>
<tr>
<td>9</td>
<td>3</td>
<td>0%</td>
</tr>
<tr>
<td>10</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>11</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>12</td>
<td>1</td>
<td>0%</td>
</tr>
</tbody>
</table>

![Families Assisted Chart](image-url)
### City Council District

<table>
<thead>
<tr>
<th>District</th>
<th>City Families Assisted</th>
<th>Percentage of City Families Assisted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>107</td>
<td>12%</td>
</tr>
<tr>
<td>2</td>
<td>146</td>
<td>16%</td>
</tr>
<tr>
<td>3</td>
<td>124</td>
<td>13%</td>
</tr>
<tr>
<td>4</td>
<td>116</td>
<td>12%</td>
</tr>
<tr>
<td>5</td>
<td>105</td>
<td>11%</td>
</tr>
<tr>
<td>6</td>
<td>111</td>
<td>12%</td>
</tr>
<tr>
<td>7</td>
<td>99</td>
<td>11%</td>
</tr>
<tr>
<td>8</td>
<td>128</td>
<td>14%</td>
</tr>
</tbody>
</table>

### Rental Assistance Disbursed

<table>
<thead>
<tr>
<th>Range</th>
<th>City Families Assisted</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0-$1000</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>$1001-$2000</td>
<td>88</td>
<td>9%</td>
</tr>
<tr>
<td>$2001-$3000</td>
<td>170</td>
<td>18%</td>
</tr>
<tr>
<td>$3001-$4000</td>
<td>671</td>
<td>72%</td>
</tr>
</tbody>
</table>

### Top Ten Zip Codes

<table>
<thead>
<tr>
<th>Zip Code</th>
<th>City Families Assisted</th>
<th>Percentage of City Families Assisted</th>
<th>Highest COVID-19 and Eviction Rates</th>
<th>Zip Code Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>95823</td>
<td>115</td>
<td>12%</td>
<td>Y</td>
<td>Florin/Mack</td>
</tr>
<tr>
<td>95833</td>
<td>99</td>
<td>11%</td>
<td></td>
<td>South Natomas</td>
</tr>
<tr>
<td>95834</td>
<td>90</td>
<td>10%</td>
<td></td>
<td>North Natomas</td>
</tr>
<tr>
<td>95831</td>
<td>82</td>
<td>9%</td>
<td></td>
<td>Greenhaven</td>
</tr>
<tr>
<td>95815</td>
<td>80</td>
<td>9%</td>
<td></td>
<td>Del Paso Heights</td>
</tr>
<tr>
<td>95838</td>
<td>68</td>
<td>7%</td>
<td>Y</td>
<td>DPH Grant and Main</td>
</tr>
<tr>
<td>95822</td>
<td>55</td>
<td>6%</td>
<td></td>
<td>South Land Park</td>
</tr>
<tr>
<td>95824</td>
<td>48</td>
<td>5%</td>
<td>Y</td>
<td>Lemon Hill</td>
</tr>
<tr>
<td>95820</td>
<td>44</td>
<td>5%</td>
<td></td>
<td>Oak Park/Tahoe Park</td>
</tr>
<tr>
<td>95835</td>
<td>41</td>
<td>4%</td>
<td></td>
<td>North Natomas</td>
</tr>
</tbody>
</table>

*If any household member is a Non US Citizen, the household is Non US Citizen
**Other includes multiracial and applicants that identified as other (most other also identified their ethnicity as Hispanic or Latino)
Sacramento Housing and Redevlopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:
Approval of Loan Commitment for Sage at Folsom Senior Development

RECOMMENDATION:
Staff is presenting this information to the Commission for review, prior to final review by the Board of Supervisors of the County of Sacramento.

Respectfully Submitted

LA SHELLE DOZIER
Executive Director

Attachment

801 12th Street, Sacramento, CA 95814
COUNTY OF SACRAMENTO
CALIFORNIA

For the Agenda of:
February 23, 2021

To: Board of Supervisors and Housing Authority of the County of Sacramento

Through: Ann Edwards, Acting County Executive
         Bruce Wagstaff, Deputy County Executive, Social Services

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

Subject: Approval of Loan Commitment for Sage at Folsom Senior Development

District(s): Frost

RECOMMENDED ACTION
The report recommends approval of the attached Board of Supervisors Resolution:

1. Approving $800,000 Loan Commitment comprised of Home Investment Partnerships Program (HOME) funds
2. Approving related documents associated with this transaction with USA Properties, or related entity, and make related findings
3. Authorizing the Sacramento Housing and Redevelopment Agency (SHRA) budget amendment

BACKGROUND
Sage at Folsom is a proposed senior development to be located at Scholar Way at E. Bidwell Street in Folsom. The site is currently a 4.2-acre vacant lot and is surrounded by residential and commercial offices. The proposed project consists of 110 one-bedroom units. A vicinity map, site plan and building rendering are included as Attachments 1, 2 and 3.

HOME Funding
The City of Folsom is a member of the Sacramento County HOME Investment Partnerships Consortium (HOME Consortium). The County HOME Consortium consists of the unincorporated County, and the Cities of Citrus Heights, Rancho Cordova, Folsom, Isleton, and Galt and receives a total of approximately $3.28 million annually. The City of Folsom's approximate annual share of the HOME Consortium is $90,000. The proposed commitment of $800,000 will utilize
existing funds in the Folsom (Sacramento County) HOME allocation through fiscal year 2024. The City of Folsom is not eligible for HOME funds until fiscal year 2025.

Project Description
USA Properties Fund, Inc. acquired the land in April of 2020. The proposed project is a 110-unit, senior affordable apartment community with one-bedroom residential units, including one manager’s unit. Each unit will have a full kitchen, living space, storage closet, and one bathroom.

The Development will include two three-story elevator buildings. Community amenities include a 2,601 square foot community center on the first floor with a great room containing large screen televisions, game and lounge areas, a business center, a convenience kitchen, an outdoor dining patio with seating areas, seat walls, patio tables with umbrellas, and barbecue area. Outdoor amenities include a patio adjacent to the community center, bocce court with bench seating, community garden, and dog park.

Developer: USA Properties Fund, Inc. is developing the project. The developer is a for profit corporation dedicated to developing market rate and affordable senior and multifamily housing. The developer has more than 12,000 units of family and senior apartment in 90 communities throughout California and Nevada.

Property Management: USA Multifamily Management, Inc. will manage the property. SHRA staff has reviewed USA Multifamily Management Inc.’s qualifications and management plan, and has found that the proposed property management agent and management plan meet SHRA requirements.

Resident Services: LifeSteps will provide supportive service for residents in the development. SHRA Multifamily lending policies require 20 hours per week of resident services for projects over 100 units. The City of Folsom has requested reducing the number of resident services hours to 3.5 per week.

Security Plan: SHRA staff has reviewed and approved the security plan which includes installation of web-based security cameras and recording equipment; and installation of exterior lighting.

Project Financing:
The financing will be structured as a Low Income Housing Tax Credit project with tax-exempt bonds in the amount of $10,150,000, City of Folsom subsidy loan in the amount of $4,500,000 and a HOME loan from Sacramento Housing & Redevelopment Agency in the amount of $800,000.
Approval of $800,000 Loan Commitment for Sage at Folsom
Page 3

Funding sources and uses are provided in the Project Summary as Attachment 4. A Cash Flow Proforma is provided as Attachment 5.

LOW-INCOME SET-ASIDE REQUIREMENTS
As a condition of receiving tax credits, federal law requires that developments be set aside for targeted income groups. Income restrictions from Low Income Housing Tax Credit (LIHTC) financing require that household income is at or below 59 percent AMI.

The Agency further requires that at least 20 percent of the units be restricted to households with incomes at or below 50 percent AMI. The affordability restrictions will be specified in regulatory agreements between the developer and the respective monitoring agencies, which include the California Tax Credit Allocation Committee and the Agency. Proposed funding sources and their affordability requirements are summarized in the table below. See Attachment 6 for Maximum Income and Rent Levels.

<table>
<thead>
<tr>
<th>Funding Program</th>
<th>Affordability Level and AMI Regulated for 55 years</th>
<th>Proposed No. of Units</th>
<th>Percentage of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIHTC</td>
<td>Very Low Income 30% AMI</td>
<td>9</td>
<td>8%</td>
</tr>
<tr>
<td>LIHTC</td>
<td>Lower Income 50% AMI</td>
<td>55</td>
<td>50%</td>
</tr>
<tr>
<td>HOME</td>
<td>Lower Income 50% AMI</td>
<td>5</td>
<td>5%</td>
</tr>
<tr>
<td>LIHTC</td>
<td>Moderate Income 80% AMI</td>
<td>40</td>
<td>36%</td>
</tr>
<tr>
<td>Manager’s unit</td>
<td>Unrestricted</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>110</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Legend:
1 The most restrictive income and rent limits will prevail when Project has layered funding programs.
2 The LIHTC Regulatory Agreement will be enforced for 55 years.
3 Agency Regulatory Agreement for the HOME assisted units will be enforced for 20 years.

COMMISSION ACTION
It is anticipated that the Sacramento Housing and Redevelopment Commission will approve the recommendation for this item at its meeting on February 3, 2021. Staff will notify the Board in the event the item is not approved.

POLICY CONSIDERATIONS
The recommended actions are consistent with the Agency’s previously approved Multifamily Lending and Mortgage Revenue Bond Policies. The regulatory agreement will specify the regulatory restrictions on the property. Compliance with the regulatory agreement will be monitored by the Agency annually in accordance with the HOME Funding Requirements.
ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA): The City of Folsom, as Lead Agency under the California Environmental Quality Act (CEQA) prepared an Initial Study (IS), adopted a Negative Declaration (ND) and Mitigation Monitoring and Reporting Program (MMRP), and filed a Notice of Determination (NOD) for the Project pursuant to CEQA requirements under Title 14, §15070 – 15075 of the California Code of Regulations (CCR). As a Responsible Agency for the Project, the Sacramento Housing and Redevelopment Agency (SHRA) has considered the environmental document prepared by the City and has determined that the environmental analysis is adequate and complete and that the project will have no significant effect on the environment with the adopted mitigation measures incorporated.

National Environmental Policy Act (NEPA): An Environmental Assessment (EA) is being completed pursuant to the National Environmental Policy Act (NEPA) requirements under Title 24, Code of Federal Regulations (CFR) Part 58.36 and will be completed prior to finalizing the loan commitment.

M/WBE/SECTION 3 CONSIDERATIONS

Local Business Enterprise requirements do not apply to this report. Minority and Women’s Business Enterprise requirements and Section 3 will be applied to all activities to the greatest extent feasible and as required by federal funding and in accordance with SHRA’s Section 3 Economic Opportunity Plan. The Developer and general contractor will work with SHRA’s Section 3 Administrator, the Sacramento Employment and Training Agency, the Greater Sacramento Urban League or similar entities, to promote employment opportunities.

FINANCIAL ANALYSIS

The attached loan agreement relates to the $800,000 HOME loan for construction and permanent financing. The construction and permanent loan will have a three percent interest rate. The Agency will collect an annual payment of 0.125 percent (12.5 basis points) of the total Agency funding amount and an additional $100 per HOME regulated unit for monitoring of the regulatory restrictions and administration of the funds from the Project’s owner.
Respectfully Submitted,

LA SHELLE DOZIER, Executive Director
Sacramento Housing and Redevelopment Agency

ATTACHMENTS:
RES – BOS Resolution
EXH A: Conditional Loan Commitment
ATT 1 – Vicinity Map
ATT 2 – Site Map
ATT 3 – Project Rendering
ATT 4 – Project Summary
ATT 5 – Project Cash Flow Proforma
ATT 6 – Maximum Income and Rent Limits

APPROVED
NAVDEEP S. GILL,
County Executive

By:
BRUCE WAGSTAFF
Deputy County Executive
RESOLUTION NO.

SAGE AT FOLSOM: A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO APPROVING A $800,000 LOAN COMMITMENT CONSISTING HOME INVESTMENT PARTNERSHIPS FUNDS; EXECUTION OF LOAN COMMITMENT AND RELATED DOCUMENTS WITH USA PROPERTIES FUND INC. OR RELATED ENTITY; RELATED BUDGET AMENDMENT; RELATED FINDINGS; AND ENVIRONMENTAL FINDINGS

WHEREAS, USA Properties Fund Inc. has applied to the Sacramento Housing and Redevelopment Agency (Agency) for a gap financing loan commitment of Eight Hundred Thousand Dollars ($800,000) of Home Investment Partnerships Program (HOME) funds for the acquisition and permanent financing of Sage at Folsom (Project); and

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

WHEREAS, the City of Folsom, as Lead Agency under the California Environmental Quality Act (CEQA) prepared an Initial Study, adopted a Negative Declaration and Mitigation Monitoring and Reporting Program, and filed a Notice of Determination for the Project pursuant to CEQA requirements under Title 14, §15070 – 15075 of the California Code of Regulations. As a Responsible Agency for the Project, the Sacramento Housing and Redevelopment Agency has considered the environmental document prepared by the City and has determined that the environmental analysis is adequate and complete and that the project will have no significant effect on the environment with the adopted mitigation measures incorporated; and

WHEREAS, an Environmental Assessment is being completed pursuant to the National Environmental Policy Act requirements under Title 24, Code of Federal Regulations Part 58.36 and will be completed prior to finalizing the loan commitment.

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

Section 1. All of the evidence having been duly considered, the facts as presented and stated above, including the environmental facts and findings, are found to be true and correct and are hereby adopted.
Approval Of Loan Commitment For Sage at Folsom
Page 2

Section 2. The loan commitment letter attached to and incorporated in this resolution by
this reference (Loan Commitment) for the financing of Sage at Folsom is approved in the amount
of Eight Hundred Thousand Dollars ($800,000) of HOME funds.

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

Section 4. The Agency is authorized to amend its budget and to transfer up to Eight
Hundred Thousand Dollars ($800,000) of HOME funds for the proposed Project.

On a motion by Supervisor__________, seconded by Supervisor_____________,
the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of
Sacramento, State of California this 23rd day of February, 2021, 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
Effective Date: February 23, 2021

USA Properties Fund Inc.
c/o Darren Bobrowsky, Senior Vice President, Capital Markets Group
3200 Douglas Boulevard, Suite 200
Roseville, CA 95661

RE: Conditional Funding Commitment for Sage at Folsom Apartments

Dear Mr. Bobrowsky:

On behalf of the Housing Authorities of the County and City of Sacramento (collectively, Agency), we are pleased to advise you of this Conditional Funding Commitment (Commitment) of permanent loan funds (Loan) comprised of $800,000 in County Home Investment Partnerships Program (HOME) for the purpose of financing the acquisition, rehabilitation and development of that certain real property known as Sage at Folsom located at Scholar Way at E Bidwell St, Folsom, California 95630 (Property). The Agency's decision is based on your application, and all representations and information supplied by you to it. If these representations and information change in a material manner without written approval of the Agency, this Commitment is void. Agency's obligation to make the Loan is subject to the satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency.

The Loan shall be made on standard Agency loan documents. Loan terms not in this Commitment and the attached loan document forms shall not be included in the final loan documents without additional environmental review and governing board approval. In the event of any discrepancies between terms stated in this Commitment and the loan documents, the terms stated in this Commitment 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 **August 31, 2022**, unless a mutually agreed upon extension is made.

1. **PROJECT DESCRIPTION:** Sage at Folsom is a senior affordable development located at Scholar Way at E Bidwell Street in Folsom. The Project consists of 110 one-bedroom units and amenities within two three-story buildings (78,384 square feet). The buildings will be oriented parallel to East Bidwell Street with parking fields located east, west, and
Community amenities include an approximately 2,601 square foot community center on the first floor with a great room with large screen television, game and lounge area, a business center, and a convenience kitchen. Outdoor amenities include a patio with seating areas with umbrellas adjacent to the community center with barbecues, bocce court with bench seating, community garden, and dog park.

2. **BORROWER**: The name of the Borrower for the Loan is USA Properties Fund, Inc. or related entity.

3. **PURPOSE OF LOAN**: The Loan is to be used by Borrower solely to pay the costs of construction and permanent financing and for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, and such other agreements as may be generally required by the Agency for the use of the funding source for the Loan.

4. **PRINCIPAL AMOUNT**: The combined principal amount of the Loan will be the lesser of (a) Eight Hundred Thousand ($800,000.00) or (b) an amount to be determined prior to close of the Loan based on a project budget approved by Agency.

5. **TERM OF LOAN**: The Loan shall mature 55 years or 660 months from the date of closing, at which point any and all unpaid principal and interest on the loan will be due and payable.

6. **INTEREST RATE**: The Loan will bear simple interest at three percent (3%) per annum. Interest shall be calculated on the basis of a 365-day year and actual number of days elapsed.

7. **ANNUAL REPAYMENT**: Annual principal and interest payments shall be made according to the structured payment schedule contained in the final Loan Agreement and as calculated to achieve a minimum annual combined debt service coverage ratio of 1.2:1 beginning in year sixteen (16) from the tax credit placed in service date. 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.

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

9. **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)

10. **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.

11. **SECURITY:** The Loan shall be evidenced by promissory note(s) secured by a deed of trust with assignment of rents against the fee and/or leasehold interest in the Property and Improvements, which shall be a lien upon the Property and Improvements subject only to liens senior to the Agency’s lien securing loans from a conventional lender or other lender and such other items as the Agency may approve in writing. The Loan shall also be secured by security agreements. The Agency may subordinate said deeds of trust in order to accommodate completion of the development of the Property. The Agency will not subordinate the regulatory agreement(s) to said deeds of trust in order to preserve the affordable housing covenants.

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

13. **PROOF OF EQUITY:** Borrower shall provide proof of equity for the Property and Improvements in the amount of no less than $10,000,000 in Low Income Housing Tax Credit Equity and no less than $2,300,000 in deferred developer fee. If LIHTC equity goes below $10,000,000 the equity must be offset by an increase in deferred developer fee or other non-Agency funding source.

14. **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:

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

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

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

15. 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.

16. SOILS AND TOXIC REPORTS: Borrower has submitted to the Agency a hazardous substances report made in accordance with the American Society for Testing and Materials "Standard Practice for Environmental Site Assessments; Phase I Environmental Site Assessment Process" (Designation E1527-13) prepared by a licensed or registered environmental engineer or other qualified party prior to Loan closing. Borrower must, as a condition of disbursement of Loan funds, provide 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.

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

18. PLANS AND SPECIFICATION: Final plans and specifications, if any, for the project must be in accord with the proposal approved as part of the Loan application. Final plans and specifications will be subject to Agency's final approval prior to the disbursement of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the project.
The final plans shall incorporate all related mitigation measures, environmental conditions required, if any, for compliance with approvals under CEQA, and/or NEPA, or the U.S. Department of Housing and Urban Development as conditions of approval of the project.

19. 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.

20. 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.

21. ECONOMIC OPPORTUNITY EMPLOYMENT REQUIREMENTS: The Loan will require that to the greatest extent feasible, opportunities for training and employment be given to lower income residents in and around the area of the project. Borrower will instruct its Contractor and its subcontractors to utilize lower income project area residents as employees to the greatest extent feasible.

22. RETENTION AMOUNT: The Agency shall retain ten percent (10.0%) of the total amount of the Loan as retention and shall be released when the Agency determines all conditions to final disbursement of the Loan have been satisfied.

23. COST BREAKDOWN: Borrower shall deliver to Agency for Agency's approval prior to commencement of work a detailed cost breakdown of the cost of constructing, financing and other costs of developing the Improvements, which breakdown conforms to the project plans and specification and the budget approved with this Commitment. Borrower shall also deliver a list of all contractors and subcontractors to be employed in connection with the construction of the Improvements. If required by the Agency, Borrower shall also submit copies of all bids received for each item of work to be performed as well as copies of executed contracts and subcontracts with acceptable bidders.

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

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

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

25. **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.

26. **COMPLETION OF CONSTRUCTION:** Borrower shall complete the construction of the Improvements no later than twenty-four (24) months following the close of construction financing.

27. **SECURITY CAMERAS AND OUTSIDE LIGHTING:** Project shall include installation of a security camera system at vehicular driveways and additional exterior lighting, and security patrols, all as approved by the Agency.

28. **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.

29. **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).

30. **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.

31. **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 ALTA endorsement nos. 9.6 and 9.7 (or CLTA endorsement nos. 100 and 116) and ALTA endorsement no. 25 (or CLTA endorsement no. 116) insuring Agency in an amount equal to the principal amount of the Loan and covenants, conditions or restrictions of the Loan, that Agency's Deed of Trust constitutes a third lien or charge upon the Property and Improvements subject only to such items as shall have been approved by Agency. There must be no exceptions permitted for mechanics liens. Title insurance for the Loan must be issued by a title insurer approved by Agency.

32. **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.
33. **PURCHASE OF PROPERTY:** Borrower shall provide Agency with copies of all documents relating to Borrower's purchase of the Property.

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

35. **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. USA Multifamily Management is approved by the Agency.

36. **AFFIRMATIVE FAIR MARKETING:** Borrower agrees to follow the Agency's Affirmative Marketing Policies that require outreach to groups least likely to apply for the housing based on local demographic information, providing sufficient marketing time prior to lease Up (as defined in the Affirmative Marketing Policies), and lotteries or other method for initial Lease Up and initial waiting list creation, as agreed upon by the Agency and Borrower prior to the start of Lease Up.

37. **RESIDENT SERVICES AGREEMENT:** Prior to execution, Borrower must submit to Agency any agreement providing for the resident services by a third party which agreement is subject to Agency Approval. The agreement must include on-site resident services according to the following minimum schedule of 184 hours per year:

   1. Adult Educational Classes: Eighty-four (84) hours per year
   2. Health and Wellness Services and Programs: One hundred (100) hours per year shall include, but are not limited to:
      a. Crisis Intervention
      b. Practical counseling, emotional support, cleanliness and hygiene assessment, eviction prevention, government and insurance entitlements
      c. Physical and mental health assessments

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

39. **SMOKE-FREE ENVIRONMENT:** 100% of the buildings and units must be smoke free (including all forms of smoking that create secondhand smoke that impacts the health of
nonsmokers). In addition, all indoor common areas must be smoke-free. Clearly-marked designated smoking areas must be provided.

40. **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.

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

42. **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.

43. **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 terms and conditions of the Commitment and Scope of Development and Rental Property Minimum Construction Standards (Exhibit 1), and has executed this Commitment as of the Effective Date.

BORROWER:
USA Properties Funds, Inc.

By: ________________________________
Darren Bobrowsky, Senior Vice President, Capital Markets Group

Attachment:
Exhibit 1 - Scope of Development and Rental Property Minimum Construction Standards
Exhibit 1 - Scope of Development

Sage at Folsom is a new construction affordable senior housing development on approximately 4.2 acres at Scholar Way and East Bidwell Street in Folsom, California (project). The development consists of two physical buildings connected by an open air bridge between them, under a single ownership. The project will have a total of 110 units comprised of one-bedroom/one-bathroom units. Inclusive of this unit count one unit will be exempt for management staff.

Community amenities included a courtyard area, community garden with raised planter beds, pet area, bocce ball court, and a walking path. Community services spaces will include a leasing office with administrative support room, a community center with a kitchen and storage, and mail room located in the lobby area.

All work shall comply with Federal Americans with Disability Act (ADA) requirements as well as the California Building Code accessibility requirements and any other requirements as stipulated by the funding source. The Borrower is responsible for notifying their architect and/or engineer of all funding sources used on the Project. The architect and/or engineer must indicate these funding requirements in the Project’s plans/scope of work.

1. Building Exteriors

A. Asphalt Pavements: The development will include approximately 115 uncovered parking spaces.

B. Site Lighting: The site will be lit with Title 24 compliant wall packs, pole lights, and other luminaries for all parking and outside public spaces and will be of LED or similar energy efficient type.

C. Non-smoking: The project is 100 percent non-smoking.

D. Landscaping and Courtyard: Landscaping is designed with drought tolerant plants and trees. Trees will be planted throughout the parking lot to meet City of Folsom shading requirements. The courtyard area is open-air landscaped with picnic areas, community garden, pet area, and exercise walking paths.

E. Picnic Area: Barbeque and outdoor seating area is provided in the front court of the building.

F. Community Garden: The site includes raised planter community garden area.

G. Exercise Path: An exercise path is included around the east, south, and west sides of the building and includes safety fence along the top of the embankment on the south side of the site.

H. Site Fencing and Screening: A safety fence is included along the exercise path on the south side of the building to protect walkers from the embankment that flows down to Bidwell Drive. A concrete block screen wall is located on the north side of the site between the project and the adjacent church building and site.

I. Stormwater: The development will meet storm water requirements through the use of on-site storm water planters and/or bio filtration swales along the project north perimeter.
J. **Roof:** The building is designed with “flat” roofs and parapets in order to provide an area for potential solar FV panels and rooftop mounted HVAC and other equipment. The project includes a cool roof of white TPO.

K. **Siding:** The building materials feature plaster and cement fiber board siding in a wood tone horizontal cement fiber board siding. Accent areas with a tile that has a stone aesthetic are used at building corners and the main entry.

L. **Offsite Improvements:** Public offsite improvements will be minimal with typical repairs to curbs/gutters/sidewalks, new driveways, and the addition of a bus stop platform on Scholar Way.

2. **Building Interiors**

A. **Americans with Disabilities Act (ADA) Units:** All units within the project will be adaptable as required by the CBC and a number of units will be fully accessible as required by the CBC or the funding source. In addition, some funding sources will require additional measures which will be communicated to the architect for inclusion in the project.

B. **Non-Smoking:** All building interiors will be 100 percent non-smoking including the living units.

C. **Smoke Detectors:** All units, office, and interior common areas will have a smoke/carbon monoxide detector installed in accordance with current code requirements.

D. **Appliances:** All apartment kitchens will have brand new Energy Star rated appliances including refrigerator with freezer combination, electric range, and garbage disposal.

E. **Bathtubs and Toilets:** All apartments will have a bathtub with a shower and water efficient toilets and fixtures. Restrooms will have water efficient toilet and fixtures with accessible bath accessories.

F. **Doors (Interior, Exterior, and Sliding Glass):** All interior and exterior doors will have matching hardware finishes. All exterior doors will have deadbolt locks, keyed latch assemblies, viewers, and screws in strike plates long enough to penetrate the door jamb framing by at least one-inch. The dwelling entry door hardware shall have a single action hardware to release both the deadbolt and latch assembly. All doors and hardware will meet current egress standards.

G. **Cabinets, Counters, and Sinks:** All apartment kitchens will have modular plywood or solid wood construction cabinets, granite or quartz countertops, and stainless-steel sink. Microwave shelving will be provided (except in ADA units) either above the counter or on the pantry shelving with electrical outlet for the microwave. All apartment bathrooms will have vanity and vanity top.

H. **Ceilings and Walls:** Low or no VOC paint will be used in all building interiors.

I. **Windows:** All apartments will have energy efficient vinyl dual pane windows. Windows designed to open will have screens. The Borrower is responsible for providing an Operating Procedure Outline Specification (OPOS) for window washing systems where applicable, per Cal-OSHA requirements. All windows will meet current egress standards.

J. **Blinds:** Window blinds will be provided in all apartment windows and exterior doors.
K. **Electrical and Lighting:** All apartments will have high-efficiency lighting, exhaust fans vented to the exterior, and bathroom humidor fans. Cantal air condition and forced air heat will be provided. Any exterior mounted electrical, mechanical, and plumbing systems will be protected from vandalism. Wiring from telephone/data/cable suppliers will be installed within walls and ceiling cavities. Conduits are not allowed to be mounted on the exterior of the structure.

L. **Flooring:** Apartment interiors will have luxury vinyl plank (LVP) flooring throughout, except in bathrooms where they will have vinyl sheet flooring and bedrooms which will have carpet.

M. **Plumbing Fixtures:** All apartments will have new water efficient plumbing fixtures as required by code.

3. **Community Amenities**

A. **Management Office and Lobby:** The furnished management office and lobby will have low maintenance and high-quality flooring, energy efficient lighting and HVAC systems.

B. **Ceilings and Walls:** Low or not VOC paint will be used in all building interiors.

C. **Community Restrooms:** The community restrooms on the first floor will be CBC compliant, have low-flow restroom fixtures, sink, and accessories. Bathroom walls will have washable surface up to 48 inches above the floor.

D. **Community Center:** The Community Center Great Room and Kitchen will have quality flooring, energy efficient lighting, furnishings, and HVAC equipment. The Community Center is approximately 2,501 square feet including the Great Room, Kitchen, Manager Office, and Copy Room. These spaces will be CBC accessibility compliant. The Community Center kitchen will be CBC accessible compliant. New Energy Star compliant appliances (refrigerator, microwave, and garbage disposal), energy efficient lighting, HVAC system, and water efficient plumbing fixtures.

E. **Elevator:** One hydraulic elevator will be installed in the first floor Lobby area. The elevator will be gurney accessible for emergency services.

F. **Mail Room:** New mailboxes will be installed in a mail room off the first floor Lobby adjacent to the building entry.

G. **Hallways and Stairs (enclosed corridor style):** Residential hallways and stairs will be of durable quality carpet. A set of stairs will be located near the elevator to encourage use for those that can forgo the elevator.

H. **HVAC and Plumbing Systems:** Each apartment will have its own split system air conditioning and forced air heat with its own thermostat. Residential corridors will be ventilated. Stairwells will not have heating or air conditioning. A gas-fired central boiler will provide hot water for the development. Bathroom exhaust fans will be humidistat controlled.

I. **Laundry Facility:** The building will have multiple laundry rooms accommodating in total eight (8) washers and eight (8) dryers of which one set in each laundry room will meet California Building Code accessibility requirements.

J. **Signage:** A comprehensive signage package will be implemented throughout the development.
including all common area signage, unit ID, wayfinding, code, fire, and life safety signage.

K. Trash Rooms: Two trash rooms are included on opposite ends of the structure that contain one trash chute and one recycle chute on each floor. There are two trash and recycle rooms, one each located on the ground floor within the building envelope on each end of the building, with a concrete apron at the exterior of each trash room for pick-up.

L. Recycle: One recycle chute will be located in each trash and recycle room on each floor, emptying into the ground floor trash and recycle room.

M. Bicycle Parking: A total of 24 bicycle parking spaces are provided.

N. Vehicle Parking: A total of 115 vehicle parking spaces are provided with 12 accessible spaces and 12 spaces for future EV parking.

O. Security Cameras: There will be interior and exterior web-based security cameras; the equipment will record events for primary ingress/egress points to and from the site, parking lots, and indoor and outdoor common areas where people will be congregating.

Attachment 1: Rental Property Minimum Construction Standards are on the following page.
Attachment 1: Lender’s Minimum Construction Standards
This attachment is from Exhibit 2 from the Lender’s Multifamily Lending and Mortgage Revenue Bond Policies.

RENTAL PROPERTY MINIMUM CONSTRUCTION STANDARDS

The following is a list of the required minimum construction standards that must be incorporated into projects participating in SHRA’s Multifamily Financing and/or Mortgage Revenue Bond programs. All rental units and sites associated with these projects must meet or exceed these standards. Exceptions to these standards may be made for properties subject to U.S. Department of Housing and Urban Development replacement reserve requirements that allow for renovation over time rather than at recapitalization (e.g., Rental Assistance Demonstration conversions for conventional public housing).

Note: For rehabilitation projects, all of the following standards shall apply. The non-rehabilitation sections below shall apply to new construction projects.

Useful Life Expectancy – Rehabilitation only

SHRA shall reference the current edition of FannieMae’s “Instructions for Performing a Multifamily Property Condition Assessment, Appendix F. Estimated Useful Life Tables” in determining the useful life for all building components and systems located within the project. A remaining useful life of 15 years or more is required for all building components and systems located within the approved complex. All items on the FannieMae tables with useful lives indicated to be less than 15 years shall be replaced.

General Requirements

A. All materials funded under this loan must be new unless previously approved. Recycled items must be approved in writing by SHRA prior to their use.

B. All work shall comply with Federal and State ADA accessibility requirements, as well as any other requirements stipulated by the funding source(s). When there are differences the stricter of the two shall apply. The developer is responsible for notifying their architect and/or engineer of all funding sources used on the project. The architect and/or engineer must indicate these funding requirements in the project’s plans/scope.

C. All units shall be approved for occupancy by the local Building Department or any other Agency Having Jurisdiction (AHJ) at the conclusion of the work and prior to occupancy.

D. Web-based security cameras and the equipment to record events are required for primary ingress/egress points to and from the site and for the principal parking and indoor and outdoor common areas where people will be congregating.

E. Site lighting is required for all parking and outside public spaces, and shall be of LED or similarly energy efficient type. The lenses on the exterior lights shall be cleaned with all oxidation removed or replaced. Light poles shall be new or painted, and shall be structurally sound and stable.

F. The developer’s architect is responsible for providing an Operating Procedure Outline Sheet (OPOS) for window washing systems where applicable, per Cal-OSHA requirements.

G. SHRA encourages the use of energy and water-efficient systems wherever they may be incorporated into the project.
General Requirements – Rehabilitation only

A. Any component of the project which does or may present a health or safety hazard to the public or tenants shall be corrected to the satisfaction of the local Building Department or AHJ.

B. A clear pest inspection report will be required at the conclusion of the construction work for rehabilitation projects.

C. For all structures where disturbance of any hazardous materials (e.g. lead, asbestos, mold, etc.) will occur, a clearance report from an environmental consultant is required.

D. Projects deemed historically significant landmark by either the City of Sacramento or the National Register of Historic Places shall consult with the State Historic Preservation Officer (SHPO), and shall conform to the Secretary of the Interior Standards for the Treatment of Historic Properties.

Site Work

A. Trees and large shrubs must be trimmed, grass areas must be mowed, and all planter areas must be weed-free. The landscape design shall incorporate a sustainable design appropriate for the Sacramento Valley. Vegetation that assists in minimizing crime and enhances public safety is preferred. Trees compromising building envelope materials (roofing, siding, windows, etc.) and/or structural integrity (including foundations) must be removed. An arborist shall be consulted for an opinion on trees prior to major branch trimming, root cutting or tree removal. All trees, bushes and other plants that are to be removed shall have the root ball removed by grinding or by mechanical means. A landscape plan describing the above must be provided to SHRA for approval.

B. All landscaped areas must be served by a programmable automated irrigation system. The irrigation controller shall be a “Smart Controller” that senses rain to reduce water use. Irrigation shall be designed to use bubblers and other water saving measures. Irrigation must not spray on building. Sprinklers should minimize overspray that runs to storm drain drop inlets. Areas that show evidence of erosion of soil shall be landscaped to eliminate problems. The landscape plan must be approved by SHRA and applied.

C. For gated communities containing swinging vehicle gates, driveways shall be striped to show the area under the gate swings for safety purposes.

D. All projects shall contain trash enclosures with concrete aprons. Trash enclosures shall be made of cinder block or stucco. Trash enclosures shall be accessible to all tenants. Provisions for tenants with disabilities must be addressed in the project Scope of Development or the project plans.

E. All projects shall meet the parking requirements of the local Agency Having Jurisdiction (AHJ) over the project. "Grandfathered Projects" will need to show that they are in fact “Grandfathered” or otherwise exempted by the local AHJ. Otherwise, all projects shall meet the governing ADA requirements for parking.

F. A two percent (2%) slope shall be maintained for a distance of five feet from all structures and no standing water shall remain on the site. Provide an on-site drainage system if necessary.

G. Stairways in common areas must include closed risers and non-slip concrete finish or other slip-resistant material on the treads.

H. Exterior mounted electrical, mechanical, and plumbing systems must be protected from vandalism.

I. For family projects of 50 or more units, a minimum of one school age-appropriate play structure is required. For
family projects of 100 or more units, a minimum of one school age and one toddler-appropriate play structure is required.

**Site Work – Rehabilitation only**

A. All landscaping and irrigation systems must be in a well-maintained condition.

B. All fencing must be in good and serviceable condition. Existing fencing that is to remain shall be free of flaking paint, rust, or any other signs of failure. If existing fencing shows any signs of failure, it shall be repaired, painted and restored to look new. All chain link fencing must be removed and replaced with fencing of another approved material. All pedestrian gates hardware must be functional and in new or near-new condition. Access Control systems are required at exterior pedestrian gates.

C. All driveways and sidewalks must be in good condition. All cracked or uplifted areas (more than ¼”) shall be repaired or replaced.

D. The asphalt shall be in good condition, with no alligator cracking, longitudinal cracking, potholes, or standing water. Repairs to portions of parking lots not suitable for new coatings shall be performed by removing and replacing damaged paving. A new seal-coat or slurry-coat shall then be applied to the entire parking lot surface. Parking spaces shall be restriped, including ADA aisles and other applicable striping/painting.

E. All site accessories (bollards, benches, tables, play equipment, bike racks, mailboxes, shade structures, BBQs, sheds, etc.) shall be replaced or in good repair (cleaned, painted and/or re-coated).

**Building Envelope and Moisture Protection – Rehabilitation only**

A. All areas exposed to moisture must be sealed and watertight. Buildings showing evidence of water intrusion shall have the areas inspected by a licensed architect/engineer or by a certified water intrusion expert. A water intrusion report shall be submitted to SHRA, and shall include the cause of the issue and a resolution to eradicate the water intrusion. If the inspection cannot be completed until the demolition phase of the project, the report shall describe a procedure to inspect the issue during demolition.

B. Roofing must have 15 years or more of remaining life with no visible signs of leakage. For roofs containing composition shingles, a maximum of two layers of shingles are allowed (including any proposed new layers). Provide evidence that the roof system has a 15-year life remaining on the manufacturer’s warranty.

C. All siding must have 15 years or more of remaining life. Hairline cracks in stucco must be sealed and painted with elastomeric paint. If requested by SHRA, a statement by a licensed architect and/or engineer that the existing siding contains at least 15 years of useful life remaining shall be provided.

D. Fireplaces must be clean and meet applicable air quality standards. Chimneys shall be clean and must be inspected by a certified chimney inspector for structural integrity. All recommended structural repairs shall be performed.

**Doors and Windows**

A. All dwelling/tenant units must have screens on all windows that are designed to open. Windows designed to open must have functional locks and must operate freely without excessive effort. All windows must be dual-paned (minimum), and shall meet or exceed the State of California’s currently applicable efficiency standards, and any other efficiency standards that may be dictated by the funding source or other governing bodies for the project.
B. All doors must have matching hardware finishes.

C. All exterior doors must have deadbolt locks, keyed latch assemblies, viewers, and screws in strike plates long enough to penetrate the door jamb framing by at least one inch. The dwelling entry door hardware shall have single action hardware to release deadbolt and latch assembly.

D. All sliding exterior doors shall have screen doors and shall have functional locks and must operate freely without excessive effort.

E. All doors and windows must meet current egress standards.

Doors and Windows – Rehabilitation only

A. Any windows showing signs of condensation or leakage of any kind shall be replaced. SHRA allows window replacement using retrofit windows when those windows are installed by trained professionals following manufacturer’s specifications. Retrofit windows must have a similar useful life as “new, construction” (i.e., nail fin) windows.

B. All doors and doorjambs must be in good condition. No damaged or worn doorjambs or doors are allowed. Doors and/or jambs beyond their useful life shall be replaced.

Casework

A. New cabinet boxes shall be made of plywood or solid wood. No particle board boxes will be allowed.

B. All counter tops shall be of solid surface or granite, and in very good condition with no significant scratches, burns or other imperfections.

C. Face frames, doors and drawer faces shall be solid hardwood. No plastic laminate finishes will be allowed.

Casework – Rehabilitation only

A. All cabinets shall be replaced or in very good condition, within their 15 year useful life, both structurally and in appearance.

Finishes

A. All dwelling unit kitchens shall contain luxury vinyl plank (LVP) flooring. Bathrooms must be floored with LVP, sheet vinyl or ceramic tile to provide a cleanable, impervious surface. Bedrooms, hallways, and living and dining rooms may be floored with carpeting, LVP or hardwood. Wear layer of LVP shall be at least 12 mils inside dwelling units. Tenant unit entries shall be floored with LVP or ceramic tile.

B. In common areas, corridors may be floored with LVP, glue-down carpeting, or carpet tiles. Community rooms and kitchens shall be floored with LVP. Wear layer of LVP in common/commercial areas shall be a minimum of 20 mils thick.

C. Carpet shall meet or exceed the minimum standards as set by HUD’s UM-44D bulletin.

Finishes – Rehabilitation only

A. Floor coverings must be in good, useable condition – no holes, tears, rips, or stains.

B. All exterior and interior surfaces must be painted. No peeling, cracking, chipping, or otherwise failing paint will
be allowed. All painted surfaces must be new, or in near new condition and appearance.

C. Acoustic (popcorn) ceiling texture must be removed and refinshed with new texture to match wall texture.

**Equipment**

A. Dishwashers, refrigerator/freezer, oven, stoves and garbage disposals are required in all dwelling unit kitchens. All appliances must be new or in very good operating condition. All appliances must be Energy Star rated, as applicable. Appliances slated for ADA units shall be per code requirements.

B. SRO projects are encouraged to provide the appliances listed above and will be reviewed and approved on a case-by-case basis.

C. All kitchens must have adequate cabinet and counter space. Installation of shelving for microwaves is required if over-the-range microwaves are not used, with the exception of ADA units.

**Furnishings**

A. Dwelling units must have window coverings on all windows.

**Special Construction**

A. Non-habitable structures on property must be painted to match primary buildings and must be structurally sound.

B. Laundry facilities must, at a minimum, be consistent with CTCAC requirements of one washer and dryer for every ten dwelling units for family housing and one for every 15 units for senior and special needs projects. Ten percent of the total number of washer/dryers must be ADA-accessible machines (unless the ADA units contain their own laundry facilities). Solid surface countertops will be required within laundry rooms and countertops shall meet all ADA requirements.

C. Public pool areas shall have self-closing gate(s). Fences and gates at pool areas shall meet applicable current codes and standards. Joints between coping and concrete deck shall be appropriately caulked. Existing pools shall have no cracks in plaster or tile grout joints. The Developer is responsible for ensuring pool and surroundings meet all applicable current codes and standards. If a project contains two or more pools, at least one must remain following rehabilitation.

**Mechanical/Plumbing**

A. Water heaters must be installed per current applicable codes.

B. All common areas and tenant units must have heating and air conditioning. Wall mount (i.e. PTAC units) or central systems are acceptable. Evaporative coolers are not acceptable. HVAC units should be protected from vandalism, pursuant to discretion of SHRA.

C. Toilets, showerheads, faucets, and mixing valves shall be new and meet current water conservation codes.

D. Tub surrounds must be one unbroken piece per wall and must be of solid surfaces (such as “Swanstone” or other solid acrylic materials, quartz composites), or other similar materials. Fiberglass/acrylic surrounds are acceptable.

**Mechanical/Plumbing – Rehabilitation only**

A. All toilets, sinks, and tubs shall be chip and stain free.
Electrical

A. All units must have smoke/carbon monoxide detectors installed per current code.

B. Wiring from telephone/data/cable suppliers shall be installed within walls, attic spaces, and/or crawl spaces. No conduits are allowed to be mounted on the exterior of the buildings in new construction.

C. Broadband infrastructure meeting the requirements of 24 CFR 5.100* is required in all new construction projects of 4 or more units.

*Broadband infrastructure means cables, fiber optics, wiring, or other permanent (integral to the structure) infrastructure, including wireless infrastructure, that is capable of providing access to Internet connections in individual housing units, and that meets the definition of "advanced telecommunications capability" determined by the Federal Communications Commission under section 706 of the Telecommunications Act of 1996 (47 U.S.C. 1302).

Electrical – Rehabilitation only

A. All electrical panels shall meet current code.

B. Any rehabilitation projects with un-grounded electrical systems shall be re-wired with grounded systems to meet current code.

C. For rehabilitation projects, switches, outlets and light fixtures shall be replaced with devices that meet current applicable codes.

D. Wiring mounted on the exterior of the surface may be allowed if it is concealed in conduit and conduit is painted to match exterior siding. For projects where exterior siding will be removed, this wiring shall be installed within walls, attic spaces, and/or crawl spaces.

Resident Services Community Space

All properties, regardless of project type (i.e. senior, family, or large family), must devote a minimum of 1,200 s.f. to actual resident services/community space. Resident services space includes common kitchens, computer rooms, meeting rooms and general gathering space. It does not include public restrooms, leasing offices, laundry facilities and lobbies. Common kitchens are required, including refrigerator, stove, garbage disposal, and dishwasher.

For existing buildings, these requirements shall apply unless SHRA deems there to be significant physical constraints.

End of Scope of Development.
Sage at Folsom Senior Development
Site Plan
Sage at Folsom Senior Development
Project Rendering
## Sage at Folsom
### Residential Project Summary

<table>
<thead>
<tr>
<th>Address</th>
<th>Scholar Way at E Bidwell Street</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Units</td>
<td>110</td>
</tr>
<tr>
<td>Year Built</td>
<td>New Construction</td>
</tr>
<tr>
<td>Acreage</td>
<td>4.2 acres (182,952 sq. ft.)</td>
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### Unit Mix and Rents

<table>
<thead>
<tr>
<th>Type</th>
<th>ELI 30% AMI</th>
<th>LI 50% AMI</th>
<th>LI 80% AMI</th>
<th>Total</th>
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<tbody>
<tr>
<td>1 Bedroom/1 Bath</td>
<td>9</td>
<td>60</td>
<td>40</td>
<td>109</td>
</tr>
<tr>
<td>Management Unit (1 Bedroom exempt)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total Units</td>
<td>9</td>
<td>60</td>
<td>40</td>
<td>110</td>
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### Square Footage

<table>
<thead>
<tr>
<th>Type</th>
<th>Unit Size (sq. ft.)</th>
<th>Total</th>
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<tbody>
<tr>
<td>1 Bedroom/1 Bath</td>
<td>530</td>
<td>57,770 sq. ft.</td>
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<tr>
<td>Management Unit (1 Bedroom exempt)</td>
<td>530</td>
<td>530 sq. ft.</td>
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<tr>
<td>Community Area</td>
<td>1,800</td>
<td>1,800 sq. ft.</td>
</tr>
<tr>
<td>Total Gross</td>
<td>60,100</td>
<td>60,100 sq. ft.</td>
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</table>

### Resident Facilities

Community Center with large screen televisions, game and lounge areas, business center, kitchen, outdoor seating, and community garden

### Permanent Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Total</th>
<th>Per Unit</th>
<th>Per Square Foot</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Tax Credit Equity</td>
<td>$10,117,512</td>
<td>$91,977</td>
<td>$168</td>
</tr>
<tr>
<td>Senior Loan</td>
<td>$12,750,000</td>
<td>$115,909</td>
<td>$212.15</td>
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<tr>
<td>NOI During Construction</td>
<td>$729,887</td>
<td>$6,635</td>
<td>$12.14</td>
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<tr>
<td>SHRA Loan</td>
<td>$800,000</td>
<td>$7,273</td>
<td>$13.11</td>
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<tr>
<td>Deferred Developer Fee</td>
<td>$2,315,534</td>
<td>$21,050</td>
<td>$38.53</td>
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<tr>
<td>City of Folsom</td>
<td>$4,500,000</td>
<td>$40,909</td>
<td>$74.88</td>
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<tr>
<td>TOTAL SOURCES</td>
<td>$31,212,944</td>
<td>$283,754</td>
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### Permanent Uses

<table>
<thead>
<tr>
<th>Use</th>
<th>Acquisition</th>
<th>Construction Costs</th>
<th>Architecture &amp; Engineering</th>
<th>Permits</th>
<th>Hard Cost Contingency</th>
<th>Soft Cost Contingency</th>
<th>Financing Cost</th>
<th>Operating Reserves</th>
<th>Legal Fees</th>
<th>Developer Fee</th>
<th>Third Party Fees, Marketing, Other</th>
<th>TOTAL USES</th>
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<tbody>
<tr>
<td></td>
<td>$1,250,000</td>
<td>$17,986,462</td>
<td>$973,970</td>
<td>$2,817,320</td>
<td>$1,576,008</td>
<td>$168,460</td>
<td>$1,619,168</td>
<td>$279,431</td>
<td>$75,000</td>
<td>$3,674,401</td>
<td>$812,684</td>
<td>$31,212,944</td>
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<tr>
<td></td>
<td>$11,364</td>
<td>$163,332</td>
<td>$8,854</td>
<td>$25,612</td>
<td>$14,327</td>
<td>$1,531</td>
<td>$14,720</td>
<td>$2,540</td>
<td>$682</td>
<td>$33,404</td>
<td>$7,388</td>
<td>$283,754</td>
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<tr>
<td></td>
<td>$20.80</td>
<td>$298.64</td>
<td>$16.21</td>
<td>$46.88</td>
<td>$26.22</td>
<td>$2.80</td>
<td>$26.94</td>
<td>$4.65</td>
<td>$1.25</td>
<td>$61.14</td>
<td>$13.52</td>
<td>$519.35</td>
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### Leverage

<table>
<thead>
<tr>
<th>SHRA</th>
<th>Per Unit</th>
<th>Per Unit Cost</th>
<th>Leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 per Unit</td>
<td>$7,273</td>
<td>$283,754</td>
<td>$1.00 : $39.02</td>
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### Management / Operations

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Operating Expenses</td>
<td>$411,779 $3,743</td>
</tr>
<tr>
<td>Property Management Fee</td>
<td>$64,556 $587</td>
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<tr>
<td>Resident Services</td>
<td>$19,096 $174</td>
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<tr>
<td>Replacement Reserves</td>
<td>$27,500 $250</td>
</tr>
<tr>
<td>Taxes and Insurance</td>
<td>$38,880 $353</td>
</tr>
<tr>
<td>Unit Type</td>
<td>Number</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>1 Bedroom/1 Bath (33% AIM)</td>
<td>6</td>
</tr>
<tr>
<td>1 Bedroom/1 Bath (50% AIM)</td>
<td>60</td>
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<tr>
<td>1 Bedroom/1 Bath (60% AIM)</td>
<td>40</td>
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<tr>
<td>1 Bedroom/1 Bath (Larger Management Unit)</td>
<td>4</td>
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<tr>
<td><strong>Totals</strong></td>
<td>110</td>
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</tbody>
</table>

### Income

- **Potential Gross Income**: $1,628,829
- **Effective Gross Income**: $1,389,944

### Operating Expenses

- **Property Management**: $3,000
- **Residential Services**: $2,500
- **Replacement Reserves**: $1,000
- **Taxes and Insurance**: $5,000

### Net Operating Income

- **Net Operating Income**: $1,017,540

### Debt Service

- **Senior Loan**: $12,750,000
- **Housing Authority Monitoring Fee**: $800,000
- **Issuer's Administration Fee**: $5,000
- **Debt Service Subtotal**: $13,650

### Priority Distributions

- **Asset Management Fee (OP)**: $5,000
- **Managing General Partner Fee**: $4,500
- **Subordinated Property Management Fee**: $13,000

### Net Cash after Priority Distributions

- **Deferred Developer Fee**: $34,686

### Principal Balance

- **Smaller HOME Loan**: $800,000
- **City of Fallsom**: $4,500,000

### Net Cash after City of Fallsom Loan Remains with Project

- **Net Cash after City of Fallsom Loan**: $0
Sage at Folsom
MAXIMUM INCOME AND RENT LIMITS 2020
Rents at 30%, 50% and 80% of Area Median Income (AMI)
Low Income Housing Tax Credits and Mortgage Revenue Bonds

Maximum Gross Income Limits

<table>
<thead>
<tr>
<th>Family Size</th>
<th>30% AMI</th>
<th>50% AMI</th>
<th>80% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 person</td>
<td>$18,150</td>
<td>$30,250</td>
<td>$48,400</td>
</tr>
<tr>
<td>2 person</td>
<td>$20,730</td>
<td>$34,550</td>
<td>$55,280</td>
</tr>
<tr>
<td>3 person</td>
<td>$23,310</td>
<td>$38,850</td>
<td>$62,160</td>
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Maximum Gross Rent Limits

<table>
<thead>
<tr>
<th>Unit Size</th>
<th>30% AMI</th>
<th>50% AMI</th>
<th>80% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>$486</td>
<td>$810</td>
<td>$1,296</td>
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</table>
RESOLUTION NO. SHRC-


ON DATE OF
February 3, 2021

SAGE AT FOLSOM: AUTHORIZING A $800,000 LOAN COMMITMENT IN COUNTY HOME INVESTMENT PARTNERSHIPS PROGRAM FUNDS;
EXECUTION OF LOAN COMMITMENT AND RELATED DOCUMENTS WITH USA PROPERTIES FUND INC., OR RELATED ENTITY; RELATED BUDGET AMENDMENT; RELATED FINDINGS; AND ENVIRONMENTAL FINDINGS

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

Section 1. All evidence presented having been duly considered, the findings, including environmental findings regarding this action, as stated above, are found to be true and accurate and are hereby approved adopted.

Section 2. The City of Folsom, as lead agency under the California Environmental Quality Act (CEQA), prepared an Initial Study, adopted a Negative Declaration and Mitigation Monitoring and Reporting Program, and filed a Notice of Determination for the Project pursuant to CEQA requirements under Title 14, §15070 – 15075 of the California Code of Regulations. As a Responsible Agency for the Project, the Sacramento Housing and Redevelopment Agency has considered the environmental document prepared by the City and has determined that the environmental analysis is adequate and complete and that the project will have no significant effect on the environment with the adopted mitigation measures incorporated. An Environmental Assessment is being completed pursuant to the National Environmental Policy Act requirements under Title 24, Code of Federal Regulations Part 58.36 and will be completed prior to finalizing the loan commitment.

Section 3. Subject to approval by the Sacramento County Board of Supervisors, the loan commitment letter attached to and incorporated in this resolution by this reference for the financing of Sage at Folsom (Loan Commitment) is approved, and the Sacramento Housing and Redevelopment Agency (Agency) Executive Director, or her designee, is authorized to execute the Loan Commitment and related documents and transmit to USA Properties Fund Inc., or
Section 4. The Executive Director, or her designee, is authorized to amend the Agency budget to transfer Eight Hundred Thousand Dollars ($800,000) of County Home Investment Partnerships Program (HOME) funds for Sage at Folsom.

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