



**NOTICE OF REGULAR MEETING**  
**Sacramento Housing and  
Redevelopment Commission**  
**TELECONFERENCE MEETING ONLY**  
**Wednesday, May 5, 2021 – 6:00 pm**  
**801 12<sup>th</sup> 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/l43ZqC\\_vuAl](https://youtu.be/l43ZqC_vuAl)**

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

- 1. Email comments to [publiccomments@shra.org](mailto: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](http://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](mailto:publiccomments@shra.org) or be present them verbally by calling (888) 970-1444.

## APPROVAL OF MINUTES – April 7, 2021

### CONSENT ITEMS

1. Housing Authority Participation in the Carmichael Property and Business Improvement District

### BUSINESS ITEMS

2. COVID-19 Response: CARES Act Framework and Funding Priorities; Homelessness: Sacramento Emergency Rental Assistance (SERA) Phase 2 Program - City Report
3. Retroactive Authorization To Accept Additional COVID-19 Tenant Relief Act Funding In The Amount Of \$3,593,637 From The State Department Of Housing And Community Development; Amend Agreement With The Housing Authority Of The County Of Sacramento For A Total Amount Not To Exceed \$67,696,467 To Administer The Sacramento Emergency Rental Assistance Phase Two Program; Approve The Housing Authority Of The County Of Sacramento's Budget To Utilize The Additional Funds For The Administration Of The Sacramento Emergency Assistance Phase Two Program; And Approve An Appropriation Adjustment Request In The Amount Of \$3,593,637 - County Report
4. Approval of Housing Authority Loan Commitment to the Mirasol Village Block C Project (Twin Rivers Phase 3)
5. Loan Commitment for the 4995 Stockton Boulevard Affordable Housing Development
6. Approval of a First Substantial Amendment to the 2021 One-Year Action Plan, and an Amendment to the Citizen Participation Plan to the Coronavirus Aid, Relief, and Economic Security Act Funding

### PRESENTATIONS

7. Annual Reports of the Housing Trust Fund Ordinance, Mixed Income Housing Ordinance, HOME Investment Partnerships Program, and Residential Hotel Unit Withdrawal, Conversion, and Demolition Ordinance –City Report
8. Annual Reports of the Housing Trust Fund (HTF), Affordable Housing Ordinance, and HOME Investment Partnerships Program (HOME) - County Report

### EXECUTIVE DIRECTOR REPORT

### COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT



**MINUTES**  
**Sacramento Housing and Redevelopment Commission (SHRC)**  
**Regular Meeting**  
**April 7, 2021**

Meeting noticed on April 2, 2021

**ROLL CALL**

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:05 p.m. by Chair Morgan. Note that meeting was held via teleconference following the Governor's executive order during the coronavirus pandemic.

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

**MEMBERS ABSENT:** Griffin (three vacancies)

**STAFF PRESENT:** La Shelle Dozier, Brad Nakano, Susanna Jackson, Celia Yniguez, Susan Veazey, Christine Weichert, Anne Nicholls, Cylus Scarborough, Mark Hamilton, Ahmad Halimi, Lira Goff

**APPROVAL OF AGENDA**

The Agenda was approved as submitted. The Chair announced that item number five will be heard after item number three.

**CITIZENS COMMENTS**

None.

**APPROVAL OF MINUTES** – March 3, 2021 minutes were approved as submitted.

**CONSENT ITEMS**

1. Authorization to Submit a Section 18 Demolition and Disposition Application to the United States Department of Housing and Urban Development (HUD) for City Scattered Site Public Housing Units

Commissioner Nunley motioned to approve the staff recommendation for the item listed above. Commissioner Woo seconded the motion. The votes were as follows:

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

**NOES:** None

**ABSENT:** Griffin

**ABSTAIN: None**

**PRESENTATIONS**

**2. Riverview Plaza Update**

Mark Hamilton presented the item. Jeffrey Tardagulla provided public comment. Mark Hamilton will contact Jeffrey Tardagulla to follow-up.

**BUSINESS ITEMS**

**3. Riverview Plaza Project Tax Equity and Fiscal Responsibility Act Hearing, and Approval of Tax-Exempt Bonds, Option Agreement and Loan Commitment**

Cylus Scarborough presented the item.

Commissioner Nunley motioned to approve the staff recommendation for the item listed above. Commissioner Staajabu seconded the motion. The votes were as follows:

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

**NOES: None**

**ABSENT: Griffin**

**ABSTAIN: None**

**4. Cornerstone North, South and Habitat for Humanity Project: Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing, Conditional Loan Commitment, Predevelopment Loan Documents, Conditional Construction Grant Documents, Inducement, Disposition And Development Agreements And Transfer Of Water Connection Fee Credits**

Anne Nicholls presented the item.

Commissioner Staajabu motioned to approve the staff recommendation for the item listed above. Commissioner Woo seconded the motion. The votes were as follows:

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

**NOES: None**

**ABSENT: Griffin**

**ABSTAIN: None**

**5. Central City (Rental Assistance Demonstration 2) Tax Equity and Fiscal Responsibility Act Hearing, and Approval of Tax-Exempt Bonds, Option Agreement and Loan Commitment**

Cylus Scarborough presented the item. Chair Morgan indicated that the Resident Advisory Board supports SHRA in the Rental Assistance Demonstration project.

Commissioner Nunley motioned to approve the staff recommendation for the item listed above. Commissioner Staajabu seconded the motion. The votes were as follows:

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

**NOES:** None

**ABSENT:** Griffin

**ABSTAIN:** None

**6. The Wong Center Senior Housing Community Tax Equity and Fiscal Responsibility Act Hearing and Approval of Tax Exempt Bonds**

Christine Weichert presented the item.

Commissioner Woo motioned to approve the staff recommendation for the item listed above. Commissioner Nunley seconded the motion. The votes were as follows:

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

**NOES:** None

**ABSENT:** Griffin

**ABSTAIN:** None

**EXECUTIVE DIRECTOR'S REPORT**

Executive Director La Shelle Dozier reviewed the following:

- The meeting scheduled for April 21, will be cancelled. The next meeting is scheduled for May 5, 2021.

**COMMISSION CHAIR REPORT**

None.

**ITEMS AND QUESTIONS OF COMMISSION MEMBERS**

Commissioner Starks requested that SHRC hear a few words from Holly Wonder Styles at Mutual housing. Ms. Wonder-Styles expressed appreciation for SHRA's support for the Cornerstone and Wong projects.

Executive Director La Shelle Dozier announced an upcoming COVID shot clinic, for residents at the Alder Grove development.

**ADJOURNMENT**

As there was no further business to be conducted, Chair Morgan adjourned the meeting at 7:00 pm.

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Clerk



May 5, 2021

**Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA**

Honorable Members in Session:

**SUBJECT:**

**Housing Authority Participation in the Carmichael Property and Business  
Improvement District**

**RECOMMENDATION:**

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

**Respectfully Submitted**

  
**LA SHELLE DOZIER  
Executive Director**

**Attachment**



**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
May 5, 2021

To: Housing Authority of the County of Sacramento

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

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

Subject: Housing Authority Participation in the Carmichael Property  
and Business Improvement District

District(s): Desmond

**RECOMMENDED ACTION**

This report recommends that the Housing Authority of the County of Sacramento (Housing Authority), as a significant property owner, participate in the Carmichael Property and Business Improvement District (CPBID) through signing petitions and voting during the formation process. Should the CPBID be approved, the report also recommends authorizing the Executive Director to pay the annual assessment fees from local funding sources available to the Housing Authority.

Specifically, this report is requesting for the Housing Authority of the County of Sacramento to delegate to the Executive Director, or her designee, the authority to:

1. Sign petitions, cast votes and execute other related documents to further the Carmichael Property and Business Improvement District (CPBID) on behalf of the public housing property located at 5735 Engle Road, Carmichael, CA (APN – 25800800200000).
2. Pay the annual CPBID assessment, initially totaling \$463.54, subject to annual increases not to exceed 4% per year from 2021-2031, utilizing local funding sources available to the Housing Authority for the property located at 5735 Engle Road, Carmichael, CA (APN – 25800800200000).

### **BACKGROUND**

The Carmichael Property and Business Improvement District (CPBID) was formed at the request of property owners in 2016. Its goal was to make Carmichael both comfortably safe and invitingly clean through a coordinated effort to provide supplemental services in the area. At the same time, the Housing Authority's participation was approved to engage Housing Authority residents with their local business district. The CPBID is proposed for a renewal term of ten (10) years beginning August 1, 2021 through July 31, 2031.

There is one Housing Authority-owned public housing community in the CPBID boundary, which is located in the Sun River public housing community. This report recommends that the Housing Authority, as the owner of property within the CPBID boundary, participate in the CPBID through signing petitions and voting throughout the new term of the CPBID. The report also recommends authorizing the Executive Director to pay the annual assessment fee from local funding sources available to the Housing Authority.

The CPBID will provide the following services and activities: clean and safe enhancements, including streetscape improvements, image augmentations, economic enhancements, advocacy and administration to assessed parcels within its boundaries. The proposed service area includes approximately 437 properties with 350 assessed parcels and 250 property owners.

The current boundaries have been expanded in areas from Marconi Avenue to Robertson Avenue, Manzanita Avenue, Fair Oaks Boulevard, El Camino Avenue, and Fair Oaks Blvd. to Van Alstine Avenue. The expansion of the CPBID boundaries will increase services in the corridor where services are needed and provide the CPBID with a larger unified voice.

### **DISCUSSION**

Current services include public safety enhancements including, but are not limited to: contracting of private security and off-duty sheriff, whom not only have discouraged unlawful behavior, but have supported the quiet enjoyment of the Carmichael area.

The economic enhancement and marketing efforts will focus on measures and campaigns which include increasing commercial activity by offering seasonal events and attractions and theme-oriented publicity events, e.g. "Small Business Saturday" in December, "Founder's Day", etc. These types of measures will engage the Housing Authority residents with local business owners.

### MEASURES/EVALUATIONS

The CPBID provides programs and advocacy that continue to improve the safety and security of the district and enhance the economic vitality of the area by improving safety, increasing litter and debris removal, funding graffiti abatement, and further developing image enhancement and advocacy to promote business interests.

Since the inception of the CPBID, several enhancements, improvements, etc. have been identified. In addition to the improved safety enhancements, regular alerts are provided to business owners to inform and assist around important Carmichael concerns, such as theft and unlawful activity in the area.

Funding of the CPBID has supported ongoing street side maintenance services, such as litter pickup, graffiti abatement, abandoned item removal, power washing and other services, all to enhance the Carmichael experience. These services and activities will improve overall district cleanliness and safety, increase building occupancy and lease rates, and encourage new business development and services for property in the district.

The CPBID has increased active leadership and support of business owners, and continues to advocate for and promote progress of their small businesses. Carmichael residents have shared with Chamber staff just how valuable the CPBID is for Carmichael.

The increased collaboration among multiple agencies is a direct result of the CPBID. The district, law enforcement, and human service organizations have shared both their concerns and resources towards providing progressive solutions that have been applied directly to the Carmichael area.

Overall, the services and resources provided by the CPBID has led to the creation of a safer and more economically viable business district which directly benefits Housing Authority residents and their neighbors.

### POLICY CONSIDERATIONS

The proposed CPBID is consistent with the Public Housing Authority's Annual Plan, which supports the following goals and objectives: increased availability of decent, safe, and affordable housing, and improved community quality of life and economic vitality.

It is anticipated that, at its meeting on May 5, 2021, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for

this item. Staff will notify the Housing Authority in the event this does not occur.

**COMMISSION ACTION**

The Sacramento Housing and Redevelopment Commission (Commission) will hear this item in its meeting on May 5, 2021. At this meeting the Commission will be asked to adopt a motion recommending approval of the attached resolution. In the event the action is not approved by the Commission, staff will notify the Board.

**ENVIRONMENTAL REVIEW**

California Environmental Quality Act: The proposed actions are not considered a project subject to the California Environment Quality Act (CEQUA) pursuant to 14 CCR §15378(b)(4) and (5).

**M/WBE/SECTION 3 CONSIDERATIONS**

The items discussed in the staff report do not involve federal funding; therefore, there are no M/WBE or Section 3 requirements.

**FINANCIAL ANALYSIS**

This report recommends that the Housing Authority should allocate approximately \$463.54 in local funding sources available to the Housing Authority to pay the annual CPBID assessment and to participate in the CPBID as a property owner.

CPBID assessment rates are subject to an increase of no more than four percent (4%) percent annually.

Respectfully Submitted,

APPROVED  
ANN EDWARDS  
Interim County Executive

  
LA SHELLE DOZIER, Executive Director  
Sacramento Housing and  
Redevelopment Agency

By: \_\_\_\_\_  
BRUCE WAGSTAFF  
Deputy County Executive

Attachment(s):

RES – Housing Authority of County of Sacramento Resolution  
ATT 1 – Carmichael PBID Renewal Map

**RESOLUTION NO.**

**ADOPTED BY THE HOUSING AUTHORITY OF THE  
COUNTY OF SACRAMENTO**

**AUTHORIZATION AND APPROVAL OF PARTICIPATION IN THE CARMICHAEL  
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT (PBID)**

**WHEREAS**, the boundaries of the Carmichael Property and Business Improvement District (CPBID) include one public housing development in the Sun River Community. In compliance with Property and Business Improvement District Law of 1994 and state law that took effect in January of 1995, owners of properties and businesses within the PBID boundaries have proposed the renewal assessment for the Carmichael PBID for ten (10) years, from 2021 to 2031, to provide clean and safe enhancements, streetscape enhancements, image enhancements, economic enhancement, advocacy, and administration directly and only to assessed parcels within its boundaries; and

**WHEREAS**, the initial CPBID is consistent with the goals of the Housing Authority of the County of Sacramento (Housing Authority) as it supports the following goals and objectives: increasing the safety of public housing residents, and keeping the housing and the immediate neighborhood appealing and welcoming to prospective residents and businesses; and

**WHEREAS**, within the CPBID the Housing Authority owns the property located at 5735 Engle Road, Carmichael, CA (APN: 25800800200000); and

**WHEREAS**, the assessment is based on the ownership of the property and the square footage of the parcel. The Housing Authority is charged at a rate of \$0.0146 per square foot per year as "Multi-Family Apartment"; and

**WHEREAS**, the proposed actions are not considered a project subject to the California Environmental Quality Act (CEQA) pursuant to 14 CCR §15378(b)(4) and (5).

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

**Authorization and Approval of Participation in The Carmichael Property  
Business Improvement District (PBID)**

**Page 2**

**Section 1: The above recitals, including the environmental recitals, are determined to be true and correct.**

**Section 2: The Executive Director, or her designee, is authorized to sign petitions, cast a vote for an assessment ballot and execute other related documents to further the CPBID on behalf of the public housing property described above for a housing owned site.**

**Section 3: The Executive Director, or her designee, is authorized to pay the annual CPBID assessment, initially totaling \$463.54, subject to annual increases not to exceed 4% per year from 2021-2031, utilizing local housing authority funds for the property located at 5735 Engle Road, Carmichael, CA (APN – 25800800200000).**

**On a motion by Member \_\_\_\_\_, seconded by Member \_\_\_\_\_, the foregoing Resolution was passed and adopted by the Board of the Housing Authority of the County of Sacramento this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by the following vote, to wit:**

**AYES: Members,**

**NOES: Members,**

**ABSENT: Members,**

**ABSTAIN: Members,**

**RECUSAL: Members,  
(PER POLITICAL REFORM ACT (§ 18702.5.))**

**Authorization and Approval of Participation in The Carmichael Property  
Business Improvement District (PBID)  
Page 3**

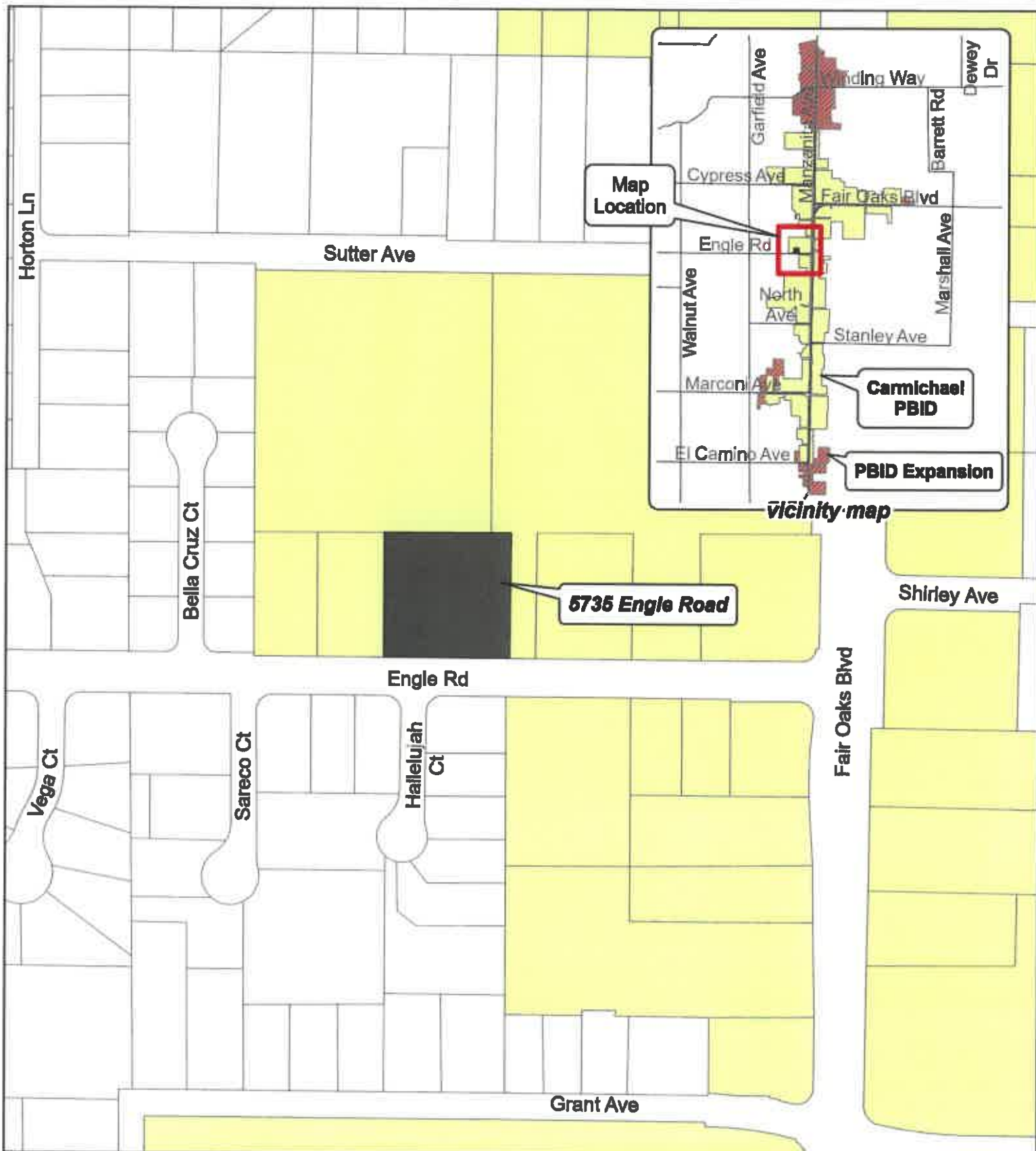
\_\_\_\_\_  
**Chair of the Board of the Housing Authority  
of Sacramento County, California**

**(SEAL)**

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



# Carmichael PBID - 5735 Engle Road



Map Location

Carmichael PBID

PBID Expansion

vicinity map

5735 Engle Road

 5735 Engle Road  
 Carmichael PBID

 Carmichael PBID Expansion



SHRA GIS  
April 6, 2021





May 5, 2021

**Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA**

Honorable Members in Session:

SUBJECT:

**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 the Housing Authority of the City of Sacramento.

Respectfully Submitted

  
LASHELLE DOZIER  
Executive Director

**Attachment**



**REPORT TO COUNCIL AND HOUSING  
AUTHORITY**

**City of Sacramento**

**915 I Street, Sacramento, CA 95814-2671**

[www.CityofSacramento.org](http://www.CityofSacramento.org)

**Business  
May 18, 2021**

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

**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 City Manager, or City Manager's designee, to accept \$1,777,463.79 upon receipt (State Funds) from the State Business, Consumer Services and Housing Agency (BCSH), Housing and Community Development (HCD) department and to amend the agreement (Agreement) with the Housing Authority of the City (Housing Authority) for administration of these funds as part of the SERA Phase 2 Program; b) authorizing the City Manager to allocate these funds to the Emergency Rental Assistance Program (G02610600), and increasing the revenue and expenditure budgets by the additional \$1,777,463.79 in the appropriate grant funds; and c) authorizing the City Manager or the City Manager's designee to enter into, execute, and amend any contracts and related documents deemed necessary with the additional \$1,777,463.79 for the purpose of allocating the SERA Program Funds to the Housing Authority; and d) making related findings; and 2) Adopt a Housing Authority Resolution: a) authorizing the amendment of the Housing Authority's budget in the amount of \$1,777,463.79 SERA Program Funds for the SERA Phase 2 Program; b) authorizing the Executive Director, or the Executive Director's designee, to enter into, execute, and amend any contracts and related documents necessary with the additional \$1,777,463.79 State Funds to administer the SERA Program, including temporary staffing contracts; and c) 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:** MaryLiz Paulson, Assistant Director, (916) 440-1310, Sacramento Housing and Redevelopment Agency

**Department:** Sacramento Housing and Redevelopment Agency

## **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.

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**

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 impacted by COVID-19 at the brink of/facing eviction. On January 25, 2021, the City of Sacramento received \$15,270,934 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. The City of Sacramento received an additional \$16,435,224 from the state. In total, the City received a total of \$31,706,158 (of federal and state funds combined) to provide emergency rental assistance to families in the City of Sacramento.

On February 16, 2021, the City Council and Housing Authority Board approved the emergency rental assistance funds totaling \$31,706,158 be allocated to the Housing Authority to administer the local Sacramento Emergency Rental Assistance Phase 2 Program (SERA2).

Since that approval the State HCD department updated their funding allocation and an additional \$1,777,463.79 is available to City residents for the rental assistance program.

This report requests approval to receive, allocate and transfer the additional \$1,777,463.79 to the Housing Authority for the SERA2 Program. This increases the total allocated to the City from federal and state resources to \$33,483,621.

#### Update on SERA2 Program

Since the last Council meeting, the (first) application process opened and closed. 12,500 applications were received from both city and county residents. It is anticipated that another application opening will take place very shortly.

In addition, since mid-February the Housing Authority has contracted with 14 community based organizations (CBO's) to reach out to residents living in impacted communities to apply for the program, assist them with uploading documents, and provide assistance throughout the application process. Most of the agencies have staff who speak a variety of languages including Spanish, Chinese, Vietnamese, Russian and Hmong. Contact information for these organizations is available at [www.shra.org/sera](http://www.shra.org/sera).

**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 allocated by the Department of Treasury and the State of California for the sole purpose of providing emergency rental assistance relief to Sacramento City rental households impacted by COVID-19.

**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 May 5, 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 currently 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 allocated to the Housing Authority to operate the SERA2 program in the City of Sacramento. These funds were awarded and budgeted as part of Council action on February 16, 2021. An additional \$1,777,463.79 of State Funds is available and recommended for allocation to the SERA2 program for a new total of \$33,483,621. This funding allocation includes up to 10 percent for administrative expenses including hiring staff to operate the expanded SERA program. The state will retain \$277,351 for their administrative costs to oversee the program statewide. Here is the breakdown and allocation of these funds.

Available Funds

Federal Allocation (approved 2.16.21)	\$15,270,934
State Allocation (original- approved 2.16.21)	\$16,435,224
State Allocation (new)	\$1,777,463
<b>Total</b>	<b>\$33,483,621</b>

Allocation of Funds

Direct Financial Assistance to Renters	\$30,384,875
Community- Based Organization Contracts	\$500,000
SHRA Delivery (Administration)	\$2,598,746
<b>Total</b>	<b>\$33,483,621</b>

**Local Business Enterprise (LBE):** Not applicable.

Respectfully Submitted by.

  
LA SHELLE DOZIER  
Executive Director

**Attachments:**

- 1-Description/Analysis
- 2-City Council Resolution
- 3-Housing Authority Resolution

## **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. In March 2021, the State HCD Department allocated an additional \$1,777,463.79 of State ERAP funds to the City of Sacramento.**
- E. 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 City Manager, or his designee, is authorized to accept the additional \$1,777,463.79 of State Funds upon receipt from HCD for allocation to the Emergency Rental Assistance Project (G02610600), and to adjust the revenue and expenditure budgets by \$1,777,463.79 in the appropriate grant funds.**

**Section 3. The City Manager, or his designee, is authorized to negotiate, enter into, execute, and amend any contracts and related documents with the Housing Authority and the State of California for administration of the \$1,777,463.79 of State ERAP funds, in a form approved by the City Attorney, as deemed necessary for the purpose of receiving the new ERAP Funds from the State of California and allocating the new ERAP Funds to the Housing Authority of the City for the Sacramento Emergency Rental Assistance Program Phase 2 Program.**

# **RESOLUTION NO. 2021-**

**Adopted by the Housing Authority of the City of Sacramento**

## **APPROVAL OF SACRAMENTO EMERGENCY RENTAL ASSISTANCE PHASE 2 (SERA2) 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**
- D. In March 2021, the State HCD Department allocated an additional \$1,777,463.79 of State ERAP funds to the City of Sacramento.**
- E. 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 acceptance and use of the additional \$1,777,463.79 of State HCD funds (SERA Funds) for the Sacramento Emergency Rental Assistance Program Phase 2 Program is approved.**
- Section 3. The Executive Director, or her designee, is authorized to amend the agreement with the City of Sacramento to include the additional SERA Funds to provide financial assistance to eligible households that are unable to pay rent and utilities due to the COVID-19 pandemic and pay for administrative expenses.**



**Section 4. The Executive Director, or her designee, is authorized to amend its budget in the amount of the additional SERA Funds to be used for the SERA2 Program.**

**Section 5. The Executive Director, or her designee, is authorized to negotiate, enter into, execute and amend any contracts and related documents to include the additional SERA Funds as 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 SERA2 Program.**



May 5, 2021

**Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA**

Honorable Members in Session:

**SUBJECT:**

**Retroactive Authorization To Accept Additional COVID-19 Tenant Relief Act Funding In The Amount Of \$3,593,637 From The State Department Of Housing And Community Development; Amend Agreement With The Housing Authority Of The County Of Sacramento For A Total Amount Not To Exceed \$67,696,467 To Administer The Sacramento Emergency Rental Assistance Phase Two Program; Approve The Housing Authority Of The County Of Sacramento's Budget To Utilize The Additional Funds For The Administration Of The Sacramento Emergency Assistance Phase Two Program; And Approve An Appropriation Adjustment Request In The Amount Of \$3,593,637**

**RECOMMENDATION:**

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

Respectfully Submitted,

  
LASHELLE DOZIER  
Executive Director

Attachment

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
May 18, 2021

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

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

**From:** Ethan Dye, Acting Director, Department of Human Assistance  
LaShelle Dozler, Executive Director, Sacramento Housing and  
Redevelopment Agency

**Subject:** Retroactive Authorization To Accept Additional COVID-19  
Tenant Relief Act Funding In The Amount Of \$3,593,637  
From The State Department Of Housing And Community  
Development; Amend Agreement With The Housing Authority  
Of The County Of Sacramento For A Total Amount Not To  
Exceed \$67,696,467 To Administer The Sacramento  
Emergency Rental Assistance Phase Two Program; Approve  
The Housing Authority Of The County Of Sacramento's  
Budget To Utilize The Additional Funds For The  
Administration Of The Sacramento Emergency Assistance  
Phase Two Program; And Approve An Appropriation  
Adjustment Request In The Amount Of \$3,593,637 (AAR No.  
2021-XXXX)

**District(s):** All

**RECOMMENDED ACTION**

Adopt the attached Resolution retroactively authorizing the Acting Director of the Department of Human Assistance (DHA), or his designee, to:

1. Accept additional COVID-19 Tenant Relief Act funding in the amount of \$3,593,637 from the State Business, Consumer Services and Housing Agency, Housing and Community Development (HCD) Department; and
2. Amend the executed agreement with the Housing Authority of the County of Sacramento (Housing Authority) for a total amount not to exceed \$67,696,467 to administer the Sacramento Emergency Rental

**Retroactive Authorization To Accept Additional COVID-19 Tenant Relief Act Funding In The Amount Of \$3,593,637 From The State Department Of Housing And Community Development; Amend Agreement With The Housing Authority Of The County Of Sacramento For A Total Amount Not To Exceed \$67,696,467 To Administer The Sacramento Emergency Rental Assistance Phase Two Program; Approve The Housing Authority Of The County Of Sacramento's Budget To Utilize The Additional Funds For The Administration Of The Sacramento Emergency Assistance Phase Two Program; And Approve An Appropriation Adjustment Request In The Amount Of \$3,593,637 (AAR No. 2021-XXXX)**

**Page 2**

- Assistance (SERA) Phase Two Program to provide financial assistance to eligible households that are unable to pay rent and utilities due to the COVID-19 pandemic; and**
- 3. Amend the agreement for non-monetary changes, monetary decreases, and to increase the agreement up to \$20,000 or ten percent, whichever is less as long as funding exists; and to exercise the power to terminate, with or without cause, the agreement, if/when necessary.**
  - 4. Approve Appropriation Adjustment Request (AAR No. 2021-XXXX) to include the amount of \$3,593,637.**

**Adopt the attached Housing Authority Resolution authorizing the Executive Director of the Housing Authority, or her respective designee, to:**

- 1. Utilize the additional COVID-19 Tenant Relief Act funds from DHA to administer the SERA Phase Two (SERA2) Program; and**
- 2. Amend any and all contracts and related documents necessary to administer the SERA2 Program with the additional funds, including temporary staffing contracts; and**
- 3. Approve the amended Housing Authority SERA2 Program proposed budget to utilize the additional state COVID-19 Tenant Relief Act funding; and**
- 4. Make related findings.**

### **BACKGROUND**

**On December 27, 2020, the President signed into law the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA), which includes \$900 billion in supplemental appropriations for COVID-19 relief, to provide fast and direct economic assistance to American workers, families, and small businesses, and to preserve jobs for American industries.**

**These appropriations include \$25 billion in funding through the United States Department of the Treasury for the new Emergency Rental Assistance Program (ERAP) to provide funds for the payment of rent, rental arrears, utility costs, and utility cost arrears on behalf of eligible households.**

**Retroactive Authorization To Accept Additional COVID-19 Tenant Relief Act Funding In The Amount Of \$3,593,637 From The State Department Of Housing And Community Development; Amend Agreement With The Housing Authority Of The County Of Sacramento For A Total Amount Not To Exceed \$67,696,467 To Administer The Sacramento Emergency Rental Assistance Phase Two Program; Approve The Housing Authority Of The County Of Sacramento's Budget To Utilize The Additional Funds For The Administration Of The Sacramento Emergency Assistance Phase Two Program; And Approve An Appropriation Adjustment Request In The Amount Of \$3,593,637 (AAR No. 2021-XXXX)**

**Page 3**

**On January 5, 2021, the United States Department of the Treasury notified eligible jurisdictions regarding the availability of ERAP funding. On January 11, 2021, the Department of Human Assistance (DHA) submitted an application to the United States Department of the Treasury for \$30,874,446 in ERAP funding.**

**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 Department of the Treasury to assist California tenants and landlords impacted by COVID-19. \$33,228,384 originally was allocated to Sacramento County. In total, the County received \$64,102,830 (Federal and State funds combined) to provide emergency rental assistance to support households in Sacramento County. All State funds must be expended by December 30, 2021 and all Federal funds by September 30, 2022.**

**On February 24, 2021, the Board of Supervisors approved an execution of an agreement to administer the Sacramento Emergency Rental Assistance (SERA) Phase Two program utilizing the Federal Emergency Rental Assistance Payment (ERAP) funding and the State COVID-19 Tenant Relief Act Funding.**

**Subsequent to the February 24, 2021, Board approval, HCD updated the funding allocation amounts to jurisdictions and an additional \$3,593,637 is available to the County for this program. This Board Letter requests approval to accept retroactively the additional \$3,593,637 funding increasing the total Federal and State resources allocated to the County to \$67,696,467.**

#### **UPDATE ON SERA2 PROGRAM**

**Since the February 24, 2021, Board meeting, the first rental and utility assistance payments application period opened and closed and subsequent application periods will be scheduled throughout the funding term. The Department of the Treasury announced on March 26, 2021, that funds provided to an eligible grantee shall remain available through September 30, 2022, as opposed to the prior deadline of December 31, 2021. Additional guidance is anticipated from both the Department of the Treasury and the State regarding modifications to the timeline for the program.**

**Retroactive Authorization To Accept Additional COVID-19 Tenant Relief Act Funding In The Amount Of \$3,593,637 From The State Department Of Housing And Community Development; Amend Agreement With The Housing Authority Of The County Of Sacramento For A Total Amount Not To Exceed \$67,696,467 To Administer The Sacramento Emergency Rental Assistance Phase Two Program; Approve The Housing Authority Of The County Of Sacramento's Budget To Utilize The Additional Funds For The Administration Of The Sacramento Emergency Assistance Phase Two Program; And Approve An Appropriation Adjustment Request In The Amount Of \$3,593,637 (AAR No. 2021-XXXX)**

**Page 4**

The Housing Authority has contracted with local Community Based Organizations (CBOs) to assist the SERA2 Program by providing outreach to the communities they serve and assisting families with the application process. The CBOs serve low-income renters in the City and County of Sacramento and offer services in a variety of languages. Additional information about these organizations and the SERA2 Program can be found at [www.shra.org/sera](http://www.shra.org/sera).

#### **COMMISSION ACTION**

At a meeting on May 5, 2021, HACOS requested the Sacramento Housing and Redevelopment Commission approve the recommendation to contract for temporary staff to assist with the administration of the SERA2 program.

#### **POLICY CONSIDERATIONS**

The proposed appropriation of funds is consistent with the goals and objectives outlined in Federal and State guidelines to provide immediate rental relief to rental households throughout the County. These funds are allocated specifically for the sole purpose of providing emergency rental assistance relief to rental households in Sacramento County.

#### **ENVIRONMENTAL REVIEW**

California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA): The recommended actions are not considered a project subject to CEQA pursuant to 14 CCR section 15378(b).

The recommended actions are categorically excluded under NEPA pursuant to 24 CFR 58.35(b)(2).

#### **M/WBE/SECTION 3 CONSIDERATIONS**

Minority and Women's Business Enterprise requirements are not applicable.

#### **Retroactive Authority**

The State HCD updated the funding allocations subsequent to the February 24, 2021, Board approval of the original \$33,228,384 in State COVID-19 Tenant

Retroactive Authorization To Accept Additional COVID-19 Tenant Relief Act Funding In The Amount Of \$3,593,637 From The State Department Of Housing And Community Development; Amend Agreement With The Housing Authority Of The County Of Sacramento For A Total Amount Not To Exceed \$67,696,467 To Administer The Sacramento Emergency Rental Assistance Phase Two Program; Approve The Housing Authority Of The County Of Sacramento's Budget To Utilize The Additional Funds For The Administration Of The Sacramento Emergency Assistance Phase Two Program; And Approve An Appropriation Adjustment Request In The Amount Of \$3,593,637 (AAR No. 2021-XXXX)

Page 5

Relief Act Funding; the time requirement to accept the additional \$3,593,637 funding did not allow the Department to obtain Board approval prior to receiving the final State funding amount for Sacramento County in the amount of \$36,822,021.

**FINANCIAL ANALYSIS**

This recommendation has no General Fund impact and is fully funded utilizing HCD funds allocated to Sacramento County specifically for rental assistance. Expenditures and revenues in the amount of \$3,593,637 for Fiscal Year 2020-21 are not included in DHA's Adjusted Budget. An additional Appropriation Adjustment Request (AAR) in the amount of \$3,593,637 is included with this Board letter which brings the total for FY 2020-21 to \$41,014,924. The remaining amount of \$26,681,543 is included in the Department's Fiscal Year 2021-22 Requested Budget. The ERAP funding allocation includes administrative expenses of up to 8.5 percent for State funding.

<b>Funding</b>	
Federal Allocation	\$30,874,446
State Allocation (February 24, 2021 allocation)	\$33,228,384
State Allocation (new allocation)	\$3,593,637
<b>Total</b>	<b>\$67,696,467</b>
<b>Allocation of Funds</b>	
Financial Assistance	\$61,431,488
Contracts with Community Based Organizations	\$1,000,000
Housing Authority Delivery Costs	\$4,582,407
County Administrative costs	\$682,572
<b>Total</b>	<b>\$67,696,467</b>

**Retroactive Authorization To Accept Additional COVID-19 Tenant Relief Act Funding In The Amount Of \$3,593,637 From The State Department Of Housing And Community Development; Amend Agreement With The Housing Authority Of The County Of Sacramento For A Total Amount Not To Exceed \$67,696,467 To Administer The Sacramento Emergency Rental Assistance Phase Two Program; Approve The Housing Authority Of The County Of Sacramento's Budget To Utilize The Additional Funds For The Administration Of The Sacramento Emergency Assistance Phase Two Program; And Approve An Appropriation Adjustment Request In The Amount Of \$3,593,637 (AAR No. 2021-XXXX)**

**Page 6**

**Respectfully Submitted,**

**APPROVED  
ANN EDWARDS  
Interim County Executive**

  
\_\_\_\_\_  
**LA SHELLE DOZIER, Executive Director  
Sacramento Housing and  
Redevelopment Agency**

**By: \_\_\_\_\_  
BRUCE WAGSTAFF  
Deputy County Executive**

**Attachment(s):  
Board of Supervisors Resolution  
Housing Authority Resolution  
Appropriation Adjustment Request (AAR No. 2021-XXXX)**



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

**RETROACTIVE AUTHORIZATION TO APPLY FOR AND ACCEPT ADDITIONAL COVID-19 TENANT RELIEF ACT FUNDING IN THE AMOUNT OF \$3,593,637 FROM THE STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT; AMEND AGREEMENT WITH THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO FOR A TOTAL AMOUNT NOT TO EXCEED \$67,696,467 TO ADMINISTER THE SACRAMENTO EMERGENCY RENTAL ASSISTANCE PHASE TWO PROGRAM; APPROVE THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO'S BUDGET TO UTILIZE THE ADDITIONAL FUNDS FOR THE ADMINISTRATION OF THE SACRAMENTO EMERGENCY ASSISTANCE PHASE TWO PROGRAM; AND APPROVE AN APPROPRIATION ADJUSTMENT REQUEST IN THE AMOUNT OF \$3,593,637 (AAR NO. 2021-XXXX)**

**WHEREAS**, on January 5, 2021, the United States Department of the 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

**WHEREAS**, on January 11, 2021, the Department of Human Assistance submitted an application for ERAP funding in the amount of \$30,874,446; and

**WHEREAS**, on February 11, 2021, Sacramento County submitted an Expression of Intent to receive State COVID-19 Tenant Relief Act funds in the amount of \$33,228,384 from the State Business, Consumer Services and Housing Agency (BCSH), Housing and Community Development (HCD) Department and subsequently an additional \$3,593,637 of State funds was made available; and

**WHEREAS**, DHA is seeking retroactive approval to apply for and accept additional COVID-19 Tenant Relief Act Funding in the amount of \$3,593,637 from the State Department of Housing and Community Development; and

**WHEREAS**, DHA is seeking authority to amend an agreement with the Housing Authority of the County of Sacramento (Housing Authority) for a total amount not to exceed \$67,696,467 to administer the Sacramento Emergency Rental Assistance Phase Two Program to provide financial assistance to eligible households affected by the COVID-19 pandemic; and

Retroactive Authorization To Apply For And Accept Additional Covid-19 Tenant Relief Act Funding In The Amount Of \$3,593,637 From The State Department Of Housing And Community Development; Amend Agreement With The Housing Authority Of The County Of Sacramento For A Total Amount Not To Exceed \$67,696,467 To Administer The Sacramento Emergency Rental Assistance Phase Two Program; Approve The Housing Authority Of The County Of Sacramento's Budget To Utilize The Additional Funds For The Administration Of The Sacramento Emergency Assistance Phase Two Program; And Approve An Appropriation Adjustment Request In The Amount Of \$3,593,637 (AAR No. 2021-XXXX)  
Page 2

extend the Agreement into Fiscal Year 2021-22 if all funds are not expended by June 30, 2021.

**BE IT RESOLVED** that the Board of Supervisors hereby retroactively authorizes the Acting Director of the Department of Human Assistance, or his designee, to apply for and accept, on behalf of the COUNTY OF SACRAMENTO, a political subdivision of the State of California, additional COVID-19 Tenant Relief Act Funding In the amount of \$3,593,637 from the State Department Of Housing And Community Development; and to amend the agreement with the Housing Authority for a total amount not to exceed \$67,696,467 to administer the Sacramento Emergency Rental Assistance Phase Two Program to provide financial assistance to eligible households that are unable to pay rent and utilities due to the COVID-19 pandemic.

**BE IT FURTHER RESOLVED** that the Sacramento County Board of Supervisors authorizes the Acting Director of the Department of Human Assistance, or his designee, to amend the agreement for non-monetary changes, monetary decreases and to increase the agreement up to \$20,000 or ten percent of the original amount of the Agreement, whichever is less, as long as funding exists; to exercise the power to terminate, with or without cause, the agreement if/when necessary; and to do and perform everything necessary to carry out the purpose of this Resolution.

**Retroactive Authorization To Apply For And Accept Additional Covid-19 Tenant Relief Act Funding In The Amount Of \$3,593,637 From The State Department Of Housing And Community Development; Amend Agreement With The Housing Authority Of The County Of Sacramento For A Total Amount Not To Exceed \$67,696,467 To Administer The Sacramento Emergency Rental Assistance Phase Two Program; Approve The Housing Authority Of The County Of Sacramento's Budget To Utilize The Additional Funds For The Administration Of The Sacramento Emergency Assistance Phase Two Program; And Approve An Appropriation Adjustment Request In The Amount Of \$3,593,637 (AAR No. 2021-XXXX)**  
Page 3

On a motion by Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 18<sup>th</sup> day of May 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**



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

**ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY  
OF SACRAMENTO**

**EXECUTION OF AMENDED AGREEMENT WITH THE COUNTY  
DEPARTMENT OF HUMAN ASSISTANCE TO ADMINISTER THE  
SACRAMENTO EMERGENCY RENTAL ASSISTANCE PHASE TWO  
PROGRAM TO PROVIDE FINANCIAL ASSISTANCE TO ELIGIBLE  
HOUSEHOLDS THAT ARE UNABLE TO PAY RENT AND UTILITIES DUE  
TO THE COVID-19 PANDEMIC**

**WHEREAS**, on January 5, 2021, the United States Department of the 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

**WHEREAS**, on January 11, 2021, the Department of Human Assistance (DHA) submitted an application, on behalf of Sacramento County, for ERAP funding to the United States Department of the Treasury in the amount of \$30,874,446; and

**WHEREAS**, on February 11, 2021, DHA submitted, on behalf of Sacramento County, an Expression of Intent to receive State COVID-19 Tenant Relief Act funds of \$33,228,384 from the State Business, Consumer Services and Housing Agency (BCSH), Housing and Community Development (HCD) Department; and

**WHEREAS**, on February 24, 2021, DHA received the authority to accept \$64,102,830 in COVID-19 Tenant Relief Act and ERAP funding; and

**WHEREAS**, DHA received authority on February 24, 2021, to execute an agreement with the Housing Authority of the County of Sacramento (Housing Authority) up to the amount of \$64,102,830 to administer the Sacramento Emergency Rental Assistance Phase Two Program (SERA2) to provide financial assistance to eligible households affected by the COVID-19 pandemic; and extend the agreement into Fiscal Year 2021-22 if all funds are not expended by June 30, 2021; and

**Execution Of Amended Agreement With The County Department Of Human Assistance To Administer The Sacramento Emergency Rental Assistance Phase Two Program To Provide Financial Assistance To Eligible Households That Are Unable To Pay Rent And Utilities Due To The COVID-19 Pandemic**  
Page | 2

**WHEREAS**, the State Business, Consumer Services and Housing Agency (BCSH), Housing and Community Development (HCD) Department allocated an additional \$3,593,637 for the rental assistance program through the COVID-19 Tenant Relief Act; and

**WHEREAS**, on May 18, 2021, DHA received authority to accept these funds and amend the executed agreement with the Housing Authority for a total amount not to exceed \$67,696,467 to assist additional eligible households through the SERA2 Program and extend the agreement into Fiscal Year 2021-22 if all funds are not expended by June 30, 2021; and

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

**BE IT RESOLVED** by the HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO:

Section 1: All evidence presented having been duly considered, the Housing Authority Board accepts the findings, including the environmental facts; and findings, which are found to be true and correct, are hereby adopted.

Section 2. SERA2 and use of COVID-19 Tenant Relief Act and ERAP funds are approved for administration of the SERA2 Program.

The Executive Director, or her designee, is authorized to amend the agreement (Agreement) with the County Department of Human Assistance (DHA) for a total amount not to exceed \$67,696,467 to administer SERA2 to provide financial assistance to eligible households that are unable to pay rent and utilities due to the COVID-19 pandemic, and as otherwise may be deemed necessary by the Executive Director. The Agreement can be

**Execution Of Amended Agreement With The County Department Of Human Assistance To Administer The Sacramento Emergency Rental Assistance Phase Two Program To Provide Financial Assistance To Eligible Households That Are Unable To Pay Rent And Utilities Due To The COVID-19 Pandemic**  
Page | 3

extended into Fiscal Year 2021-22 if all funds are not expended by June 30, 2021.

**Section 3.** The Executive Director, or her designee, is directed to take all actions necessary to allocate the additional COVID-19 Tenant Relief Funds for the administration of SERA2.

**Section 4.** The Executive Director, or her designee, is authorized to amend the Housing Authority budget for a total amount not to exceed \$67,696,467.

**Section 5.** With the additional funds, 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 8.5% of the COVID-19 Tenant Relief Act Funds, in a form approved by the Housing Authority's Office of the General Counsel, for the purpose of administering the SERA2 Program.

**Execution Of Amended Agreement With The County Department Of Human Assistance To Administer The Sacramento Emergency Rental Assistance Phase Two Program To Provide Financial Assistance To Eligible Households That Are Unable To Pay Rent And Utilities Due To The COVID-19 Pandemic**  
Page | 4

On a motion by Member \_\_\_\_\_, seconded by Member \_\_\_\_\_, the foregoing Resolution was passed and adopted by the Board of the Housing Authority of the County of Sacramento this 18th day of May, 2021, by the following vote, to wit:

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

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

(SEAL)

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





May 5, 2021

**Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA**

Honorable Members in Session:

SUBJECT:

**Approval of Housing Authority Loan Commitment to the Mirasol Village Block C  
Project (Twin Rivers Phase 3)**

RECOMMENDATION:

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

Respectfully Submitted



LA SHELLE DOZIER  
Executive Director

Attachment



**REPORT TO HOUSING AUTHORITY**  
**City of Sacramento**  
**915 I Street, Sacramento, CA 95814-2671**  
**[www.CityofSacramento.org](http://www.CityofSacramento.org)**

**Business Item**  
**May 4, 2021**

**Chair and Members of the Housing Authority Board**

**Title: Approval of Housing Authority Loan Commitment to the Mirasol Village Block C Project (Twin Rivers Phase 3)**

**Location/Council District: 1200 Richards Blvd, District 3**

**Recommendation:** Adopt a Housing Authority Resolution 1) declaring the previous commitment of \$2,500,000 in Housing Authority Funds (HAF) is null and void, and approving a new Conditional Loan Commitment of \$5,000,000 in HAF (Commitment), 2) authorizing the Executive Director, or her designee, to execute the Commitment letter with Twin Rivers Phase 3, L.P. or related entity for the Project, 3) authorizing the Executive Director, or her designee, to execute any and all documents deemed necessary by herself or her designee and related to the transaction; 4) amending the Housing Authority budget, and 5) making related findings.

**Contact:** Christine Weichert, Director, (916) 440-1353, Tyrone Roderick Williams, Deputy Executive Director, (916) 440-1316, Sacramento Housing and Redevelopment Agency

**Presenters:** Anne Nicholls, Management Analyst, (916) 440-1353, Sacramento Housing and Redevelopment Agency

**Department:** Sacramento Housing and Redevelopment Agency

**Description/Analysis**

**Issue Detail:** In 2015, the Housing Authority of the County of Sacramento (HACOS) and the City of Sacramento (City) were, as co-grantees, awarded a \$30 million Choice Neighborhoods Implementation (CNI) Grant from the US Department of Housing and Urban Development (HUD) for the Twin Rivers Transit Oriented Development and Light Rail Station master development (Mirasol Village). Sacramento Housing and Redevelopment Agency (SHRA) is managing the master development and McCormack Baron Salazar (MBS) is the master developer and Housing Lead (Developer) under the CNI grant.

The CNI grant supports the redevelopment of the former housing development and the transformation of the River District/Railyards neighborhood. The grant requires replacement of 218 public housing units within a mixed-income development which will

include at least 487 housing units, common area, community gathering spaces, and other amenities. Mirasol Village includes six residential blocks on approximately 26 acres and a new light rail station constructed along 12<sup>th</sup> Street. A vicinity map and Project Rendering are included as Attachments 4 and 5.

Mirasol Village is being developed in five phases. The first phase includes Blocks B and E (123 units) and construction started in July 2020. The second phase is Block A (104 units) started construction in December 2020. The third phase is Block C (84 units) which is the subject of this report. The Block C Developer is also actively working to secure the funds needed to construct the fourth phase, Block D (116 units). The fifth phase, Block F, is the block east of 12<sup>th</sup> Street and will be the last block developed.

### **History and Status**

On June 30, 2020, the California Department of Housing and Community Development (HCD) awarded \$14,484,068 of Multifamily Housing Program (MHP) funds to Block C.

On October 13, 2020, City Council (Council) approved \$3,038,000 in CNI funds for a predevelopment loan agreement and permanent loan commitment to Twin Rivers Phase 3, L.P. or related entity for Block C.

On October 20, 2020, the Board of the Housing Authority of the County of Sacramento also approved up to \$3,038,000 in CNI funds for a predevelopment loan agreement and permanent loan commitment to Twin Rivers Phase 3, L.P. or related entity for Block C.

On December 8, 2020, Council and the Board of the Housing Authority of the City of Sacramento approved the issuance of up to \$35,000,000 in tax exempt mortgage revenue bonds and a gap financing loan of \$2,500,000 in Housing Authority Funds (HAF) for the construction and permanent financing of the Project.

On February 4, 2020, HACS and the Developer submitted a joint application for tax-exempt bonds, four percent Low Income Housing Tax Credits (LIHTC) and state tax credits for the construction and permanent financing of the Project. Unfortunately, this funding round was oversubscribed and the Project was not awarded due to the total amount of tax credits and bonds requested.

To make the Project more competitive for funding, the Project's proposed sources have been restructured to eliminate the state tax credits, decrease the conventional loan, and increase the federal tax credits and HFA gap loan. Also, the developer fee has decreased by \$1.3 million and there are cost savings in architecture, engineering and financing fees.

Subject to Housing Authority Board approval, the Developer and HACS would like to: 1) void the previous loan commitment of \$2,500,000 in HAF; 2) enter into a new loan commitment for a total of \$5,000,000 in HAF for the construction and permanent financing of the Project; and 3) reapply for tax-exempt bonds and four percent LIHTC on May 13, 2021. If successfully awarded bonds and tax credits in late Summer 2021, the close of financing and construction is anticipated to begin by the end of 2021.

**Development:** Mirasol Village Block C is composed of townhouses and garden-style walk-up buildings and includes a total of seven buildings, 68 on-grade parking spaces, and 84 units. There will be 9 Americans with Disabilities Act compliant units and four units with communication features. The Project will contain amenities that include bicycle parking, landscaped courtyards and a play area. Additionally, residents from Block C will have access to the master development site amenities that include management offices, resident community rooms, fitness center, a business center, swimming pool, barbeque area, a community park and community garden. Further details of the scope of development are included with the Conditional Loan Commitment as Exhibit A.

**Infrastructure Improvements:** On May 29, 2018, Council approved the commitment of up to \$16.49 million of Section 108 loan funds to construct new Infrastructure systems throughout the Mirasol Village master development.

**Entitlements:** The site plan approval for Block C was received in February 2020, and the building permits are expected to be ready to issue in late 2021.

**Developer:** The limited partnership, Twin Rivers Phase 3, L.P. will develop the Project. A McCormack Baron Salazar, Inc. affiliate, Twin Rivers Phase 3, MBS GP, Inc., will serve as administrative general partner of the limited partnership. The Developer is an experienced owner and manager of affordable rental housing projects with more than 40 years of experience in affordable housing and has developed over 21,000 homes in 23 states across the U.S., including 13 communities in California. They have extensive experience in financing projects with tax credits, tax exempt bonds, and other public and private funding sources.

The Sacramento Housing Authority Repositioning Program, Inc. (SHARP) is the managing general partner of the limited partnership and is a non-profit public benefit corporation formed by the Housing Authority to pursue projects as a strategic response to reductions in federal funding sources for public housing. SHARP can attract private development partners and financing sources not otherwise directly available to the Housing Authority.

**Property Management:** The Project will be managed by the John Stewart Company (JSCo), an experienced property management firm with over 40 years of experience operating affordable apartment communities. There are over 420 properties in California consisting of more than 31,600 affordable and market rate residential units in their portfolio. The JSCo currently manages 16 SHRA financed affordable housing properties in the Sacramento region. SHRA staff has reviewed and approved the management plan, including daily operations, leasing procedures, maintenance, and eviction procedures to ensure the company meets SHRA requirements for property management.

**Resident Services:** Resident services will be provided by Urban Strategies, which currently provides resident services to 11 affordable housing communities across the country. Urban Strategies will be required to provide at least 15 hours of services per week for Block C residents. Programs will be tailored to resident needs. SHRA staff has reviewed and approved Urban Strategies' resident services plan detailing the scope and schedule of services to be provided. Services will be provided by an on-site services

coordinator and will include social services and enrichment programs. SHRA will approve subsequent providers of additional services.

**Project Financing:** In addition to the CNI and HAF loans, and HACOS ground lease loan, the Project will be financed with four percent Low Income Housing Tax Credits, tax-exempt bond financing, a bank loan, an MHP loan and development impact fee waivers. The law firm of Orrick, Herrington and Sutcliffe LLP, will serve as Bond Counsel to the Housing Authority.

**Low-Income Set-Aside Requirements:** As a condition of receiving LIHTC and the benefits of tax-exempt bond financing, federal law requires that units be set aside for targeted income groups. Income restrictions from LIHTC financing require that 20 percent of the units have rents that are affordable to households with income up to 50 percent of Area Median Income (AMI).

SHRA further requires at least 15 percent of the units have rents that are affordable to households with income up to 50 percent AMI and at least 5 percent of the units have rents that are affordable to households with income up to 30 percent AMI, based on financial feasibility. HUD approved 53 replacement Project Based Vouchers for the public housing replacement units in the Project which are administered by the County Housing Authority.

Project affordability restrictions will be specified in regulatory agreements with the Developer. The Project Summary and Proforma are included as Attachments 6 and 7, and a schedule of Maximum Income and Rent Limits is included as Attachment 8. These anticipated sources and their affordability requirements are summarized in the following table:

**Mirasol Village Block C**

<b>Affordability Restrictions (55 years)<sup>1</sup></b>	<b>Units</b>	<b>% of Units</b>
Extremely Low Income (20% AMI)	35	42%
Extremely Low Income (30% AMI)	7	8%
Very-Low Income (50% AMI)	11	13%
Low Income (60% AMI)	12	14%
Market Rate (Exempt)	18	22%
Management Unit (Exempt)	1	1%
<b>Total</b>	<b>84</b>	<b>100%</b>

<sup>1</sup>Pursuant to 24CFR 983.301, contract rents approved by HUD may exceed the tax-credit rent limits; and the AMI change is due to income averaging regulation by CDLAC. The tenant rent will not exceed 30% of the household adjusted gross income with PBV.

**Policy Considerations:** The recommended actions are consistent with 1) SHRA's approved Multifamily Lending and Mortgage Revenue Bond Policies, priority 1 and 2, Preservation and New Construction (Resolution No. 2019-0425 and Housing Authority Resolution No. 2019-022); 2) the 2013-2021 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2013-415); 3) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to

increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); and 4) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by year 2025 (Resolution No. 2015-282). Additionally, the Project is located in an Opportunity Zone that provides a federal tax incentive for investors, who invest in real estate projects and operating businesses located in designated low-income communities through deferral and partial tax reductions of reinvested capital gains and forgiveness of tax on new capital gains (enacted into federal law through the Tax Cuts and Jobs Act of 2017).

**Economic Impacts:** This multifamily residential project is expected to create 373.9 total jobs (211.87 direct jobs and 162.03 jobs through indirect and induced activities) and create \$31,158,005 in total economic output (\$18,992,745 of direct output and another \$12,165,260 of output through indirect and induced activities).

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

**Environmental Considerations: California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA):** A combined Initial Study/Environmental Assessment was prepared for the Mirasol Village (formerly Twin Rivers) Project pursuant to California Environmental Quality Act requirements under 14 California Code of Regulations §15070, and National Environmental Policy Act requirements under 24 CFR §58.36. The Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program were adopted and a Notice of Determination was issued pursuant to CEQA and a Finding of No Significant Impact was prepared pursuant to NEPA. The proposed action requires no further environmental review.

**Sustainability Considerations:** The Project has been reviewed for consistency with the goals, policies, and targets of the 2035 General Plan. If approved, the project will advance the following goals, policies, and targets that will directly or indirectly conserve energy resources and reduce greenhouse gas emissions, in part, from the 2035 General Plan: a) Housing Element – Strategies and Policies for Conserving Energy Resources – Climate Action Plan, subsection 7.2: improving the energy efficiency in new buildings; and b) Environmental Resources - Air Quality and Climate Change sub-section 6.1.7: reduce greenhouse gas emissions from new development, promoting water conservation and recycling, promoting development that is compact, mixed-use, pedestrian friendly, and transit oriented; and promoting energy-efficient building design and site planning.

**Commission Action: Sacramento Housing and Redevelopment Commission:** It is anticipated that, at its May 5, 2021 meeting, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Housing Authority Board in the event the item is not approved.

**Rationale for Recommendation:** The actions recommended in this report enable SHRA to continue fulfilling its mission to provide a range of affordable housing opportunities in the City and are consistent with the SHRA's approved Multifamily Lending and Mortgage Revenue Bond Policies, the City of Sacramento's 2013-2021 Housing Element, Promise Zone plans and goals, Downtown Housing Initiative and Initiation of the Downtown Specific Plan, and Opportunity Zone.

**Financial Considerations:** The \$5,000,000 HAF loan and \$3,038,000 CNI loan will have a term of 57 years. The HAF loan will have a simple interest rate at three percent and the CNI loan will have a simple interest rate at four percent. SHRA will receive a one-time issuance fee of 0.25 percent of the bond amount, which is payable at bond closing, and annual payment for monitoring the regulatory restrictions and administration of the bonds in the amount of 0.125 percent of the bond amount. SHRA will also receive a \$100 annual administrative fee for each HAF assisted unit. The total administrative fee will not exceed \$25,000 annually for the affordable units during the 55-year term. The Developer will be responsible for payment of all costs and fees relating to the bonds. Mortgage revenue bonds do not represent a financial obligation of SHRA, Housing Authority, or City of Sacramento.

**Local Business Enterprise (LBE), Minority/Women's Business Enterprise (M/WBE) and Section 3 requirements:** 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.

Respectfully Submitted by:



LA SHELLE DOZIER  
Executive Director

**Attachments**

- 01-Description/Analysis
- 02-Housing Authority Resolution – Loan Commitment
- 03-Exhibit A to Resolution: Loan Commitment
- 04-Vicinity Map
- 05-Project Rendering
- 06-Residential Project Summary
- 07-Cash Flow Proforma
- 08-Maximum Income and Rent Limits

## **RESOLUTION NO. 2021 -**

**Adopted by the Housing Authority of the City of Sacramento**

on date of

**MIRASOL VILLAGE BLOCK C: AUTHORIZATION TO AMEND THE HOUSING AUTHORITY BUDGET AND ALLOCATE AN ADDITIONAL \$2,500,000 IN HOUSING AUTHORITY FUNDS (HAF) TO BLOCK C (PHASE 3) HOUSING; APPROVAL TO EXECUTE A CONSTRUCTION AND PERMANENT LOAN COMMITMENT OF UP TO \$5,000,000 OF HAF AND TO EXECUTE RELATED DOCUMENTS WITH TWIN RIVERS PHASE 3 L.P. OR RELATED ENTITY; AND ENVIRONMENTAL FINDINGS**

### **BACKGROUND**

- A. On June 30, 2020, the California Department of Housing and Community Development awarded \$14,484,068 of Multifamily Housing Program (MHP) funds to Mirasol Village Block C (Project).
- B. On August 3, 2020, Twin Rivers Phase 3, L.P. (McCormack Baron Salazar, Inc.) (Developer) submitted a funding application to Sacramento Housing and Redevelopment Agency (SHRA) requesting a \$3,038,000 loan in CNI funds and a \$2,500,000 loan in Housing Authority Funds (HAF) to assist in funding the construction and permanent financing of the Project.
- C. On October 13, 2020, the Sacramento City Council (Council) approved a \$3,038,000 loan commitment comprised of CNI funds between HACOS and the Developer to assist in funding the construction and permanent financing of the Project (CNI Loan Commitment). On October 20, 2020, the Board of HACOS also approved the CNI Loan Commitment.
- D. On December 8, 2020, Council and the Board of the Housing Authority of the City of Sacramento approved the issuance of up to \$35,000,000 in tax exempt mortgage revenue bonds, and a gap financing loan of \$2,500,000 in HAF for the construction and permanent financing of the Project.
- E. On February 4, 2020, HACS and the Developer submitted a joint application for tax-exempt bonds, four percent Low Income Housing Tax Credits (LIHTC) and state tax credits for the construction and permanent financing of the Project. Unfortunately, this funding round was oversubscribed and the Project was not awarded due to the total amount of tax credits and bonds requested.
- F. Subject to Housing Authority Board approval, the Developer and HACS would like to: 1) void the previous loan commitment of \$2,500,000 in HAF; 2) enter into a new loan commitment for a total of \$5,000,000 in HAF for the construction and permanent financing of the Project; and 3) reapply for tax-exempt bonds and four percent LIHTC.



- G. The recommended actions are consistent with a) SHRA's approved Multifamily Lending and Mortgage Revenue Bond Policies, priority 1. Preservation (Resolution No. 2009-148); b) the 2013-2021 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2013-415); c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); and d) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by 2025 (Resolution No. 2015-282).
- H. A combined Initial Study/Environmental Assessment was prepared for the Mirasol Village (formerly Twin Rivers) Project pursuant to California Environmental Quality Act (CEQA) requirements under 14 California Code of Regulations (CCR) §15070, and National Environmental Policy Act (NEPA) requirements under 24 Code of Federal Regulations §58.36. The Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program were adopted and a Notice of Determination was issued pursuant to CEQA and a Finding of No Significant Impact was prepared pursuant to NEPA. The proposed action requires no further environmental review.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:**

- 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 commitment dated December 8, 2020 is hereby null and void, and superseded by the Conditional Loan Commitment attached hereto as Exhibit A for financing of the Project with up to \$5,000,000 in Housing Authority Funds (Commitment) and is hereby approved, and the Executive Director, or designee, is authorized to execute and transmit the Commitment to Twin Rivers Phase 3, L.P. (McCormack Baron Salazar or related entity).
- Section 3. The Executive Director, or her designee, is authorized to execute related documents, as approved to form by its Office of the General Counsel, and perform other actions the Housing Authority deems necessary to fulfill the intent of the Housing Authority Funds, including without limitation, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.
- Section 4. The Housing Authority is authorized to amend its budget and allocate an additional amount of \$2,500,000 for a total amount not to exceed \$5,000,000 in Housing Authority Funds to provide construction and permanent financing for the Project.

**Table of Contents:**  
Exhibit A: Conditional Loan Commitment (HAF)



Effective Date: May 4, 2021

Twin Rivers Phase 3, L.P.  
c/o McCormack Baron Salazar, Inc.  
Daniel Falcon, Vice President  
801 S. Grand Avenue, Suite 780  
Los Angeles, CA 90017

RE: Conditional Funding Commitment for Mirasol Village Block C (Twin Rivers Phase 3)

Dear Mr. Falcon:

On behalf of the Housing Authority of the City of Sacramento (Agency), we are pleased to advise you of this Conditional Funding Commitment (Commitment) of construction and permanent loan funds (Loan) not to exceed \$5,000,000 in Housing Authority Funds (HAF) for the purpose of financing the acquisition, rehabilitation and development of that certain real property known as Mirasol Village Block C (Twin Rivers Phase 3) located at 320 Dos Rios Street, Sacramento, (formerly 321 Eliza Street; Lot 3, Sacramento), California 95811 (Property). The Conditional Funding Commitment dated December 8, 2020 between Agency and Borrower is null and void, and superseded with this Commitment dated May 4, 2021. **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 November 30, 2022, unless a mutually agreed upon extension is made.



1. **PROJECT DESCRIPTION:** Mirasol Village Block C development is composed of townhouses and garden-style walk-up buildings and includes a total of seven (7) buildings, 74 on-grade parking spaces, and 84 units comprised of 1-bedroom, 2-bedroom, 3-bedroom, 4-bedroom, and 5-bedroom units. The Project will contain amenities that include secure bicycle parking, landscaped courtyards and a play area. Additionally, residents will have access to the master plan site amenities that include management offices, resident community rooms, fitness center, business center, swimming pool and barbeque area.
2. **BORROWER:** The name of the Borrower for the Loan is Twin Rivers Phase 3, L.P., a California limited partnership created by McCormack Baron Salazar, Inc., or related entity as the lead development partner.
3. **PURPOSE OF LOAN:** The Loan is to be used by Borrower solely to pay the costs of development, 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 principal amount of the Loan will be the lesser of (a) Five Million Dollars and No Cents (\$5,000,000.00), 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 57 years or 684 months from the date of closing, at which point any and all unpaid principal and interest on the loan will be due and payable.
6. **INTEREST RATE:** The Loan will bear simple interest at 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 debt service coverage ratio of 1.2:1. Payments shall be applied first to outstanding interest accrued and unpaid and then to principal. All outstanding principal and interest is due and payable on the maturity date.
8. **SOURCE OF LOAN FUNDS:** Agency is making the Loan from the following source of funds, and the Loan is subject to all requirements related to the use of such, whether Agency requirements or otherwise: City of Sacramento Housing Authority Funds (HAF). 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 stated in Borrower's request for the Loan. Proof of equity will generally be in the form of verified low income housing tax credit equity and deferred developer fee. If the final equity contribution is less than the anticipated \$14,700,000, the difference in equity must be offset by a non-Agency nor Sacramento Housing and Redevelopment 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, give assurances satisfactory to the Agency that hazardous materials are not present on the Property or that any hazardous materials on the Property will be remediated and that no further remediation is then required by the environmental agency having responsibility for monitoring such remediation.
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 as required in the Mitigation Monitoring and Reporting Program of Twin Rivers Transit Oriented Development and Light Rail Station Project as may be applicable to Twin Rivers Phase 3, environmental conditions required, if any, for compliance with approvals under CEQA, and/or NEPA, or the U.S. Department of Housing and Urban Development as conditions of approval of the project.
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.
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 fifteen (15) hours per week:
1. Coordinator: Four (4) hours per week (maximum)
  2. After School Programming: Eight (8) hours per week (two hours per day and four days per week minimum)
  3. Additional Programming: Balance of minimum three (3) hours per week shall include, but are not limited to:
    - a. Workforce development support and activities.
    - b. Education classes such as nutrition, exercise, health resources, health insurance application assistance, Annual onsite health fair and ESL classes.
    - c. Socialization activities such as bingo, gardening and community building events.
    - d. Other services such as transportation assistance, counseling assistance and employee readiness and job search assistance.
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:**

Twin Rivers Phase 3, L.P., a California limited partnership

By: McCormack Baron Salazar, Inc. or related entity

By: \_\_\_\_\_

Daniel Falcon, Vice President

**Attachment:**

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



## **Exhibit 1: Scope of Development and Rental Property Minimum Construction Standards**

### **Mirasol Village Block C**

#### **Project Summary:**

Mirasol Village Block C is the third phase of a master plan, mixed-income housing development located at 320 Dos Rios Street. The proposed development will replace the existing public housing development in this area, and the final project development will include 427 apartment units, with 84 units in this phase. All off-site infrastructure and the adjacent right-of-way improvements will be constructed under a separate contract. The project will be designed to secure a Green Point Rated Certification. The development will be a vibrant new addition to the neighborhood and help encourage future improvements and development.

#### **A. Site:**

1. New construction of 7 new buildings: 2 two-story townhome buildings, 3 three-story garden-style apartments, and 2 three-story apartment buildings. All the buildings will be Type V wood construction.
2. All adjacent streets will be in place prior to completion of Block C and are under a separate contract.
3. There will be an accessible path of travel into each building, the parking area, and all common area amenity spaces.
4. The parking lot shall be constructed by a combination of pervious concrete paving at the parking spaces and asphalt paving at the drive aisles. The parking lot shall be striped completely, identifying all parking spaces, ADA spaces, pedestrian pathways, and other potential hazards. Bicycle parking will be available.
5. Site amenities will include a school-age appropriate playground and landscaped area with picnic tables and benches.
6. The site will have pervious pavement and on-site drainage retention to accommodate all site drainage requirements in addition to all of the adjacent ROW.
7. New vehicular driveways access to the surface parking lots will be constructed as part of the infrastructure contract.
8. New landscaping throughout the project, including both along the new and existing streets and internally within the block. The landscaping and street design will serve to create a walkable neighborhood that encourages physical activity. Drought tolerant trees will be included and a smart controller with a drop system will be used for irrigation.



9. The entire site will have a decorative wrought iron picket fence off-set well beyond the property line, towards the back of the buildings. The goal is to secure the site without the feel of being fenced in.
10. The fence will have several pedestrian and vehicular access points throughout the site with access control. Only residents will have access to parking within the site, all visitors will park on the street.
11. Each building will have controlled access as will each of the common area amenity spaces.
12. Web-based CCTV will be provided with cameras covering primary ingress/egress points to the site; principal parking areas; and indoor/outdoor common areas. Site lighting shall be provided at all parking and outside public spaces and shall be of LED or similarly energy efficient type.
13. A minimum of one trash enclosure will be provided at each Block C. Trash enclosures will be constructed out of concrete block and metal gates with a concrete apron in front. They will include separate recycling and trash receptacles within the same enclosure. The trash enclosure will be completely accessible.
14. Most of the outdoor amenity areas will have either a permanent shade structure or removable (fabric) shade structure. There will also be some shading elements on the residential buildings.
15. There will be mailboxes located on Block C for its respective residents.

**B. Building Exteriors:**

1. The exterior building materials will be a combination of stucco, fiber cement siding (both painted and wood-look) with accent areas of metal siding on the street facing facades.
2. The townhome and walk-up apartment buildings will have primary entrances facing the street to engage the neighborhood, and secondary entrances internally facing the parking courts.
3. The townhome buildings will have stoops at the street side of the building to engage and active the public way.
4. Provide Operating Procedures Outline Sheet (OPOS) as required by Cal-OSHA.

**C. Parking:**

1. Block C will include a surface parking lot at the interior of the parcel, with approximately 74 spaces. Each lot will have required accessible parking as well as the infrastructure for electrical vehicle charging and outdoor bicycle parking.



**D. Tenant Units:**

<b>BDRM Size</b>	<b>Type</b>	<b>Number of Units</b>
One	Elevator	24
One	Walkup	12
Two	Elevator	18
Two	Walkup	6
Three	Elevator	6
Three	Walkup	8
Three	Townhouse	3
Four	Walkup	1
Four	Townhouse	5
Five	Townhouse	1
<b>TOTAL</b>		<b>84</b>

1. **Appliances:** All units will be equipped with a washer/dryer. All kitchens shall have refrigerator/freezer, dishwashers, stove/oven, and micro-hoods in non-accessible units and microwave shelves built into lower cabinets in ADA units. All appliances will be Energy Star, where applicable. Each unit will have garbage disposals.
2. **Electrical:** All units will have smoke/carbon monoxide detectors installed per current code.
3. **Stoops:** The townhome units will all have front stoops at the street.
4. **Doors:** All exterior doors shall have deadbolt locks, keyed latch assemblies and viewers. The tenant units' entry doors shall have single action hardware to release deadbolt and latch assembly.
5. **Windows:** New dual-paned (at a minimum) window with screens will be installed throughout. Window coverings will be provided on all windows.
6. **Flooring:** All units will have Luxury Vinyl Plank (LVP) throughout the living area with a minimum wear layer of 12 mils. Bedrooms will have carpet. Bathrooms will be sheet vinyl to limit water intrusion issues. All common areas will be LVP.
7. **Cabinets, Counters:** All kitchen and bathroom cabinets will have plywood boxes with solid face frames, doors, and drawer faces. All kitchens and bathrooms will have solid surface countertops.
8. **Lighting:** Units will have new LED lighting throughout.
9. **Finishes:** All unit interiors will have level 4 drywall finish.



10. **Plumbing Fixtures:** Bathrooms shall have low-flow, water-efficient fixtures.
11. **Bathrooms:** Bathrooms shall be fully equipped with accessories including towel bars, toilet paper dispensers and mirrors. All countertops shall be solid surface. Tub surrounds will be of fiberglass.
12. **Hallways:** The hallways on the upper floors of the 4-story building and garden-style buildings will be Luxury Vinyl Tile (LVT).
13. **Accessible Units:** There will be total of 13 fully accessible units and 4 audio/visual accessible units.

**Community Areas:**

1. **On-site Management:** On-site Property Management will be located on Block A.
2. **Community/Management Spaces:** Community, Resident Services and Property Management Spaces will be located on Block A.
3. **Resident Services:** Resident Services will be located on Block A.
4. **Elevators and Stairs:** The three-story building facing Dos Rios will have an elevator. Each of the three-story walk-up buildings will have an internal stair serving all three floors. Stairways will include closed risers and non-slip concrete finish or other slip-resistant material on the treads.

**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 refinished 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**

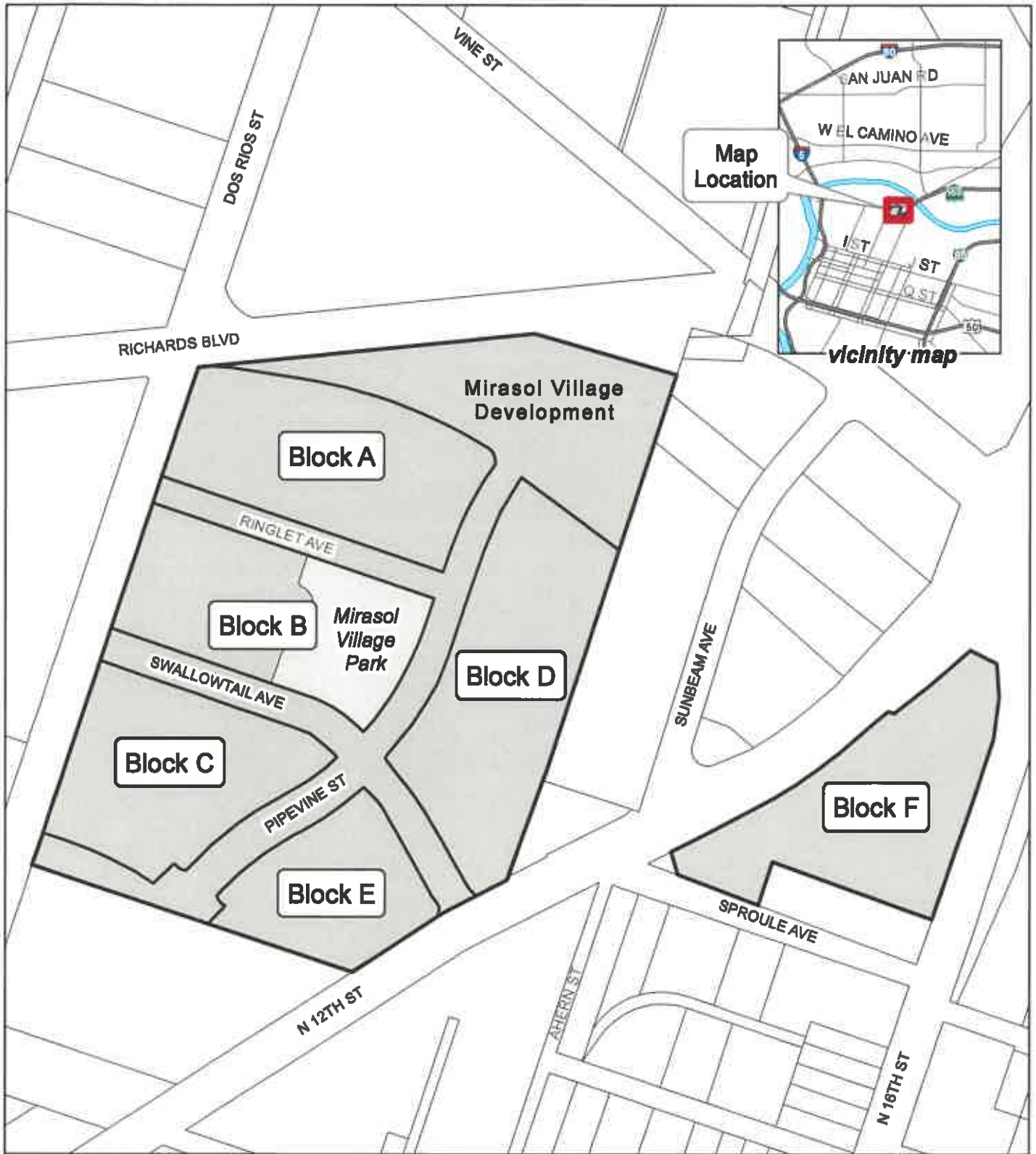
All properties, regardless of project type (i.e. senior, family, or large family), must devote a minimum of 1,200 s.f. to actual resident services/community space. Resident services space includes common kitchens, computer rooms, meeting rooms and general gathering space. It does not include public restrooms, 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.**







 Mirasol Village Development



SHRA GIS  
April 8, 2021

Mirasol Village Block C - Project Rendering



**Mirasol Village Block C (Twin Rivers Phase 3)  
Residential Project Summary**

<b>Address</b>	1200 Richards Blvd., Sacramento, CA 95811						
<b>Number of Units</b>	84						
<b>Construction Type</b>	New Construction						
<b>Unit Mix and Rents<sup>1</sup></b>	<b>ELI 20% AMI PBV</b>	<b>ELI 30% AMI PBV</b>	<b>VLI 50% AMI PBV</b>	<b>LI 60% AMI</b>	<b>Market Rate</b>	<b>Exempt Mgt Unit</b>	<b>Total</b>
1 Bedroom / 1 Bath	6	7	2	7	14	0	36
2 Bedroom / 1 Bath	10	0	4	5	4	1	24
3 Bedroom / 2 Bath	10	0	4	0	0	0	14
3 Townhouse / 2.5 Bath	3	0	0	0	0	0	3
4 Bedroom / 2 Bath	0	0	1	0	0	0	1
4 Townhouse / 2.5 Bath	5	0	0	0	0	0	5
5 Townhouse / 2.5 Bath	1	0	0	0	0	0	1
<b>TOTAL</b>	<b>35</b>	<b>7</b>	<b>11</b>	<b>12</b>	<b>18</b>	<b>1</b>	<b>84</b>
<b>Square Footage</b>	<i>Per Unit</i>			<i>Total</i>			
1 Bedroom / 1 Bath	619			22,284		sq.ft.	
2 Bedroom / 1 Bath	838			20,112		sq.ft.	
3 Bedroom / 2 Bath	1,169			16,366		sq.ft.	
3 Townhouse / 2.5 Bath	1,327			3,981		sq.ft.	
4 Bedroom / 2 Bath	1,385			1,385		sq.ft.	
4 Townhouse / 2.5 Bath	1,440			7,200		sq.ft.	
5 Townhouse / 2.5 Bath	1,989			1,989		sq.ft.	
<b>TOTAL</b>				73,317		sq.ft.	
<b>Resident Facilities</b>	Management offices, resident community space, fitness center, swimming pool, BBQ area, landscape courtyards, school-aged play ground, community park, on-site surface vehicular parking and secure bicycle						
<b>Permanent Sources</b>	<i>Total</i>		<i>Per Unit</i>		<i>Per Sq Ft</i>		
Federal Tax Credit Equity	\$ 14,730,347		\$ 175,361		\$ 200.91		
Permanent Loan	\$ 8,754,459		\$ 104,220		\$ 119.41		
HACOS Ground Lease Loan	\$ 378,000		\$ 4,500		\$ 5.16		
HACOS CNI Loan	\$ 3,038,000		\$ 36,167		\$ 41.44		
HACS HAF Loan	\$ 5,000,000		\$ 59,524		\$ 68.20		
HCD MHP	\$ 14,484,088		\$ 172,429		\$ 197.55		
Fee Waiver	\$ 200,000		\$ 2,381		\$ 2.73		
<b>TOTAL SOURCES</b>	<b>\$ 46,584,874</b>		<b>\$ 554,582</b>		<b>\$ 635.39</b>		
<b>Permanent Uses</b>							
Acquisition	\$ 445,000		\$ 5,298		\$ 6.07		
Construction	\$ 31,158,005		\$ 370,929		\$ 424.98		
Permits and Fees	\$ 1,402,110		\$ 16,692		\$ 19.12		
Architecture and Engineering	\$ 1,682,530		\$ 20,030		\$ 22.95		
Hard Cost Contingency	\$ 2,375,950		\$ 28,285		\$ 32.41		
Soft Cost Contingency	\$ 449,750		\$ 5,354		\$ 6.13		
First Mortgage Interest	\$ 1,754,355		\$ 20,865		\$ 23.93		
Financing Costs	\$ 1,028,382		\$ 12,254		\$ 14.04		
Operating Reserves	\$ 348,881		\$ 4,151		\$ 4.76		
Rent Reserves	\$ 580,588		\$ 6,912		\$ 7.92		
Legal Fees	\$ 642,000		\$ 7,643		\$ 8.76		
Developer Fee	\$ 2,200,000		\$ 26,190		\$ 30.01		
Insurance, Third Party, Marketing,	\$ 2,516,543		\$ 29,959		\$ 34.32		
<b>TOTAL USES</b>	<b>\$ 46,584,874</b>		<b>\$ 554,582</b>		<b>\$ 635.39</b>		
<b>Leverage</b>	<i>SHRA \$ per Unit</i>		<i>Per Unit Cost</i>		<i>Leverage</i>		
	\$ 100,190		\$ 554,582		\$1.00 : \$5.54		
<b>Management / Operations</b>							
Proposed Developer:			McCormack Baron Salazar				
Property Management Company:			The John Stewart Company				
Operations Budget:	\$ 623,014		\$ 7,417				
Property Management:	\$ 83,900		\$ 998				
Resident Services:	\$ 91,849		\$ 1,091				
Taxes:	\$ 72,424		\$ 862				
Security:	\$ 53,990		\$ 643				
Replacement Reserves	\$ 42,000		\$ 500				

<sup>1</sup>Pursuant to 24CFR 983.301, contract rents approved by HUD may exceed the tax-credit rent limits; and the AMI change is due to income averaging regulation by CDLAC. The tenant rent will not exceed 30% of the household adjusted gross income with PBV.



Mirazol Village Block C (Twin Rivers Phase 3) Cash Flow Proforma

Table with columns: Unit Type, Area, Income % (AMI), Number, Square Foot, Total Sq Feet, Gross Rent, Utility Allowance, Net Rent, Mid Rent per Sq Feet, Total Monthly Net Rent, Annual Rent, Current Annual Rent, and years 2023-2032. Includes sections for Gross Rental Income, Operating Expenses, Debt Service, and Priority Distributions.

\*Pursuant to 24CFR 982.301, contract rents approved by HUD may exceed the low-cost rent limits; and the AMI change is due to income averaging regulation by HUD. The lowest rent will not exceed 30% of the household adjusted gross income with PBM.

**Mirasol Village Block C (Twin Rivers Phase 3)**  
**MAXIMUM INCOME AND RENT LIMITS 2021**  
*Rents at 20%, 30%, 50% and 60% of Area Median Income (AMI)*  
*Low Income Housing Tax Credits, Mortgage Revenue Bonds, Multifamily*  
*Housing Program, Choice Neighborhoods Initiative, Housing Authority Successor*  
*Agency Funds*

**Maximum Gross Income Limits**

<b>Family Size</b>	<b>20% AMI</b>	<b>30% AMI</b>	<b>50% AMI</b>	<b>60% AMI</b>
1 person	\$ 12,100	\$ 18,150	\$ 30,250	\$ 36,300
2 person	\$ 13,820	\$ 20,730	\$ 34,550	\$ 41,460
3 person	\$ 15,540	\$ 23,310	\$ 38,850	\$ 46,620
4 person	\$ 17,260	\$ 25,890	\$ 43,150	\$ 51,780
5 person	\$ 18,660	\$ 27,990	\$ 46,650	\$ 55,980
6 person	\$ 20,040	\$ 30,060	\$ 50,100	\$ 60,120
7 person	\$ 21,420	\$ 32,130	\$ 53,550	\$ 64,260
8 person	\$ 22,800	\$ 34,200	\$ 57,000	\$ 68,400
9 person	\$ 24,600	\$ 48,540	\$ 60,450	\$ 72,492
10 person	\$ 26,500	\$ 52,960	\$ 63,900	\$ 76,634
11 person	\$ 28,600	\$ 57,380	\$ 67,350	\$ 80,777

**Maximum Gross Rent Limits<sup>1</sup>**

<b>Unit Size</b>	<b>20% AMI</b>	<b>30% AMI</b>	<b>50% AMI</b>	<b>60% AMI</b>
1 Bedroom	\$ 324	\$ 486	\$ 810	\$ 972
2 Bedroom	\$ 388	\$ 582	\$ 971	\$ 1,165
3 Bedroom	\$ 449	\$ 673	\$ 1,122	\$ 1,347
4 Bedroom	\$ 501	\$ 751	\$ 1,252	\$ 1,503
5 Bedroom	\$ 552	\$ 829	\$ 1,381	\$ 1,658

<sup>1</sup>Pursuant to 24CFR 983.301, contract rents approved by HUD may exceed the tax-credit rent limits; and the AMI change is due to income averaging regulation by CDLAC. The tenant rent will not exceed 30% of the household adjusted gross income with PBV.



May 5, 2021

**Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA**

Honorable Members in Session:

**SUBJECT:**

**Loan Commitment for the 4995 Stockton Boulevard Affordable Housing  
Development**

**RECOMMENDATION:**

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

**Respectfully Submitted**

  
**LA SHELLE DOZIER  
Executive Director**

**Attachment**



**REPORT TO CITY COUNCIL**  
**City of Sacramento**  
915 I Street, Sacramento, CA 95814-2671  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

**Business Item**  
**May 4, 2021**

**Honorable Mayor and Members of the City Council**

**Title: Loan Commitment for the 4995 Stockton Boulevard Affordable Housing Development**

**Location/Council District: 4995 Stockton Boulevard, District 6**

**Recommendation:** 1) Pass a Motion by at least two-thirds vote waiving Sacramento City Code section 4.04.020 and Council Rules of Procedure Chapter 7, Section E.2.d that mandate all labor agreements and all agreements greater than \$1 million shall be made available to the public at least ten (10) days prior to Council action; and 2) adopt a City Council Resolution authorizing: a) the City Manager, or the City Manager's designee, to establish the Stockton Boulevard Affordable Housing Development Project (I02 189010); b) the City Manager to appropriate \$10 million to I02189010 from the City Housing Fund commitment of General Fund (\$5 million) and Measure U Fund (\$5 million) balances (City Funds); c) the City Manager to transfer the \$10 million from the General Fund (\$5 million) and the Measure U Fund (\$5 million) to the Revolving Loan Fund (Fund 2029); d) the City Manager and SHRA to negotiate, enter into, and execute a \$10 million funding agreement comprised of City Funds for the purpose of SHRA providing acquisition, construction and permanent financing to Mercy Housing; e) SHRA to accept the \$10 million in City Funds, amend its budget and allocate the \$10 million in City Funds, \$4 million in Housing Trust Funds (HTF), and \$1 million in Mixed Income Housing Funds (MIHF) for the acquisition, construction, and permanent financing of the Project; f) SHRA to enter into and execute a \$15 million Loan Commitment comprised of \$10 million in City Funds, \$4 million in HTF and \$1 million in MIHF with Mercy Housing for the acquisition, construction and permanent financing of the Project; g) SHRA will return Mercy Housing loan repayments to the source of the originating funds, including, but not limited to, repayments of the \$10 million City Funds loan being returned to the City Revolving Loan Fund (Fund 2029); h) SHRA to perform other actions related to the Project including executing related documents with the Developer; and i) approval of environmental and other findings.

**Contact:** Christine Weichert, Director, (916) 440-1353, Tyrone Roderick Williams, Deputy Executive Director, (916) 440-1316, Sacramento Housing and Redevelopment Agency

**Presenter:** Anne Nicholls, Management Analyst, (916) 440-1353, Sacramento Housing and Redevelopment Agency

**Department:** Sacramento Housing and Redevelopment Agency

### **Description/Analysis**

**Issue Detail:** Mercy Housing California (Developer) has applied to the Sacramento Housing and Redevelopment Agency for a \$15 million loan to finance the 4995 Stockton Boulevard new workforce housing development. SHRA is requesting to administer \$10 million of the \$31.5 million of the City Housing Fund for the production of affordable housing, along with \$5 million in SHRA HTF and MIHF to make an aggregate loan of \$15 million to the Developer for the acquisition, construction, and permanent financing of the 4995 Stockton Boulevard affordable housing development (Project). The vicinity map, site plan and project rendering are included as Attachments 4, 5 and 6.

**City Housing Fund:** The City set aside \$31.5 million of General and Measure U Funds in the FY2020/21 Midyear Budget to seed a City-held Housing Fund. This revolving loan fund will be used to further affordable housing development in the City with a focus on Council-identified priorities, including shovel-ready affordable housing developments.

**Development:** The Developer is proposing to construct 200 units of rental housing for families on a 7.76-acre site on Stockton Boulevard, north of Fruitridge Road. The construction costs reflect the varied architectural and engineering design features and styles of the four-story elevator building with offices and community space on the ground floor and apartments on the upper three floors; nine three-story walk-up buildings; and 13 two-story townhomes. The proposed development includes 47 one-bedroom, 95 two-bedroom, and 58 three-bedroom units. Each apartment will contain a full kitchen with a dishwasher, stove, and refrigerator; be prewired for high-speed internet/TV; and contain high quality finishes and low/no volatile organic compound materials.

Community amenities will include a 1,600 sq. ft. community room, a computer area and conference rooms. The community room will include a kitchen and there will be two community restrooms available. The property will have barbeque and seating areas and play equipment appropriate for ages two to five and ages six to twelve.

The Project is within a quarter mile of a public high school, an elementary school, a public park and a public library. Sacramento Regional Transit provides frequent bus service adjacent to the site (Routes 51 and 213). Grocery and pharmacy services are also less than a half mile from the site. The Project is within the area presenting displacement concerns due to the significant investment expected in conjunction with UC Davis expansion called Aggie Square.

The development does require the demolition of a 44,000 square foot warehouse built in 1958 that was the location of Jon's Furniture. Given the former uses of a dry cleaner, gas station and car wash on this commercial use site, approximately \$2 million towards the environmental clean-up and demolition is reflected in the total development costs.

**Developer:** Mercy Housing California, or related entity, will serve as the Developer. The Developer is a non-profit public benefit corporation dedicated to providing quality affordable housing with supportive programs to low-income individuals in California. Mercy Housing has developed more than 11,000 affordable homes, including over 8,000 rental and 3,000 homeownership units. Their portfolio includes 20 properties with over 1,400 units in Sacramento County. The Developer is qualified to undertake this new construction project given their long and successful history of affordable housing development.

**Property Management:** The Project will be managed by Mercy Housing Management Group, an affiliate of the Developer. The Property Management Agent manages more than 220 properties nationally comprised of over 11,000 affordable housing units, including over 100 properties in California. The management plan has been reviewed and approved by SHRA staff. The Developer will participate in the Stockton Boulevard Partnership Property Business Improvement District to provide the majority of its security services. In the event that additional security is needed it will be provided by Mercy Housing.

**Resident Services:** Resident services will be provided by Mercy Housing California. The resident services staff will include one full-time and one part-time Resident Services Coordinator, exceeding SHRA's minimum requirements for a project of this size. Resident services will include programming to support housing stability, financial literacy, life skills, and after school programs. SHRA staff has reviewed Mercy Housing's qualifications and the resident services plan, and has found that the proposed resident services provider and resident services plan meet SHRA requirements.

**Project Financing:** In addition to the SHRA and City-funded loan, the Project will be financed with four percent Low Income Housing Tax Credits (LIHTC), State Tax Credits, tax-exempt bond financing, tax-exempt permanent loan, deferred developer fee, general partnership contribution and fee waivers.

**Low-Income Set-Aside Requirements:** As a condition of receiving LIHTC and the benefits of tax-exempt bond financing, federal law requires that units be set aside for targeted income groups. Income restrictions from LIHTC financing require that 20 percent of the units have rents that are affordable to households with income up to 50 percent of Area Median Income (AMI). SHRA further requires at least 15 percent of the units have rents that are affordable to households with income up to 50 percent AMI and at least 5 percent of the units have rents that are affordable to households with income up to 30 percent AMI, based on financial feasibility.

Project affordability restrictions will be specified in regulatory agreements with the Developer. The Project Summary and Proforma are included as Attachments 7 and 8, and a schedule of Maximum Income and Rent Limits is included as Attachment 9. These anticipated sources and their affordability requirements are summarized in the following table:

**4995 Stockton Boulevard Affordable Housing Development**

<b>Affordability Restrictions (55 years)</b>	<b>Units</b>	<b>% of Units</b>
Extremely Low Income (30% AMI)	27	13%
Very-Low Income (50% AMI)	71	35%
Low Income (60% AMI)	51	26%
Moderate Income (70% AMI)	49	25%
Management Unit (Exempt)	2	1%
<b>Total</b>	<b>200</b>	<b>100%</b>

**Policy Considerations:** The recommended actions are consistent with 1) SHRA's Multifamily Lending and Mortgage Revenue Bond Policies, priority level 2(iii) - New Construction and Conversion of Non-Residential to Residential Use for Workforce Housing (Resolution No. 2019-0425 and Housing Authority Resolution No. 2019-022); and 2) the 2013-2021 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2013-415).

The Housing Authority of the City of Sacramento is not the issuer for the Mortgage Revenue Bonds on this project. Section 9.4.8 of SHRA's Multifamily Lending and Mortgage Revenue Bond Policies allows for other issuers in limited circumstances. In this case, the Developer notified SHRA that because of the timing of site control and the immediate need to submit a Placeholder Application to the California Debt Limit Allocation Committee to preserve the site's status in a Qualified Census Tract before the end of 2020, another issuer was crucial to project feasibility. Staff support the role of California Municipal Finance Authority as the bond issuer in this specific circumstance.

**Economic Impacts:** This multifamily residential project is expected to create 755.86 total jobs (424.34 direct jobs and 331.52 jobs through indirect and induced activities) and create \$66,303,386 in total economic output (\$40,747,278 of direct output and another \$25,556,108 of output through indirect and induced activities).

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

**Environmental Considerations:**

California Environmental Quality Act (CEQA): The project has been found to be eligible for Ministerial approval through the City of Sacramento Ministerial Approval of Infill Housing Development Projects permit and is therefore not subject to California Environmental Quality Act review.

**Sustainability Considerations:** The Project has been reviewed for consistency with the goals, policies, and targets of the 2035 General Plan. If approved, the project will advance the following goals, policies, and targets that will directly or indirectly conserve energy resources and reduce greenhouse gas emissions, in part, from the 2035

**General Plan:** a) Housing Element – Strategies and Policies for Conserving Energy Resources – Climate Action Plan, subsection 7.2: improving the energy efficiency in new buildings; and b) Environmental Resources - Air Quality and Climate Change subsection 6.1.7: reduce greenhouse gas emissions from new development, promoting water conservation and recycling, promoting development that is compact, mixed-use, pedestrian friendly, and transit oriented; and promoting energy-efficient building design and site planning.

**Commission Action:** *Sacramento Housing and Redevelopment Commission:* It is anticipated that, at its May 5, 2021 meeting, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify Council in the event the item is not approved.

**Rationale for Recommendation:** The Project is consistent with the approved SHRA's Multifamily Lending and Mortgage Revenue Bond Policies, Subsection 2(iii) New Construction and Conversion of Non-Residential to Residential Use for Workforce Housing; and the 2013-2021 Housing Element, Goals H-1.1.1 Sustainable housing practices; H-2.2.4, in part, Pursue and maximize the use of all appropriate state, federal, local and private funding for the development of housing affordable for extremely low-, very low-, and low-income households, while maintaining economic competitiveness in the region; H-3.1.1 Promote extremely low income housing; and H-5.1 to 5.4 Promote, preserve and create accessible residential development (Resolution No. 2013-415).

**Financial Considerations:** On February 2, 2021, Council set aside a commitment of \$31.5 million in the City's General/Measure U Fund balance for the City Housing Fund). This report recommends establishing the Stockton Boulevard Affordable Housing Development Multi-Year Operating Project and appropriating a \$10 million budget to the project from the City Housing Fund commitment in the General/Measure U Funds. These funds will be reused by the City to further affordable housing development in the City with a focus on Council-identified priorities upon repayment of City Housing Funds loans to SHRA and assisted housing units. Additionally, included in the May 4, 2021 City Council agenda, staff report 2021-00452 recommends fronting a \$3 million budget from the City Housing Fund to fund initial respite center activities, bringing the City Housing available balance to \$18.5 million, provided the Council approves the recommendation. This \$3 million will be restored back to City Housing Fund as other resources are identified and become available. Potential sources could include federal and/or state grant funds.

The \$15 million loan of HTF, MIHF and City Housing Funds (Funding Programs) will have a term of 55 years and a simple interest rate of three percent. SHRA will receive an annual payment for monitoring the regulatory restrictions and administration of the Funding Programs in the amount of 0.125 percent of the loan amount. SHRA will also receive a \$100 annual administrative fee for each assisted unit under the Funding Program. The total administrative fee will not exceed \$15,000 annually for the affordable units during the regulatory agreement term.

**LBE - M/WBE and Section 3 requirements:** 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.

Respectfully Submitted by

  
LA SHELLE DOZIER  
Executive Director

**Attachments**

- 1-Description/Analysis
- 2-City Council Resolution
- 3-Exhibit A Loan Commitment
- 4-Vicinity Map
- 5-Site Plan
- 6-Project Rendering
- 7-Residential Project Summary
- 8-Cash Flow Proforma
- 9-Maximum Income and Rent Limits

# **RESOLUTION NO. 2021 -**

**Adopted by the Sacramento City Council**

on date of

**4995 STOCKTON BOULEVARD PROJECT: AUTHORITY TO TRANSMIT A \$10,000,000 IN GENERAL/MEASURE U FUNDS FROM THE CITY OF SACRAMENTO (CITY) TO SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (SHRA); EXECUTE A \$10,000,000 FUNDING AGREEMENT BETWEEN THE CITY AND SHRA; ALLOCATE \$10,000,000 IN CITY GENERAL/MEASURE U FUNDS, \$4,000,000 IN HOUSING TRUST FUNDS AND \$1,000,000 IN MIXED INCOME HOUSING FUNDS FOR THE ACQUISITION, CONSTRUCTION AND PERMANENT FINANCING OF THE PROJECT; EXECUTE A \$15,000,000 LOAN COMMITMENT BETWEEN SHRA AND MERCY HOUSING CALIFORNIA OR RELATED ENTITY (DEVELOPER); AND EXECUTE RELATED DOCUMENTS; BUDGET AMENDMENTS; AND ENVIRONMENTAL FINDINGS**

## **BACKGROUND**

- A. Mercy Housing California applied to Sacramento Housing and Redevelopment Agency for \$10 million in City of Sacramento funds set aside for the production of affordable housing, \$4 million in Housing Trust Funds and \$1 million in Mixed Income Housing Funds to assist in financing the acquisition, construction and permanent financing of the 4995 Stockton Boulevard affordable housing development (Project). The Project includes 198 affordable units for families and two managers' units.
- B. The Project has been found to be eligible for Ministerial approval through the City of Sacramento Ministerial Approval of Infill Housing Development Projects permit and is therefore not subject to California Environmental Quality Act review.

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

- Section 1. All evidence presented having been duly considered, the findings, 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 Manager, or the City Manager's designee, is authorized to establish the Stockton Boulevard Affordable Housing Development Project (I02189010).
- Section 3. The City Manager, or the City Manager's designee, is authorized to appropriate \$10 million to I02189010 from the City Housing Fund commitment of General Fund (\$5 million) and Measure U Fund (\$5 million) balances.

- Section 4.** The City Manager, or the City Manager's designee, is authorized to transfer \$10 million to the Revolving Loan Fund (Fund 2029) from the General Fund (\$5 million) and the Measure U Fund (\$5 million).
- Section 5.** The City Manager, or the City Manager's designee, and SHRA are authorized to negotiate, enter into, and execute a \$10 million funding agreement comprised of City funds and related documents for the purpose of SHRA providing acquisition, construction and permanent financing to the Developer for the Project, and execute other documents, as approved to form by the City Attorney and the SHRA's Office of the General Counsel, and perform other actions as the City Manager or SHRA deems necessary to fulfill the intent of the funds allocated for affordable housing, including without limitation, negotiation, subordination, financial restructuring, and extensions, consistent with the SHRA's adopted policy and with this resolution.
- Section 6:** SHRA is authorized to: a) accept the \$10 million loan from City funds, b) amend its budget and c) allocate \$10 million in City funds, \$4 million in Housing Trust Funds, and \$1 million in Mixed Income Housing Funds for the acquisition, construction, and permanent financing of the Project.
- Section 7:** The \$15 million Loan Commitment, attached as Exhibit A, comprised of \$10 million from the City funds, \$4 million in Housing Trust Funds, and \$1 million in Mixed Income Housing Funds, is approved and SHRA is delegated authority to execute and transmit the Loan Commitment to Mercy Housing California, or related entity, for the acquisition, construction, and permanent financing of the Project.
- Section 8:** SHRA is authorized to return future Mercy Housing California Loan repayments to the source of the originating funds, including, but not limited to repayments of the \$10 million City loan to the Revolving Loan Fund (Fund 2029).
- Section 9:** SHRA is authorized to enter into and execute other documents, as approved to form by SHRA's Office of the General 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 SHRA and City funds, including without limitation, loan restructuring, subordination and extensions, consistent with SHRA's adopted policies and with this resolution.

**Table of Contents:**  
**Exhibit A**

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

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

ON DATE OF  
May 5, 2021

**4995 STOCKTON BOULEVARD PROJECT: AUTHORITY TO ACCEPT A \$10,000,000 GRANT IN GENERAL FUNDS FROM THE CITY OF SACRAMENTO (CITY) TO SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (SHRA); EXECUTE A \$10,000,000 GRANT AGREEMENT BETWEEN THE CITY AND SHRA; ALLOCATE \$10,000,000 IN CITY GENERAL FUNDS, \$4,000,000 IN HOUSING TRUST FUNDS AND \$1,000,000 IN MIXED INCOME HOUSING FUNDS FOR THE ACQUISITION, CONSTRUCTION AND PERMANENT FINANCING OF THE PROJECT; EXECUTE A \$15,000,000 LOAN COMMITMENT BETWEEN SHRA AND MERCY HOUSING CALIFORINA OR RELATED ENTITY (DEVELOPER) AND EXECUTE RELATED DOCUMENTS; BUDGET AMENDMENTS; AND ENVIRONMENTAL FINDINGS**

WHEREAS, Mercy Housing California (Developer) applied to Sacramento Housing and Redevelopment Agency (SHRA) for \$10,000,000 in City of Sacramento (City) General Funds set aside for the production of affordable housing, \$4,000,000 in Housing Trust Funds and \$1,000,000 in Mixed Income Housing Funds to assist in financing the acquisition, construction and permanent financing of the 4995 Stockton Boulevard affordable housing development (Project). The Project includes 198 affordable units for families and two managers' units.

WHEREAS, the City Council adopted a resolution on May 4, 2021 in support of the recommendations presented in this resolution to the Sacramento Housing and Redevelopment Commission.

WHEREAS, the project has been found to be eligible for Ministerial approval through the City of Sacramento Ministerial Approval of Infill Housing Development Projects permit and is therefore not subject to California Environmental Quality Act (CEQA) review

**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 Executive Director, or her designee, is authorized to negotiate on behalf of the SHRA, enter into and execute a grant agreement and related documents with the City of Sacramento for the acquisition, construction and permanent financing of the Project, and execute other documents, as approved to form by the City Attorney and SHRA's Office of the General Counsel, and perform other actions as the City Manager or SHRA deems necessary to fulfill the intent of the General Fund allocation for affordable housing, including without limitation, negotiation, subordination, financial restructuring, and extensions, consistent with the SHRA's adopted policy and with this resolution.

Section 3. The Executive Director, or her designee, is authorized to: a) accept the \$10,000,000 grant in City General Funds, b) amend its budget and c) allocate \$10,000,000 in City General Funds, \$4,000,000 in Housing Trust Funds, and \$1,000,000 in Mixed Income Housing Funds for the acquisition, construction, and permanent financing of the Project.

Section 4: The Loan Commitment comprised of \$10,000,000 from the City General Funds, \$4,000,000 in Housing Trust Funds, and \$1,000,000 in Mixed Income Housing Funds that accompanies this resolution, is approved and the Executive Director, or her designee, is delegated authority to execute and transmit the Loan Commitment to Mercy Housing California, or related entity, for the acquisition, construction, and permanent financing of the Project.

Section 5. The Executive Director, or her designee, is authorized to enter into and execute other documents, as approved to form by SHRA's Office of the General Counsel, and perform other actions necessary to fulfill the intent of the Loan Commitment and Loan Agreement in accordance with its terms, and to ensure proper repayment of the SHRA and City funds, including without limitation, loan restructuring, subordination, and extensions consistent with SHRA's adopted policy and with this resolution.

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CHAIR

ATTEST:

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CLERK



Effective Date: May 5, 2021

Mercy Housing California  
Stephan Daues, Vice President  
2512 River Plaza Drive, Suite 200  
Sacramento, CA 95833

RE: Conditional Loan Commitment for 4995 Stockton Boulevard Development

Dear Mr. Daues:

On behalf of the Sacramento Housing and Redevelopment Agency (Agency), we are pleased to advise you of this \$15,000,000 Conditional Loan Commitment (Commitment) comprised of \$4,000,000 in Housing Trust Funds (HTF), \$1,000,000 in Mixed Income Housing Funds (MIHF) and \$10,000,000 in City of Sacramento General Funds for the purpose of acquisition, construction and permanent financing (Loan) of the 4995 Stockton Boulevard Development (Project) located at 4995 Stockton Boulevard, Sacramento, California 95820 (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 **November 30, 2022**, unless a mutually agreed upon extension is made.



1. **PROJECT DESCRIPTION:** 4995 Stockton Boulevard will consist of 200 newly constructed units of rental housing for families on a 7.76-acre site within a four-story elevator service building with offices and community space on the ground floor and apartments on the upper three floors, nine three-story walk up buildings, and 13 two-story townhomes. The development includes 47 one-bedroom, 95 two-bedroom, and 58 three-bedroom units. Each apartment will contain full kitchens with a dishwasher, stove, refrigerators, prewired for high speed internet/TV, high quality finishes and low/no volatile organic compound materials. Community amenities will include a 1,600 sq. ft. community room, a computer area, conference rooms, laundry facility, two playgrounds and barbecue/picnic areas.
2. **BORROWER:** The name of the Borrower for the Loan is Mercy Housing California, a California nonprofit public benefit corporation, or related entity as the lead development partner.
3. **PURPOSE OF LOAN:** The Loan is to be used by Borrower solely to pay the costs of acquisition, construction, 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 the following:
  - a. Fifteen Million Dollars and No Cents (\$15,000,000.00), 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 57 years or 684 months from the date of closing, at which point any and all unpaid principal and interest on the loan will be due and payable.
6. **INTEREST RATE:** The Loan will bear simple interest at 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 deferred during the initial 15 years or 180 months after conversion to permanent financing and made according to the structured payment schedule contained in the final Loan Agreement and as calculated to achieve a minimum annual debt service coverage ratio of 1.2:1. Payments shall be applied first to outstanding interest accrued and unpaid and then to principal. All outstanding principal and interest is due and payable on the maturity date.
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: Housing Trust Funds, Mixed Income Housing Funds, and City General 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 \$65,000,000 in Low Income Housing Tax Credit Equity (State and Federal) and no less than \$3,300,000 in deferred developer fee. If LIHTC equity goes below \$65,000,000 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:
  - a. As a condition precedent to disbursement of the remainder of the Agency loan, construction financing from a private lender(s) in an amount(s) sufficient to complete construction of the Property according to a scope of work as approved by





Agency and made for a term not less than that specified in the Schedule of Performances for completion of construction, and in any event not less than the time necessary to fulfill all conditions precedent to funding of the permanent financing.

- b. Commitments for permanent financing sufficient to "take out" all liens senior to the Agency's lien.
  - c. Such commitments for financing shall not require modification of Agency loan documents, or any term of this commitment letter.
  - d. Such commitments shall not be based upon sources and uses of Project funds that are different from those approved by Agency for the project or be subject to conditions which require amendment of the DDA, OPA or other agreements.
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 disbursal of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the project. The final plans shall incorporate all related mitigation measures, 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. **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.
25. **COMPLETION OF CONSTRUCTION:** Borrower shall complete the construction of the Improvements no later than twenty-four (24) months following the close of construction financing.
26. **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.
27. **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.
28. **PROPERTY INSURANCE:** Borrower shall procure and maintain property 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 \$25,000.00.
29. **COMMERCIAL GENERAL LIABILITY AND OTHER INSURANCE:**

Borrower shall carry insurance as set forth below effective prior to the disbursement of the Loan, and such insurance shall be maintained in full force and effect at all times and work is performed in connection with the project. Such insurance coverage must list the Agency as an additional insured, and must be approved in writing by Agency prior to the disbursement of the Loan.

  - a. Commercial general liability insurance, in Insurance Services Office (ISO) policy form CG 00 01 or equivalent, with limits of liability not less than: \$1,000,000 per occurrence, and \$5,000,000 general aggregate, all per location of the project, such coverage to include contractual liability to include bodily injury, property damage and personal injury;
  - b. Personal injury insurance with the employment exclusion deleted, unless the Agency gives prior written approval for the employment exclusion to remain in the policy;
  - c. Commercial automobile liability insurance for any vehicle used for or in connection with the project, in an amount not less than \$1,000,000 and approved in writing by Agency; and



- d. Workers' compensation and all other insurance required under applicable law, in the amount required by applicable law or by Agency, whichever amount is greater.
30. **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.
31. **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.
32. **PURCHASE OF PROPERTY:** Borrower shall provide Agency with copies of all documents relating to Borrower's purchase of the Property.
33. **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.
34. **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.
35. **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.

36. **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 twenty (20) hours per week:
- a. Coordinator: Six (6) hours per week (maximum)
  - b. After School Programming: Eight (8) hours per week (two hours per day and four days per week, minimum)
  - c. Additional Programming: Balance of minimum six (6) hours per week shall include, but are not limited to:
    - i. Workforce development support and activities.
    - ii. Education classes such as nutrition, exercise, health resources, health insurance application assistance, Annual onsite health fair and ESL classes.
    - iii. Socialization activities such as bingo, gardening and community building events.
    - iv. Other services such as transportation assistance, counseling assistance and employee readiness and job search assistance.
37. **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.
38. **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.
39. **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.
40. **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.
41. **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.





42. **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.

**Signatures appear on the following page.**



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, and has executed this Commitment as of the Effective Date.

**BORROWER:**  
**MERCY HOUSING CALIFORNIA,**  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Stephan Daues, Vice President

**Attachment:**  
**Scope of Development and Rental Property Minimum Construction Standards**



## Scope of Development

### 4995 Stockton Blvd

4995 Stockton Blvd is a new construction development on approximately 7.76 acres located at 4995 Stockton Boulevard, Sacramento, California. The development 200 units comprised of 47 one-bedroom with one-bathroom, 93 two-bedroom with one-bathroom (downstairs powder room in 13 townhomes), and 58 three-bedroom with one-bathroom (downstairs powder room in 13 townhomes) units. Inclusive of this unit mix, 1 unit will be exempt for management staff. The common areas and amenities include Community Room with Kitchen on the ground floor of the Blvd Building, open green space and play equipment located at interior of site. Walks between buildings and along interior streets will be landscaped and furnished to create natural gathering points to foster community.

All work shall comply with Federal and State Americans with Disability Act (ADA) accessibility requirements, as well as any other requirements stipulated by the funding sources. When there are differences, the stricter shall prevail. 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.

#### I. Mitigation Measures:

Mitigation Measures will include the Vapor Barrier System detailed in the *Conceptual Remedial and Mitigation Plan* prepared by Brusca Associates, Inc. on 2/10/2021 and approved by the Central Valley Regional Water Quality Control Board in their letter dated 3/2/2021.

#### II. Building Exteriors:

1. **Asphalt Pavements:** The development will include approximately 1.4 spaces of parking per unit, once completed the 200 unit development will be served by approximately 296 parking spaces including spaces on the interior streets and in parking lots. (Borrower will inform the Lender of the final parking count after the lot line adjustment is complete and prior to close of construction financing). There will be ten (10) accessible parking spaces.
2. **Site Lighting:** The site will be lit with Title 24 compliant wall packs, pole lights and other luminaires for all parking and outside public spaces, and will be of LED or similarly energy efficient type.
3. **Non-Smoking:** The Project is 100% non-smoking.
4. **Landscaping:** Landscaping is designed with drought tolerant plants and trees. Trees will be planted throughout the parking areas to meet City shading requirements.
5. **Picnic Area:** Barbeque and seating areas will be provided.
6. **Play Area:** The play area will have appropriate play structures and open green space. Play spaces will be appropriate for ages 2- 5 and 6 – 12.
7. **Mailboxes:** New mailboxes will be installed in a centralized location in the Blvd. Building.
8. **Stormwater:** The development will meet storm water requirements through use of on-site storm water planters and/or bioswales throughout the project.
9. **Roof:** Buildings are planned with flat roofs and parapets in order to provide a platform for solar hot water panels, potential PV panels, and mechanical equipment.





10. **Siding:** The building skin will be a mix painted stucco, cement fiber board, and brick.
11. **Offsite Improvements:** Public offsite improvements consist of street frontage improvements along Stockton Boulevard, including new sidewalks, curbs, gutters, landscaping, and lighting.

### III. Building Interiors

1. **Americans with Disabilities Act (ADA) Units:** There will be twenty (20) units, 10% of the units, accessible with mobility features, and an additional eight (8) units, 4% of the units, will include communications features for persons with hearing or vision impairment.
2. **Non-Smoking:** The Project will have 100% non-smoking units.
3. **Smoke Detectors:** All units and interior common areas will have a smoke/carbon monoxide detector installed in accordance with current code requirements.
4. **Appliances:** All apartment kitchens will have brand new Energy Star rated appliances including, refrigerator with freezer combination, electric stove and range, dishwasher and garbage disposal.
5. **Bathtubs and Toilets:** All apartments will have a bathtub or shower. Restrooms will have water efficient toilet and fixtures, and bath accessories.
6. **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 single action hardware to release deadbolt and latch assembly. All doors will meet current egress standards.
7. **Cabinets, Counters and Sinks:** All apartment kitchens will have modular all plywood construction cabinets, solid surface 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 microwave. All apartment bathrooms will have all wood vanity, and solid surface vanity top with integral sink. All cabinetry face frames, doors and drawer faces will be solid hardwood.
8. **Ceilings and Walls:** Low or no VOC paint will be used in building interiors.
9. **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 Sheet (OPOS) for window washing systems where applicable, per Cal-OSHA requirements. All windows will meet current egress standards.
10. **Blinds:** Vertical blinds will be provided in all apartment windows and sliding glass doors.
11. **Electrical and Lighting:** All apartments will have high efficiency lighting, exhaust fans vented to the exterior and bathroom humidistat fans. Central air conditioning and forced air heat units will be provided.
12. **Flooring:** Apartment interiors will have luxury vinyl plank (LVP) flooring of 12 mils except in bedrooms and on stairs where carpeting will be installed.
13. **Plumbing Fixtures:** All apartments will have new water efficient plumbing fixtures.



#### IV. Community Amenities

1. **Management Office and Lobby:** The furnished management office and lobby will energy efficient lighting and HVAC systems.
2. **Ceilings and Walls:** Low or no VOC paint will be used in all building interiors.
3. **Community Restrooms:** The two community restrooms on the first floor will be ADA compliant, have low-flow bathroom fixtures, sink, solid surface countertop, and bathroom accessories. Bathroom walls will have glazed wall tile to 48 inches high.
4. **Community Room located on the 1<sup>st</sup> Floor:** The community room will have energy efficient lighting, all furnishings and HVAC systems. The community/ lobby area room will be 1,654 square feet, computer area 186 square feet, and conference rooms 638 square feet. These spaces will be ADA compliant.
5. **Community Room Kitchen:** The community room kitchen will be ADA compliant and include all plywood construction cabinets with solid hardwood faces, solid surface countertop, New Energy Star rated appliances (may include refrigerator, electric stove, electric oven, microwave, garbage disposal and dishwasher), energy efficient lighting, HVAC system and water efficient plumbing fixtures will be installed.
6. **Elevator:** One elevator will be installed. The elevator floor surface area will be a minimum of 60 square feet.
7. **Hallways and Stairs (open corridor style):** Residential hallways and stairs will be of durable flooring LVP or similar flooring. Stairs will be located near the elevator to encourage use for those that can forgo the elevator. Stairs will have non-slip concrete treads, landings and closed risers. All hallway floorings will be exterior finish due to open corridor design. The first floor hallways will be stained concrete. The 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> floor hallways will be a sealed concrete topping slab.
8. **HVAC & Plumbing Systems:** Each apartment will have its own air conditioning and forced air heat with its own thermostat. Residential hallways and stairwells will not have heating or air conditioning. A central boiler in the Boulevard Building and each of the 3-story apartment buildings will provide hot water for the units. The town homes will have individual water heaters or smaller central water heaters. Bathroom exhaust fans will be humidistat controlled.
9. **Laundry Facility:** The laundry rooms will be located throughout the development with convenient access for all residents. The property will have a total of 20 washers and 20 dryers, Mercy will include one accessible washer and one accessible dryer per laundry room. The current plans include 10 laundry rooms in the development and will include at least 10 accessible washers and 10 accessible dryers inclusive of the 20 washer/dryer sets.
10. **Signage:** A comprehensive signage package will be implemented throughout the development including all common area signage, unit ID, wayfinding, code, fire, life and safety signage.
11. **Trash Room:** One trash chute and one recycle chute will be located on each floor of the Boulevard Building. A trash and recycle room is located on the ground floor within the building envelope or the 3-story apartment buildings with a concrete apron at the exterior for trash pick-up. The townhome buildings will have receptacles for trash and recycling.
12. **Recycle:** One recycle chute will be located on each floor, emptying into the ground floor trash and recycle room of the Boulevard Building. Recycling receptacles will be located throughout the property at trash locations.
13. **Bicycle parking:** A minimum of sixty-two (100) long-term and thirteen (20) short-term bicycle



parking will be provided for the 200 units. Long-term bicycle parking will covered and provided adjacent to parking at the 3-story apartment buildings, and short-term bicycle parking will be provided on the exterior of the building.

14. **Security Cameras:** There will be interior and exterior 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.**



## 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 doorjamb must be in good condition. No damaged or worn doorjamb or doors are allowed. Doors and/or jamb 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 refinished 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.

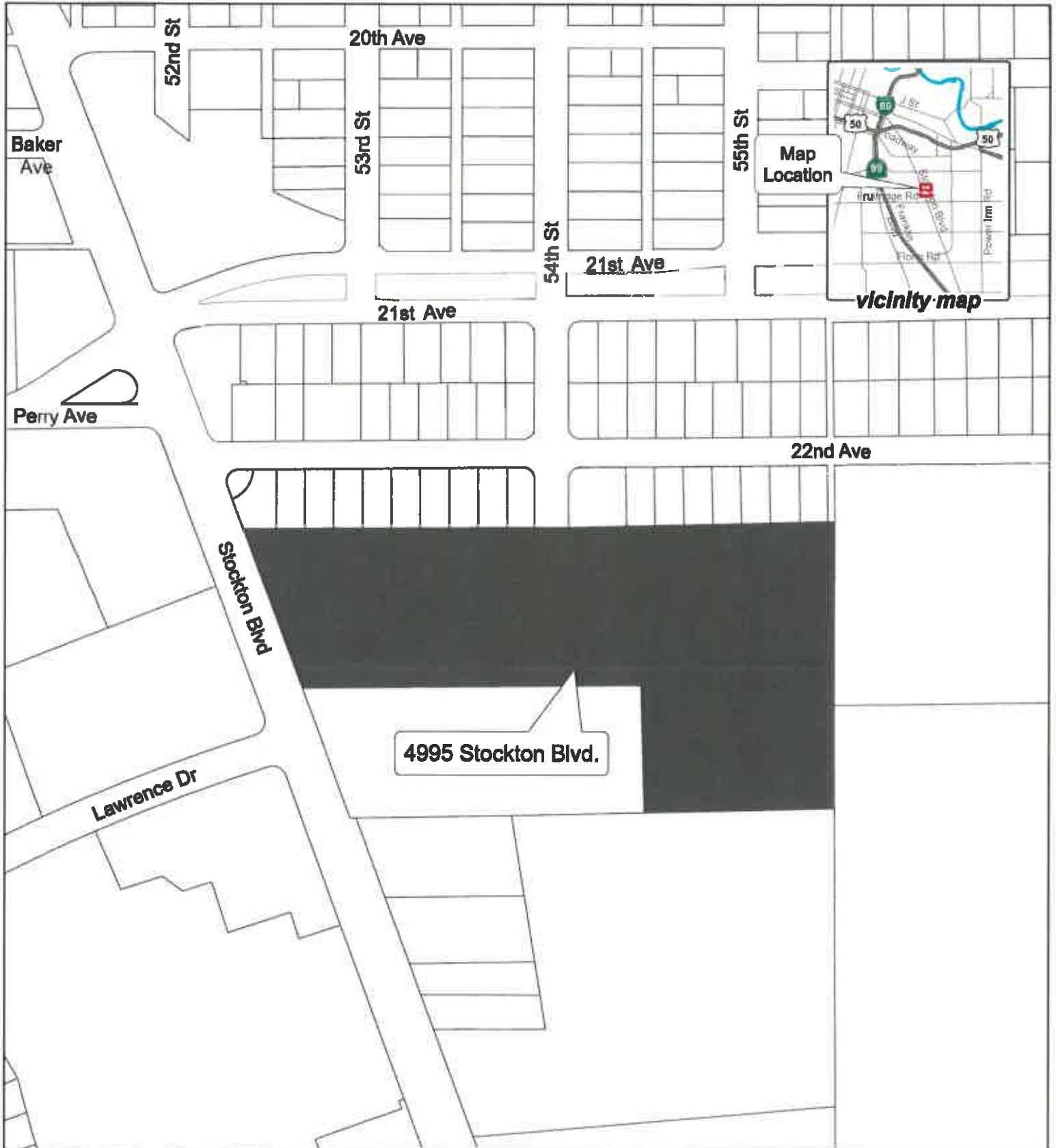
For existing buildings, these requirements shall apply unless SHRA deems there to be significant physical constraints.

## **End of Scope of Development.**





# 4995 Stockton Blvd.



 4995 Stockton Boulevard  
Sacramento, CA 95820



SHRA GIS  
April 13, 2021

### 4995 Stockton Boulevard Site Plan



4995 Stockton Boulevard  
Project Rendering



TRIPLEX BUILDING



APARTMENT BUILDING



BOULEVARD BUILDING



**4995 Stockton Boulevard  
Residential Project Summary**

<b>Address</b>	4995 Stockton Blvd, Sacramento 95820					
<b>Number of Units</b>	200					
<b>Construction Type</b>	New Construction					
<b>Acreage</b>	7.86 (342,381.6 Sq Ft)					
<b>Unit Mix</b>	<u>ELI 30% AMI</u>	<u>VLI 50% AMI</u>	<u>LI 60% AMI</u>	<u>LI 70% AMI</u>	<u>Exempt Management Units</u>	<u>Total</u>
1 Bedroom/1 Bath	9	10	15	13	0	47
2 Bedroom/1 Bath	9	44	22	18	2	95
3 Bedroom/1.5 Bath	9	17	14	18	0	58
<b>TOTAL</b>	<b>27</b>	<b>71</b>	<b>51</b>	<b>49</b>	<b>2</b>	<b>200</b>
<b>Square Footage</b>				<u>Per Unit</u>	<u>Total Sq Ft</u>	
1 Bedroom/1 Bath				700	32,900	
2 Bedroom/1 Bath				950	90,250	
3 Bedroom/1.5 Bath				1,300	75,400	
Common Areas					43,660	
<b>TOTAL</b>					<b>242,210</b>	
<b>Resident Facilities</b>	Management offices, resident community space with kitchen, laundry facilities, computer room, elevator in community building, landscape courtyards with seating areas, two playgrounds for ages 2-5 and 5-12, barbecue areas, picnic tables, 296 vehicle and 124 bicycle parking spaces.					
<b>Permanent Sources</b>	<u>Current Total</u>		<u>Per Unit</u>		<u>Per Sq Ft</u>	
Federal Tax Credit Equity	\$ 42,657,167		\$ 213,286		\$ 176.12	
State Tax Credit Equity	\$ 23,338,635		\$ 116,693		\$ 96.36	
Tax Exempt Loan	\$ 9,580,207		\$ 47,901		\$ 39.55	
SHRA Loan	\$ 15,000,000		\$ 75,000		\$ 61.93	
Deferred Developer Fee	\$ 3,300,000		\$ 16,500		\$ 13.62	
GP Contribution	\$ 6,453,774		\$ 32,269		\$ 26.65	
Fee Waiver	\$ 128,400		\$ 642		\$ 0.53	
<b>TOTAL SOURCES</b>	<b>\$ 100,458,183</b>		<b>\$ 502,291</b>		<b>\$ 414.76</b>	
<b>Permanent Uses</b>						
Acquisition	\$ 4,500,000		\$ 22,500		\$ 18.58	
Construction	\$ 64,371,953		\$ 321,860		\$ 265.77	
Environmental Cleanup	\$ 1,811,433		\$ 9,057		\$ 7.48	
Demolition	\$ 120,000		\$ 600		\$ 0.50	
Permits and Fees	\$ 4,115,598		\$ 20,578		\$ 16.99	
Architecture and Engineering	\$ 2,489,964		\$ 12,450		\$ 10.28	
Hard Cost Contingency	\$ 3,309,169		\$ 16,546		\$ 13.66	
Soft Cost Contingency	\$ 590,000		\$ 2,950		\$ 2.44	
Financing Costs	\$ 4,823,179		\$ 24,116		\$ 19.91	
Operating Reserves	\$ 530,039		\$ 2,650		\$ 2.19	
Legal Fees	\$ 305,000		\$ 1,525		\$ 1.26	
Developer Fee	\$ 11,939,114		\$ 59,696		\$ 49.29	
Insurance, Third Party, Marketing, Other	\$ 1,552,734		\$ 7,764		\$ 6.41	
<b>TOTAL USES</b>	<b>\$ 100,458,183</b>		<b>\$ 502,291</b>		<b>\$ 414.76</b>	
<b>Leverage</b>	<u>SHRA \$ per Unit</u>		<u>Per Unit Cost</u>		<u>Leverage</u>	
	\$ 75,000		\$ 502,291		\$1.00 : \$6.70	
<b>Management/Operations</b>			Mercy Housing California Mercy Housing Management Group			
Proposed Developer Property Management Company						
Operations Budget	\$ 1,033,000		\$ 5,165			
Property Management	\$ 144,000		\$ 720			
Resident Services	\$ 88,000		\$ 440			
Replacement Reserves	\$ 50,000		\$ 250			
Taxes and Insurance	\$ 130,000		\$ 650			

4995 Stockton Boulevard  
Cash Flow Proforma

4995 Stockton Boulevard Unit Type	Number	Square Feet	Total Sq Foot	Max Gross Rent	Utility Allowance	Max Net Rent	Rent per Sq Foot	Total Mo. Rent	Current Annual Rent
1 Bedroom <sup>1</sup> Bath (50% AMI)	9	700	6,300 \$	466 \$	66 \$	417 \$	0.07 \$	3,763 \$	46,036
1 Bedroom <sup>1</sup> Bath (50% AMI)	10	700	7,000 \$	741 \$	68 \$	741 \$	0.11 \$	7,410 \$	88,920
1 Bedroom <sup>1</sup> Bath (50% AMI)	15	700	10,500 \$	972 \$	68 \$	903 \$	0.09 \$	13,545 \$	162,540
1 Bedroom <sup>1</sup> Bath (70% AMI)	13	700	9,100 \$	1,134 \$	68 \$	1,066 \$	0.12 \$	13,845 \$	168,140
2 Bedroom <sup>1</sup> Bath (50% AMI)	9	950	8,550 \$	662 \$	86 \$	488 \$	0.06 \$	4,464 \$	53,668
2 Bedroom <sup>1</sup> Bath (50% AMI)	22	950	20,900 \$	971 \$	86 \$	41,800 \$	0.02 \$	38,940 \$	467,280
2 Bedroom <sup>1</sup> Bath (50% AMI)	44	950	41,800 \$	1,165 \$	86 \$	1,079 \$	0.05 \$	23,738 \$	284,856
2 Bedroom <sup>1</sup> Bath (70% AMI)	18	950	17,100 \$	1,359 \$	86 \$	1,273 \$	0.07 \$	22,914 \$	274,988
3 Bedroom <sup>1.5</sup> Bath (50% AMI)	9	1,300	11,700 \$	673 \$	105 \$	668 \$	0.05 \$	5,112 \$	61,344
3 Bedroom <sup>1.5</sup> Bath (50% AMI)	17	1,300	22,100 \$	1,122 \$	105 \$	1,017 \$	0.05 \$	17,288 \$	207,488
3 Bedroom <sup>1.5</sup> Bath (50% AMI)	14	1,300	18,200 \$	1,347 \$	105 \$	1,242 \$	0.07 \$	17,388 \$	208,656
3 Bedroom <sup>1.5</sup> Bath (70% AMI)	18	1,300	23,400 \$	1,571 \$	105 \$	1,468 \$	0.06 \$	20,388 \$	316,656
2 Bedroom <sup>1</sup> Bath (Energy Management)	2	850	1,800					194,788 \$	2,337,432
<b>Totals</b>	<b>200</b>		<b>1,018,850</b>						

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Potential Gross Income	2,455,764	2,517,150	2,580,086	2,644,680	2,710,705	2,778,270	2,847,375	2,918,020	2,990,305	3,064,230	3,139,805	3,217,030
Other Income	6,934	7,107	7,286	7,467	7,654	7,846	8,043	8,245	8,452	8,664	8,881	9,103
Lease Vacancy	123,135	126,213	129,389	132,603	135,818	139,033	142,248	145,463	148,678	151,893	155,108	158,323
Effective Gross Income	\$2,338,564	\$2,388,035	\$2,458,004	\$2,519,454	\$2,582,441	\$2,647,023	\$2,713,070	\$2,780,580	\$2,849,550	\$2,920,080	\$2,992,170	\$3,065,805
Operating Expenses	1,083,000	1,089,155	1,106,575	1,145,308	1,185,381	1,226,704	1,269,677	1,314,300	1,360,673	1,408,796	1,458,669	1,509,392
Property Management	144,000	149,040	154,268	159,685	165,293	171,092	177,092	183,292	189,692	196,292	203,092	210,092
Residential Services	88,000	91,080	94,268	97,567	100,982	104,513	108,160	111,925	115,808	119,808	123,920	128,152
Replacement Reserves	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Taxes and Insurance	130,000	132,000	134,000	136,000	138,000	140,000	142,000	144,000	146,000	148,000	150,000	152,000
Total Expenses	\$7,226	\$1,445,000	\$1,481,875	\$1,640,362	\$1,690,485	\$1,741,208	\$1,792,531	\$1,844,454	\$1,896,977	\$1,950,100	\$2,003,823	\$2,058,146
Net Operating Income	\$1,894,564	\$1,942,835	\$1,977,129	\$1,874,146	\$1,942,333	\$1,945,815	\$1,945,815	\$1,945,815	\$1,945,815	\$1,945,815	\$1,945,815	\$1,945,815

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Tax Exempt Permanent Loan	398,269	582,403	582,403	582,403	582,403	582,403	582,403	582,403	582,403	582,403	582,403	582,403
SHRA Monitoring Fee	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Debt Service Subtotal	\$403,269	\$597,403	\$597,403	\$597,403	\$597,403	\$597,403	\$597,403	\$597,403	\$597,403	\$597,403	\$597,403	\$597,403
Limited Partner Management Fee (LP)	7,500	7,500	7,500	7,727	7,905	8,203	8,621	9,081	9,628	10,166	10,794	11,412
General Partner Asset Management Fee (GP)	17,500	17,500	17,500	18,050	18,711	19,493	20,397	21,424	22,576	23,864	25,288	26,848
Priority Distributions Subtotal	\$25,000	\$25,000	\$25,000	\$25,777	\$26,616	\$27,516	\$28,498	\$29,565	\$30,721	\$31,976	\$33,332	\$34,788
Net Cash after Priority Distributions	\$468,295	\$288,525	\$294,747	\$305,809	\$316,680	\$327,363	\$337,866	\$349,189	\$410,422	\$441,168	\$454,976	\$446,549
Deferred Developer Fee	3,300,000	2,832,705	2,737,181	2,524,629	2,294,458	2,054,658	1,808,858	1,562,658	1,316,458	1,070,258	824,058	577,858
Accumulated Interest	98,000	87,981	82,115	75,736	68,634	60,834	52,415	43,376	33,717	23,438	12,549	1,160
Payment	466,295	283,525	294,747	305,809	316,680	327,363	337,866	349,189	410,422	441,168	454,976	446,549
Balance	\$2,832,705	\$2,737,181	\$2,524,629	\$2,294,458	\$2,054,658	\$1,808,858	\$1,562,658	\$1,316,458	\$1,070,258	\$824,058	\$577,858	\$29,258
Net Cash after Deferred Developer Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SHRA Loan	\$15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Accumulated Interest	450,000	900,000	1,350,000	1,800,000	2,250,000	2,700,000	3,150,000	3,600,000	4,050,000	4,500,000	4,950,000	5,400,000
Payment	0	0	0	0	0	0	0	0	0	0	0	0
Balance	\$15,450,000	\$15,900,000	\$16,350,000	\$16,800,000	\$17,250,000	\$17,700,000	\$18,150,000	\$18,600,000	\$19,050,000	\$19,500,000	\$19,950,000	\$20,400,000

**4995 Stockton Blvd.****MAXIMUM INCOME AND RENT LIMITS 2021***Rents at 30%, 50%, 60% and 70% of Area Median Income (AMI)**Low Income Housing Tax Credits, State Tax Credits, Mortgage Revenue Bonds, Mixed Income Housing Funds, Housing Trust Funds and City General Funds***Maximum Gross Income Limits**

<b>Family Size</b>	<b>30% AMI</b>	<b>50% AMI</b>	<b>60% AMI</b>	<b>70% AMI</b>
1 person	\$ 18,150	\$ 30,250	\$ 36,300	\$ 42,350
2 person	\$ 20,730	\$ 34,550	\$ 41,460	\$ 48,370
3 person	\$ 23,310	\$ 38,850	\$ 46,620	\$ 54,390
4 person	\$ 25,890	\$ 43,150	\$ 51,780	\$ 60,410
5 person	\$ 27,990	\$ 46,650	\$ 55,980	\$ 65,310
6 person	\$ 30,060	\$ 50,100	\$ 60,120	\$ 70,140

**Maximum Gross Rent Limits**

<b>Unit Size</b>	<b>30% AMI</b>	<b>50% AMI</b>	<b>60% AMI</b>	<b>70% AMI</b>
1 Bedroom	\$ 486	\$ 810	\$ 972	\$ 1,134
2 Bedroom	\$ 582	\$ 971	\$ 1,165	\$ 1,359
3 Bedroom	\$ 673	\$ 1,122	\$ 1,347	\$ 1,571

Source: <https://www.treasurer.ca.gov/ctcac/2020/supplemental.asp>