



NOTICE OF REGULAR MEETING
**Sacramento Housing and
Redevelopment Commission**
TELECONFERENCE MEETING ONLY
Wednesday, October 5, 2021 – 6:00 pm
801 12th Street Commission Room
Sacramento CA

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

The Sacramento Housing and Redevelopment Commission meeting will be broadcast live on YouTube. To view the meeting please visit:

YouTube Link: <https://youtu.be/9CJpem80cI4> or visit our YouTube channel, **SHRA Housing**.

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

1. Email comments to publiccomments@shra.org which will be read into the record by the Clerk during the meeting.
2. Comment by phone during the meeting by dialing (888) 970-1444. Please call and indicate if you wish to comment during the general 'Citizens Comments' period or on a specific agenda item.

Please contact the Agency Clerk's office at 916-440-1332, 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) 440-1332 at least 24 hours before the scheduled meeting. Agenda materials are available for review online at www.shra.org. If you need assistance with locating reports, contact the Agency Clerk at (916) 440-1332 for assistance.

ROLL CALL

APPROVAL OF AGENDA

CITIZENS COMMENTS

While the Commission welcomes and encourages participation in the Commission meetings, please limit your comments to three minutes, so that everyone may be heard. SHRA provides opportunities for the public to address the Commission at this time in order to listen to opinions regarding non-agendized

matters within the subject matter jurisdiction of SHRA. Consistent with the Brown Act, the public comment periods on the agenda are not intended to be "question and answer" periods or conversations with Commission members. Members of the public with questions are encouraged to contact staff before or after the meeting. Members of the public wishing to provide comment should either email comments to publiccomments@shra.org or be present them verbally by calling (888) 970-1444.

APPROVAL OF MINUTES – September 15, 2021

CONSENT

1. AB 361 – Brown Act: Remote Meetings During a State of Emergency
2. Authorization to Submit State Emergency Solutions Grant Program 2021 Application to the California Department of Housing and Community Development and Amend the Sacramento Housing and Redevelopment Agency Budget

BUSINESS

3. Vista Nueva Project – Approval of Application for Homekey Funds and Conditional Loan and Grant Commitment (two-thirds vote required)
4. Central Sacramento Studios Project – Approval of Application for Homekey Funds and Conditional Loan and Grant Commitment (two-thirds vote required)

PUBLIC HEARING

5. Approval of the 2022 One-Year Action Plan for the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), HOME American Rescue Plan (ARP) Emergency Solutions Grant (ESG), and Housing Opportunities for Persons With AIDS (HOPWA) Funded Projects and Programs; Amendment of Prior Years' Action Plans; Amendment to the Sacramento Housing and Redevelopment Agency (SHRA) Budget; Amendment to the Citizens Participation Plan; Authorization for SHRA to administer Lead Based Paint Hazard Control Grant funds and Other Related Actions
6. Approve And Authorize Submission To The United States Department Of Housing And Urban Development (HUD) The 2022 One-Year Action Plan For The Community Development Block Grant, HOME Investment Partnerships Program, HOME American Rescue Plan Program, and Emergency Solutions Grant For Projects and Programs; Amendment of Prior Years' Action Plans; Amendment To The Sacramento Housing and Redevelopment Agency Budget, Amendment To The Citizen Participation Plan; Authorization To Administer Lead Based Paint Hazard Reduction Grant Funds From HUD

BUSINESS

7. Change in Meeting Time of the Sacramento Housing and Redevelopment Commission (SHRC)

PRESENTATION

8. 2022 SHRA Budget Workshop – Development Department

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT



MINUTES
Sacramento Housing and Redevelopment Commission (SHRC)
Regular Meeting
September 15th, 2021
Meeting noticed on September 10, 2021

ROLL CALL

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:00 p.m. by Chair Morgan. Note that the meeting was held via teleconference following the Governor's executive order during the coronavirus pandemic.

MEMBERS PRESENT: Amanfor, Boyd (6:07 pm), Morgan, Osmany (6:16 pm), Ross, Staajabu, Woo

MEMBERS ABSENT: Nunley, Griffin, Starks, Schumacher-Hodge

STAFF PRESENT: La Shelle Dozier, Brad Nakano, Susana Jackson, Sarah O'Daniel, MaryLiz Paulson, Maria Avdalas, Trish Simpson, Teresa Cristobal, Laila Darby, Jose Romero, Tanya Cruz, Troy Lynch, Peter Masih, Lira Goff, Vickie Smith

APPROVAL OF AGENDA

The Agenda was not discussed.

CITIZENS COMMENTS

None.

APPROVAL OF MINUTES – September 1, 2021 minutes were approved as submitted.

BUSINESS

1. 2022 Annual Public Housing Plan for the Housing Authority of the City of Sacramento (HACS) and the Housing Authority of the County of Sacramento (HACOS); Submission of the 2022 Public Housing Agency Annual Plan, Admissions and Continued Occupancy Policy, and Administrative Plan to the U.S. Department of Housing and Urban Development (HUD)

Marla Avdalas presented the item.

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

AYES: Amanfor, Boyd, Morgan, Osmany, Ross, Staajabu, Woo

NOES: None

ABSENT: Nunley, Griffin, Starks, Schumacher-Hodge

PRESENTATIONS

2. 2022 SHRA Budget Workshop – Housing Choice Voucher and Homeless Innovations Departments

Sarah O'Daniel, Laila Darby and MaryLiz Paulson presented the item.

3. One-Year Action Plan Workshop

Cella Yniguez presented the item.

EXECUTIVE DIRECTOR'S REPORT

La Shelle Dozier reviewed the following:

- The next meeting will be held on October 6, 2021.
- The next presentation in the budget series will be the Development Department budget, followed by the wrap-up presentation.
- Mather Veteran's Village – Dedication Ceremony on October, 12, 2021.

COMMISSION CHAIR REPORT

The Mather Veteran's Village Dedication Ceremony is also available online.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Commissioner Boyd requested a link to the online Invitation to the Mather Veteran's Village Dedication Ceremony.

ADJOURNMENT

As there was no further business to be conducted, Chair Morgan adjourned the meeting at 7:37 pm.

Clerk

RECORD OF MEETING ATTENDANCE

Board/Commission: Sacramento Housing and Redevelopment Commission Board **Contact:** Lira Goff, 916-440-1332

Meeting Dates and Type	2/03/21 R	E17/21 R	3/03/21 R	4/07/21 R	5/05/21 R	6/02/21 R	7/7/21 R	8/4/21 R	8/18/21 R	9/1/21 R	9/15/21 R		Meetings Attended
Member Names:													
4/13/21-12/31/23 Emmanuel Amanfor: <u>CITY</u>					X <i>1st Meeting</i>	X	X	X	X	X	X		7
8/13/19 -12/31/21 Barry F. Boyd: <u>CITY</u>	X	X	X	X	X	X	X	X	X	X	X		11
1/28/20 - 12/31/23 Melvin Griffin: <u>COUNTY</u>	EX-A	EX-A	EX-A	EX-A	EX-A	EX-A	EX-A	EX-A	EX-A	EX-A	EX-A		0
12/8/20 - 12/31/23 Gale Morgan: <u>COUNTY</u>	X	X	X	X	X	X	X	X	X	X	X		11
1/05/19 - 12/21/22 Cecile Nunley: <u>COUNTY</u>	X	X	X	X	X	A-UN	X	EX-A	X	A-UN	A-UN		7
03/11/20 - 12/31/22 Jasmine Osmany: <u>COUNTY</u>	X	X	X	X	X	X	X	X	EX-A	X	X		10
04/13/21 - 12/31/23 Marisha Schumacher-Hodge: <u>CITY</u>					X <i>1st Meeting</i>	X	X	EX-A	EX-A	X	EX-A		4
06/08/2021 - 12/31/2023 Martin Ross: <u>CITY</u>							X <i>1st Meetin</i>	X	X	X	X		5
02/07/15 - 12/31/21 Staajabu Staajabu: <u>CITY</u>	X	X	X	X	X	X	X	X	X	X	X		11
2/06/18 -12/31/21 Samuel Starks: <u>CITY</u>	X	X	X	X	X	X	X	X	X	X	A-UN		10
05/19/2020 - 12/31/22 Darrel Woo: <u>COUNTY</u>	X	X	X	X	X	X	X	X	X	X	X		11
			Attendance Types: X - Attended Meeting EX-A - Excused Absence A - Absent A-Un - Unexcused Absence			Meeting Type: Regular Meeting = R Special Meeting = S							

October 6, 2021



Sacramento Housing and Redevelopment Commission
Sacramento, California

Honorable Members in Session:

SUBJECT AB 361 – Brown Act: Remote Meetings During a State of Emergency

RECOMMENDATION

Staff recommends adoption of the attached resolution which authorizes the Executive Director or her designee to take all actions necessary to carry out the intent and purpose of continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

CONTACT PERSONS

James Shields, Deputy Executive Director of Administration, (916) 440-1319
Lira Goff, Interim Agency Clerk, (916) 440-1332

SUMMARY

The attached resolution authorizes the Executive Director to take all actions necessary to carry out the intent and purpose of continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

BACKGROUND

AB 361 suspends the teleconferencing requirements located in California Government Code section 54953(b)(3). This means that, during a state of emergency, under specified circumstances, local agencies can meet pursuant to modified Brown Act requirements.

If the Sacramento Housing and Redevelopment Agency (Agency) wishes to rely on the provisions of AB 361, it must meet one of the following criteria:

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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1. The Agency is holding a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing; or
2. The Agency is holding a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or
3. The Agency is holding a meeting during a proclaimed state of emergency and has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

These criteria permit the Agency to schedule a remote meeting to determine whether meeting in-person during the state of emergency would pose imminent risk to the health or safety of attendees. At that remote meeting, the Agency may determine by majority vote taken by roll call that sufficient risks exist to the health or safety of attendees as a result of the emergency and pass a resolution to that effect. These criteria also permit the Agency to meet remotely in the event that there is a state of emergency declaration while state or local officials have recommended or required measures to promote social distancing.

If the Agency passes a resolution by majority vote determining that a meeting in person would present imminent risks to the health or safety of attendees, the resolution would permit meeting under the provisions of Government Code 54953(e) for a maximum period of 30 days. After 30 days, the Agency would need to renew its resolution, consistent with the requirements of Government Code 54953(e)(3), if the Agency desires to continue meeting under the modified Brown Act requirements, or allow the resolution to lapse.

ENVIRONMENTAL REVIEW

The proposed action is not a project subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378, and is exempt under the National Environmental Policy act pursuant to 24 CFR 58.34(a)(3).

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

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Sacramento Housing and Redevelopment Commission
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Attachments
SHRC Resolution

RESOLUTION NO. SHRC-_____

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

ON DATE OF

October 6, 2021

WHEREAS, the Sacramento Housing and Redevelopment Agency (Agency) is committed to preserving and nurturing public access and participation in meetings of the Sacramento Housing and Redevelopment Commission (Commission); and

WHEREAS, all meetings of the Commission are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the Commission conduct business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the State of California, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in the State of California, specifically, an outbreak of respiratory illness due to a novel coronavirus disease known as COVID-19; and

WHEREAS, by Executive Order N-25-20 on March 12, 2020 (N-25-20), all residents were directed to heed any orders and guidance of state and local public health officials, including but not limited to the imposition of social distancing measures, to control the spread of COVID-19. By Executive Order N-29-20 on March 17, 2020 (N-29-20) and in furtherance of the imposition of social distancing measure, notwithstanding any other provision of state or local law, including the Brown Act, N-29-20 authorized a local legislative body to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to attend and to address the local legislative

body, during the period in which state or local public officials impose or recommend measures to promote social distancing, including but not limited to limitations on public events. All requirements in the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or of the public as a condition of participation in or quorum for a public meeting were waived; and

WHEREAS, by Order of the Health Officer of the County of Sacramento dated July 29, 2021, persons should continue to follow CDC guidance for unvaccinated people (<https://www.cdc.gov/coronavirus/2019-ncov/prevent-gettingsick/prevention.html>) and for fully vaccinated people (<https://www.cdc.gov/coronavirus/2019-ncov/vaccines/fullyvaccinated.html>) to protect themselves and others, including the recommendation that people social distance 6 feet apart from other people who do not live in the same household; and

WHEREAS, the Commission does hereby find that the Proclamation of a State of Emergency for COVID-19 on March 4, 2020, and Executive Orders N-25-20 and N-29-20 imposing social distancing measures has caused, and will continue to cause, conditions of peril to the safety of persons within the State of California and Sacramento County that are likely to be beyond the control of services, personnel, equipment, and facilities of the Commission, and desires to proclaim a local emergency and ratify the proclamation of state of emergency by the Governor of the State of California [AND POSSIBLY RATIFY STATE OR LOCAL ORDERS FOR SOCIAL DISTANCING]; and

WHEREAS, as a consequence of the local emergency, the Commission does hereby find that it shall conduct its meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the public is assured access as, Commission meetings are broadcast live on YouTube, as well as made available for later viewing. No log in is required. Public comment is being facilitated as the Commission has provided a telephone line for live comment, as well as an e-mail address which is monitored throughout the meeting.

WHEREAS, the proposed action is not a project subject to the California Environmental Quality ACT (CEQA) pursuant to 14 CCR §15378 and is exempt from the National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.34(a)(3).

BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1. All evidence presented having been duly considered, the recitals and 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 Commission hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

Section 3. The Executive Director, or her designee, is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 4. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) November 5, 2021, or such time the Commission adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Agency may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

CHAIR

ATTEST:

CLERK

**Item #2 - Consent: Authorization to Submit State Emergency Solutions Grant Program 2021
Application to the California Department of Housing and Community
Development and Amend the Sacramento Housing and Redevelopment
Agency Budget**

TO BE DELIVERED



October 6, 2021

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

Honorable Members in Session:

SUBJECT:

**Vista Nueva Project – Approval of Application for Homekey Funds and
Conditional Loan and Grant Commitment**

RECOMMENDATION:

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

Respectfully Submitted


LA SHELLE DOZIER
Executive Director

Attachment



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

**Business
October 12, 2021**

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

**Title: Vista Nueva Project – Approval of Application for Homekey Funds and
Conditional Loan and Grant Commitment (two-thirds vote required)**

Location/Council District: 140 Promenade Circle/District 1

Recommendation: Adopt: 1) a Housing Authority Resolution authorizing the Executive Director or her designee to: a) submit an co-application, along with JHC-Vista Nueva LLC (Jamboree Housing Corporation), or related entity, to the California Department of Housing and Community Development (HCD) in the amount of approximately \$30,000,000 in Homekey Program (Homekey) funds for the Vista Nueva Project (Project); b) execute a Standard Agreement for such funding and execute any documents necessary to participate in the Homekey Program, and any amendments thereto; c) amend the Housing Authority budget to receive and expend the Homekey funds for the acquisition of a motel conversion to permanent supportive housing and transitional housing for formerly homeless families/individuals; 2) a Council Resolution: a) approving an \$8,995,000 Conditional Loan and Grant Commitment comprised of \$4,125,000 in HOME Investment Partnerships Program (HOME) American Rescue Plan (ARP), \$1,720,000 in Community Development Block Grant (CDBG), and \$3,150,000 in Emergency Solutions Grant (ESG) program funds (Commitment) with the Developer for the acquisition, construction, operation and permanent financing of the Project; b) authorizing Sacramento Housing and Redevelopment Agency (SHRA) to enter into and execute the Commitment, funding agreement, and related documents for the financing of the Project with the Developer, and execute other documents and perform other actions including without limitation, negotiation, subordination, regulatory agreement, financial restructuring, and extensions; c) approving the SHRA budget amendment; d) making related findings; and 3) Adopt a Motion by two-thirds vote waiving Sacramento City Code and Council Rules of Procedure mandate that all labor agreements and all agreements greater than \$1,000,000 shall be made available to the public at least ten (10) days prior to council action.

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

Presenters: Christine Weichert, Director, 916-440-1353, Sacramento Housing and Redevelopment Agency

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: On September 9, 2021 the State of California Department of Housing and Community Development (HCD) announced that it is making \$1.45 billion dollars available through a Notice of Funding Availability (NOFA) for the Homekey Program. The Homekey Program provides funding to cities, counties, and other local entities, including housing authorities to convert motels, hotels, and other non-residential structures into permanent supportive housing and/or transitional housing for the State's homeless population. The Homekey Program is funded with federal Coronavirus Relief Funds (CRF) which must be spent within eight months of the date of award. HCD is accepting applications on an over-the-counter basis until the available funds are exhausted. HCD anticipates to announce awards within 45 days of receipt of a complete application.

Subject to Council and Housing Authority Board approval, the Housing Authority and JHC-Vista Nueva LLC (Jamboree Housing Corporation), or related entity (Developer), plan to submit an application for Homekey Funds for the Vista Nueva Project (Project), and to enter into a loan and grant commitment and funding agreements for the acquisition, construction, operation and permanent financing of the Project. In the event the Project is awarded Homekey funds by December of 2021, the Developer will acquire the property and begin the minor rehabilitation shortly thereafter. Occupancy is also anticipated to begin shortly after acquisition.

Project Description: The Housing Authority is proposing a co-application with the Developer that seeks funding to acquire 140 Promenade Circle (currently the Staybridge Suites Hotel) in Sacramento and undertake the minor rehabilitation necessary for the motel rooms to serve as permanent and transitional housing for formerly homeless families/individuals. The hotel was built in 2007 on 2.29 acres. A Vicinity Map and Project Rendering are included as Attachments 2 and 3.

The Project will serve homeless households with at least one minor child. Ten of the units will be set aside as transitional units for families who will be provided services. In addition, the development will provide 106 permanent supportive housing units comprised of 53 studio, 39 one-bedroom, 14-two bedroom units and one (1) two-bedroom exempt management unit. There will be a total of seventeen (17) Americans with Disabilities Act (ADA) accessible units. The table below provides detail on the unit types and sizes.

Unit Types (Funding Programs)	Studio	One Bedroom	Two Bedroom	Total
Permanent Supporting Housing (Homekey, MHSA, HOME ARP and CDBG)	53	39	14	106
Transitional Housing (Homekey and ESG)	10	0	0	10
Exempt Management Unit	0	0	1	1
Total Units	63	39	15	117

Resident and transitional unit interior upgrades include new smoke/carbon detectors, and repairs and renovations to some doors, hardware, GFCI outlets, kitchen appliances, bathroom fixtures and accessories, plumbing, window coverings and paint. Community areas interior upgrades include repairs and renovations to the restrooms, office areas, meetings rooms, lounging and kitchen areas, stairways, and additional laundry sets. Mechanical systems improvements include repairs to the fire suppression system, replacement of water heaters where necessary, new lighting in common areas and ADA units, repairs to the fire alarm, and new security controls at building exterior access points and repairs to the HVAC systems.

Existing amenities include a pool, social picnic area with barbeque, and seating for gatherings, indoor common area, computer space, and a multi-purpose room that includes kitchen space for group dining, celebrations and community activities. There will also be laundry facilities on the ground floor. Parking lot conversion includes removing some parking spaces to accommodate a new open space area. Additionally, a new children's playground for ages 3-12 and adolescent play area with fencing and gates, tables and benches, turf ground covering, pet area, ADA parking and paths of travel and landscape will be incorporated. A new smart irrigation controller, security cameras and systems, bicycle lockers, upgraded lighting, and a swimming pool ADA lift will be installed. Repairs will be made to building exteriors (e.g. roof, stucco and masonry siding, gutters and downspouts), irrigation systems, barbecue areas, fences, gates and trash/recycle areas.

The Housing Authority will seek funding from the Homekey Program to cover the cost of acquisition. If the application is successfully awarded, Jamboree Housing Corporation, as co-applicant, will acquire the former hotel, perform the rehabilitation, and provide resident and supportive services at the property.

Project Based Vouchers and Gap Financing: On May 2021, SHRA, on behalf of the Housing Authority, released a Request for Proposals from owners and developers interested in receiving Project-Based Vouchers (PBV) to serve homeless families/individuals. In June 2021, the Developer applied for and was awarded 106 PBV for permanent supportive/homeless housing units for the Project from SHRA. In July 2021, the Developer requested gap funds to assist in the acquisition, construction, operation and permanent financing of the Project.

Project Developer: Jamboree Housing Corporation (Jamboree) is an affordable housing developer with 31 years of experience in residential development, including 96 developments consisting of more than 9,500 homes and an asset portfolio of \$3.2 billion across California. Jamboree is the owner of the Hotel Berry in downtown Sacramento.

Property Management: The proposed Property Management agent is Domus Management Company (DMC). DMC was established in 2007 to provide efficient and effective property management services, specializing in affordable and supportive housing properties. DMC manages seven (7) affordable housing complexes in the Sacramento region which contain over 650 units including the Saybrook Apartment complex which was a partnership with SHRA to house formerly homeless families/individuals using PBVs. The final Management Plan is subject to SHRA approval prior to close of escrow.

Resident Services: Jamboree Community Impact (Housing with Heart) will provide Resident Services for all tenants. A minimum of 15 hours per week of on-site resident services will be provided by a resident services coordinator. Resident services programs will include after-school programs, adult education, skill building classes, workforce development, and health and wellness services and programs. The final Resident Services Plan is subject to SHRA approval prior to close of escrow.

Supportive Services: Jamboree Community Impact will provide three-and-one-half (3.5) full time equivalent (FTE) Supportive Service Coordinators and one (1) Supportive Services Manager whose responsibilities will include, but are not limited to, direct case management and supportive services, individual service plans, mental health care, physical health care, substance use and benefits counseling, referral services in the community, advocacy, community building and enrichment activities.

Additionally, there will be 15 units restricted to the Mental Health Services Act (MHSA) funding program; and case management and supportive services will be provided directly by the County Department of Human Assistance (DHS).

Security Plan: The Project will include installation of a security camera system at vehicular driveways and additional exterior lighting, and security patrols.

Project Financing: The financing structure of this Project includes HCD Homekey funds, MHSA, HOME ARP, CDBG and ESG funds, and a deferred developer fee. A summary of SHRA financing is provided in the following table:

SHRA Funding Programs	Amount
Acquisition, Construction and Permanent Financing Loans	
Mental Health Services Act (MHSA)	\$ 2,120,000
HOME Investment Partnerships Program (HOME) American Rescue Plan (ARP)	\$ 4,125,000
Community Development Block Grant (CDBG)	\$ 1,720,000
Subtotal of Loans	\$ 7,965,000
Acquisition, Construction and Operation Grants	
Emergency Solutions Grant (ESG) (Acquisition and Construction)	\$ 1,673,000
ESG (Operating Reserve)	\$ 1,477,000
Subtotal of Grants	\$ 3,150,000
Total SHRA Loans and Grant	\$ 11,115,000

In addition, SHRA has committed a total of 106 PBV to this Project. Project Based Vouchers are awarded in accordance with the SHRA’s administration of the Housing Choice Voucher Program as authorized by section 8(o)(13) of the U.S. Housing Act of 1937 (42 U.S.C. 1437f(o)(13)) and is based on the Public Housing Authority’s Annual Plan. The Plan is approved annually by the federal Department of Housing and Urban Development (HUD). Funding sources and uses and cash flow proforma for Vista Nueva are included in Attachments 4 and 5.

Proposed funding sources and their affordability requirements are summarized in the table below. See Attachment 6 for maximum income and rent levels.

Unit Type	Units	% of Units	Affordability Restriction
Homekey, MHSA, HOME ARP and CDBG	106	91%	Fifty-Five (55) Years
ESG	10	8%	Transitional Units for a Minimum of Three (3) Years
Manager’s unit	1	1%	Unrestricted
Total	117	100%	

Policy Considerations: The recommended actions for the development are consistent with: 1) SHRA’s previously approved Multifamily Lending and Mortgage Revenue Bond Policies, Affordable Housing Priority 2(i), Conversion of Non-Residential to Residential Use for Permanent Supportive Housing and Homeless Housing; and 2) the 2021-2029 Housing Element, a) Goal 2, Increasing Affordable and Workforce Housing Production, H-2.1 Provide Opportunities for Affordable Housing Throughout the City of Sacramento, H-2.3 Assist in Development of Affordable Housing, H-2.10 Awareness and Support, H-2.11 Conversions to Affordable Housing, b) Goal 7, Housing for People Experiencing Homelessness, and Policies H-7.1 Housing First Principles, H-7.4 Permanent Supportive Housing; and c) Goal 8, Increasing Accessible Housing. 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).

In 2007, the County of Sacramento Department of Health Services (DHS), Behavioral Health Services (BHS) and SHRA entered in the Building Hope Program Memorandum of Understanding (MOU) to establish the Building Hope Fund for the creation and preservation of affordable housing for extremely low income people living with psychiatric disabilities. The Building Hope Program is part of the Mental Health Services Act (MHSA) Housing Program initiative included in the approved MHSA Plan. The Building Hope Program funds are administered and overseen by SHRA to invest in permanent supportive housing units for homeless adults, transitional age youth, and children and family living with serious mental illness and/or serious emotional disturbance.

The Sacramento City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor

agreements and all agreements greater than \$1,000,000 shall be made available to the public at least ten (10) days prior to council action. The recommendation is to waive this requirement.

Economic Impacts: This multifamily residential and transitional housing project is expected to create 61.13 total jobs (34.32 direct jobs and 26.81 jobs through indirect and induced activities) and create \$5,361,981 in total economic output (\$3,295,248 of direct output and another \$2,066,733 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 analyzed in accordance with the California Environmental Quality Act (CEQA) and has been determined to be exempt from CEQA pursuant to CEQA Guidelines §15301. National Environmental Policy Act (NEPA): The project is in the process of being analyzed in accordance with the National Environmental Policy Act (NEPA) and NEPA review will be completed prior to making any choice limiting action. It is anticipated that the review will result in a Finding of No Significant Impact (FONSI).

Sustainability Considerations: The proposed Project has been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2035 General Plan. If approved, this Project will advance the Land Use Goal 2.1, Complete Neighborhoods to promote livability and safety for residents of all ages, incomes, and cultural backgrounds. Characteristics of Complete Neighborhoods include a well-maintained housing facility.

Commission Action: *Sacramento Housing and Redevelopment Commission:* It is anticipated that, at its October 6th, 2021 meeting, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Council in the event this does not occur.

Rationale for Recommendation: The actions recommended in this report enable SHRA to continue to fulfill its mission of providing a range of affordable housing opportunities in the City and are consistent with SHRA's previously approved Multifamily Lending and Mortgage Revenue Bond Policies, the City of Sacramento's 2021-2029 Housing Element as part of Sacramento's 2035 General Plan, and the Opportunity Zone.

Financial Considerations: The proposed financing includes SHRA Emergency Solutions Grant and HCD Homekey funds as a grant to the Project. The SHRA MHA, HOME ARP and CDBG loans will have a zero percent interest rate and a 40-year term. SHRA will collect an annual payment of 0.125 percent (12.5 basis points) of the total SHRA funding amount for monitoring the regulatory restrictions and administration of the funds. SHRA will also receive a fee equal to \$100 per each SHRA-funded unit per year.

Local Business Enterprise (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 possible 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 Coordinator, to promote employment opportunities.

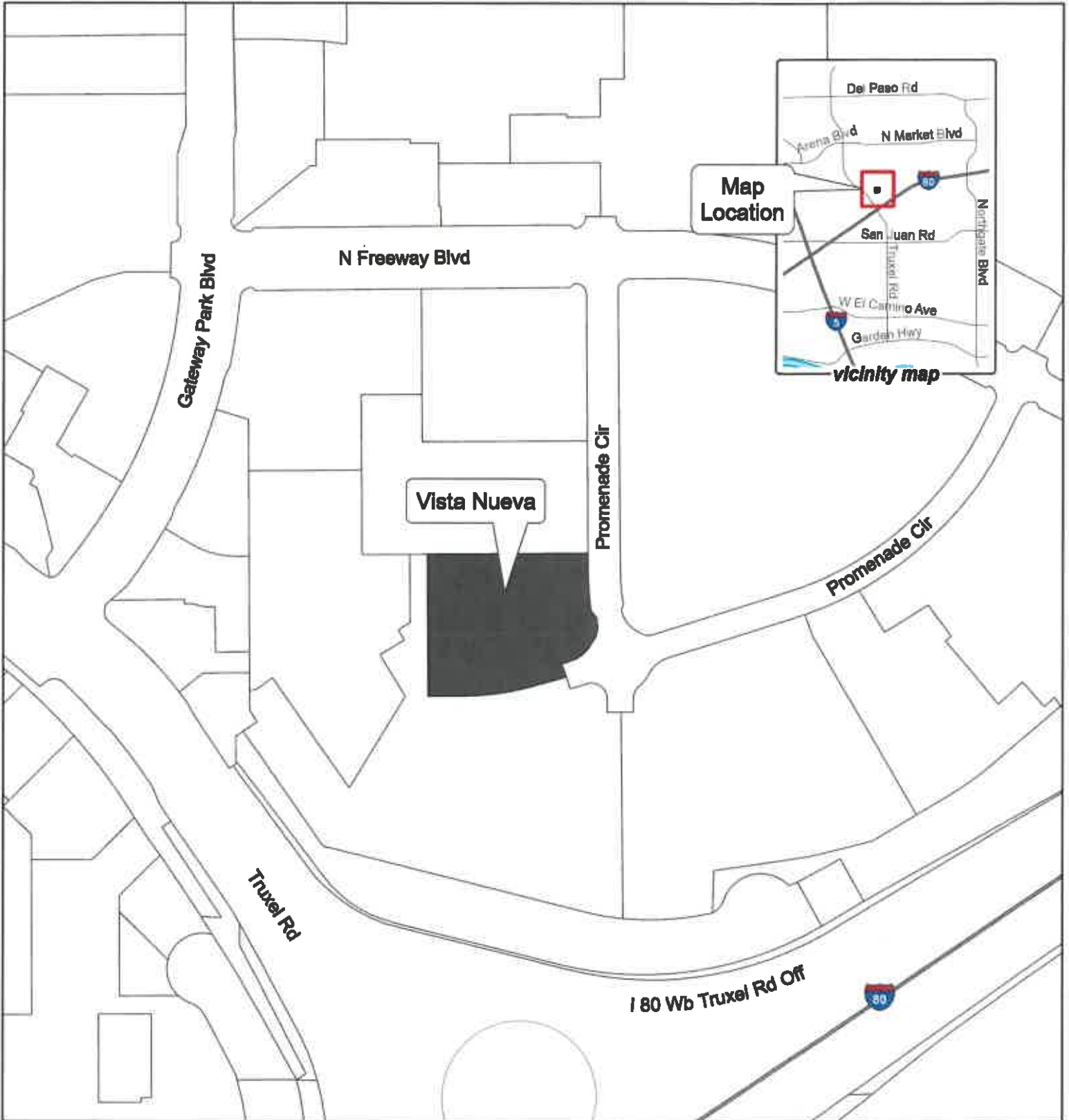
Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

Attachments

- 1-Description/Analysis
- 2-Vicinity Map
- 3-Project Rendering
- 4-Residential Project Summary
- 5-Cash Flow Proforma
- 6-Maximum Income and Rent Limits
- 7-Housing Authority Resolution – Homekey Funds
- 8-Council Resolution – Commitment
- 9-Exhibit A Commitment

Vista Nueva



 Vista Nueva (140 Promenade Circle)



**Vista Nueva
Project Rendering**



**Vista Nueva
Residential Project Summary**

Address	140 Promenade Circle, Sacramento 95834		
Year Built	2007		
Acreage	2.29 (99,752.4 sq. ft.)		
Unit Mix and Rents	<u>ELI (30% AMI) PBV</u>	<u>ELI (30% AMI) Transitional</u>	<u>Total</u>
Studio/1 Bath	53	10	63
1 Bedroom/1 Bath	39	0	39
2 Bedrooms/2 Bath	14	0	14
Management Unit (2 Bedrooms)	0	0	1
Total Units	106	10	117
Square Footage	<u>Unit Size (sq.ft.)</u>	<u>Total</u>	
Studio/1 Bath	400	25,200	sq. ft.
1 Bedroom/1 Bath	513	20,007	sq. ft.
2 Bedrooms/2 Bath	788	11,820	sq. ft.
Community Area		24,098	sq. ft.
Total Gross		81,125	sq. ft.
On-site Amenities	Management, resident services and case management offices, community room with kitchen and lounging areas, computer space, laundry facilities, pool, picnic area with barbeque. Children's tot lot and school aged playgrounds with fencing and gates, pet area, 75 vehicle parking spaces and 8 bike parking spaces.		
Permanent Sources	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>
HCD Homekey Grant	29,040,000	248,205	357.97
SHRA Loan	5,845,000	49,957	72.05
SHRA Grant	3,150,000	26,923	38.83
Building Hope (MHSA) Loan	2,120,000	18,120	26.13
Deferred Developer Fee	176,783	1,511	2.18
TOTAL SOURCES	\$ 40,331,783	344,716	\$ 497.16
Permanent Uses			
Acquisition	30,600,000	261,538	377.20
Construction Costs	4,667,887	39,898	57.54
Architecture & Engineering	170,000	1,453	2.10
Permits & Fees	268,858	2,298	3.31
Hard Cost Contingency	694,094	5,932	8.56
Soft Cost Contingency	306,344	2,618	3.78
Operating Reserve	1,864,580	15,937	22.98
Legal Fees	90,000	769	1.11
Developer Fee	1,000,000	8,547	12.33
Third Party Fees, Marketing, Other	590,000	5,043	7.27
TOTAL USES	\$ 40,331,783	\$ 344,716	\$ 497.16
Leverage	<u>SHRA \$ per Unit</u>	<u>Per Unit Cost</u>	<u>Leverage</u>
	\$ 325,085	\$ 344,716	SHRA : Other \$1.00 : \$1.06
Management / Operations			
Proposed Developer	Jamboree Housing Corporation		
Property Management Company	Domus Management Company		
Operating Expenses	\$ 810,174	\$ 6,925	
Property Management	\$ 70,200	\$ 600	
Transitional Units Operations	\$ 315,214	\$ 2,694	
Resident Services	\$ 290,417	\$ 2,482	
Replacement Reserves	\$ 58,500	\$ 500	
Taxes and Insurance	\$ 62,643	\$ 535	

Vista Nueva**MAXIMUM INCOME AND RENT LIMITS 2021***Limits at 30% of Area Median Income (AMI)**Homekey, Mental Health Services Act (MHSA), HOME Investment Partnerships Program (HOME) American Rescue Plan (ARP), Community Development Block Grant (CDBG), Permanent Local Housing Allocation (PLHA) and Project Based Voucher (PBV)***Maximum Gross Income Limits**

<u>Family Size</u>	<u>30% AMI</u>
1 person	\$ 19,050
2 person	\$ 21,750
3 person	\$ 24,480
4 person	\$ 27,180
5 person	\$ 29,370

Maximum Gross Rent Limits¹

<u>Unit Size</u>	<u>30% AMI</u>
Studio	\$ 476
1 Bedroom	\$ 510
2 Bedroom	\$ 612

¹The tenant rent will not exceed 30% of the household adjusted gross income with Project Based Vouchers.

RESOLUTION NO. 2021 -

Adopted by the Housing Authority of the City of Sacramento

on date of

A RESOLUTION OF THE BOARD OF THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO AUTHORIZING JOINT APPLICATION TO THE HOMEKEY PROGRAM

BACKGROUND

- A. The Department of Housing and Community Development (Department) has issued a Notice of Funding Availability (NOFA), dated September 9, 2021, for the Homekey Program (Homekey or Homekey Program). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.1 (Assem. Bill No. 83 (2019-2020 Reg. Sess.), § 21.).
- B. The Housing Authority of the City of Sacramento (Co-Applicant) desires to jointly apply for Homekey grant funds with Jamboree Housing Corporation. Towards that end, Co-Applicant is joining Jamboree Housing Corporation (Jamboree) in the submittal of an application for Homekey funds (Application) to the Department for review and consideration.
- C. The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (Standard Agreement), and all other legal requirements of the Homekey Program.
- D. The project has been analyzed in accordance with the California Environmental Quality Act (CEQA) and has been determined to be exempt from CEQA pursuant to CEQA Guidelines §15301.
- E. The project is in the process of being analyzed in accordance with the National Environmental Policy Act (NEPA) and NEPA review will be completed prior to making any choice limiting action. It is anticipated that the review will result in a Finding of No Significant Impact.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY 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 and adopted.
- Section 2. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, dated

September 9, 2021, and to jointly apply for up to \$30,000,000 for capital expenditures (as allowed under Health and Saf. Code, § 50675.1.1, subd. (a)(1)-(6)).

- Section 3.** If the Application is approved, Co-Applicant is hereby authorized and directed to ensure that any funds awarded for capital expenditures are spent within eight months after award date and that if any funds awarded for capitalized operating subsidies are spent by eight months after award date.
- Section 4.** If the Application is approved, Co-Applicant is hereby authorized and directed to: (i) enter into, execute, and deliver a Standard Agreement in a total amount of approximately \$30,000,000, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the Homekey Documents); or (ii) direct Jamboree to do the above as the other co-applicant.
- Section 5.** Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.
- Section 5.** La Shelle Dozier, Executive Director of Co-Applicant, or her designee, is authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.
- Section 6.** If the Application for funding is approved, the Housing Authority's budget is hereby amended to incorporate any Homekey funding up to \$30,000,000 for the acquisition, rehabilitation, and/or operation of a motel conversion to permanent supportive housing for unhoused individuals and families.

PASSED AND ADOPTED at a regular meeting of the Board of the Housing Authority of the City of Sacramento this 21th day of September, 2021 by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Approving Officer: _____
Signature

Name: _____

Title: _____

CERTIFICATE OF THE ATTESTING OFFICER

The undersigned, _____ (Name of Attesting Officer) of Co-Applicant does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of the Board of the Housing Authority of the City of Sacramento, California, which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

ATTEST: _____
(Signature of Attesting Officer)

Name (Print): _____

Title (Print): _____

RESOLUTION NO. 2021 -

Adopted by the Sacramento City Council

on date of

VISTA NUEVA PROJECT: APPROVAL OF CONDITIONAL LOAN AND GRANT COMMITMENT COMPRISED OF HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) AMERICAN RESCUE PLAN (ARP), COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND EMERGENCY SOLUTIONS GRANT (ESG) PROGRAM FUNDS (COMMITMENT); AUTHORIZATION TO EXECUTE THE COMMITMENT, FUNDING AGREEMENT AND RELATED DOCUMENTS WITH JHC-VISTA NUEVA LLC (JAMBOREE HOUSING CORPORATION), OR RELATED ENTITY (DEVELOPER) FOR THE PROJECT; AMEND THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY BUDGET; AND ENVIRONMENTAL FINDINGS

BACKGROUND

- A. On May 18, 2021, Sacramento City Council (Council) adopted Resolution 2021-0115 approving the 2021 One-Year Action Plan Substantial Amendment #1, allocating CDBG and ESG program funds towards projects seeking Homekey Program funds, permanent supportive housing developments and temporary shelters. Council also authorized Sacramento Housing and Redevelopment Agency (SHRA), on behalf of the City of Sacramento, to execute agreements, documents and contracts with US Department of Housing and Urban Development and the appropriate entities to carry out projects and programs in accordance with the 2021 One Year Action Plan and prior year's Action Plans.**
- B. The Housing Authority of the City of Sacramento and their co-applicant, JHC-Vista Nueva LLC (Jamboree Housing Corporation), or related entity (Developer), desires to apply for approximately \$30,000,000 in Homekey Program funds from the California Department of Housing and Community Development. The Vista Nueva development includes the acquisition and conversion of a motel into 106 permanent supportive housing and ten (10) temporary shelter for homeless families/individuals located at 140 Promenade Circle (APN 225-2110-049-0000). Authorization to apply for Homekey funds is subject of a separate Housing Authority resolution.**
- C. On May 2021, SHRA, on behalf of the Housing Authority, released a Request for Proposals from owners and developers interested in receiving Project-Based Vouchers (PBV) to serve homeless families/individuals. In June 2021, the Developer applied for and was awarded 106 PBV for permanent supportive/homeless housing units for the Project from SHRA.**
- D. In July 2021, the Developer requested gap funds to assist in the acquisition, construction, operation and permanent financing of the Project that will serve as permanent supportive housing and transitional housing for families**

- E. The project has been analyzed in accordance with the California Environmental Quality Act (CEQA) and has been determined to be exempt from CEQA pursuant to CEQA Guidelines §15301.
- F. The project is in the process of being analyzed in accordance with the National Environmental Policy Act (NEPA) and NEPA review will be completed prior to making any choice limiting action. It is anticipated that the review will result in a Finding of No Significant Impact.

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 \$8,995,000 Conditional Loan and Grant Commitment is comprised of \$4,125,000 in HOME Investment Partnerships Program (HOME) American Rescue Plan (ARP), \$1,720,000 in Community Development Block Grant (CDBG) and \$3,150,000 in Emergency Solutions Grant (ESG) program funds (Commitment) with the Developer for the acquisition, construction, operation and permanent financing of the Project as Exhibit A is approved and allocated for the Vista Nueva development, which will provide 106 permanent supportive housing units and ten (10) transitional housing units for families, and one exempt management unit.
- Section 3. SHRA is authorized to enter into, execute and amend the Commitment, funding agreement, and related documents for the acquisition, construction, operation and permanent financing of the Vista Nueva development with the Developer, and execute other documents, as approved to form by its Office of the General Counsel, perform other actions required for the HOME ARP, CDBG and ESG funds, including without limitation, negotiation, amendment, subordination, regulatory agreement, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.
- Section 4. SHRA's budget is hereby amended to incorporate \$4,125,000 in HOME ARP, \$1,720,000 in CDBG and \$3,150,000 in ESG program funds for the Vista Nueva development.

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Exhibit A: Loan and Grant Commitment



Effective Date: October 12, 2021

Michael Massie, Chief Development Officer
 JHC-Vista Nueva LLC
 c/o Jamboree Housing Corporation
 555 Capitol Mall, Suite 625
 Sacramento, CA 95814

RE: Conditional Loan and Grant Commitment for Vista Nueva Development

Dear Mr. Massie:

On behalf of Sacramento Housing and Redevelopment (Agency), we are pleased to advise you of this Conditional Loan and Grant Commitment (Commitment) of acquisition, construction, operation permanent loan (“Loan”) and grant funds (“Grant”) comprised of the funds listed in the chart below for the purpose of financing the acquisition and rehabilitation of that certain real property known as Vista Nueva located in the City of Sacramento at 140 Promenade Circle, Sacramento, California 95834 (Property).

SHRA Funding Programs	Amount
Acquisition, Construction and Permanent Financing Loans	
HOME Investment Partnerships Program (HOME) American Rescue Plan (ARP)	\$ 4,125,000
Community Development Block Grant (CDBG)	\$ 1,720,000
Subtotal of Loans	\$ 5,845,000
Acquisition, Construction and Operation Grants	
Emergency Solutions Grant (ESG) (Acquisition and Construction)	\$ 1,673,000
ESG (Operation Reserve)	\$ 1,477,000
Subtotal of Grants	\$ 3,150,000
Total SHRA Loans and Grant	\$ 8,995,000

Mental Health Services Act (MHSA) Construction and Permanent Loan (please see separate funding letter)	\$ 2,120,000
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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 and Grant are 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 and Grant shall be made on standard Agency loan and grant documents. Loan and Grant 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 and grant 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 **April 30, 2023**, unless a mutually agreed upon extension is made.

1. **PROJECT DESCRIPTION:** The Vista Nueva (Project) is currently operating as a hotel. Jamboree Housing Corporation (Jamboree) plans to convert the hotel into a multifamily residence to serve homeless and those at risk of homelessness. There will be 117 total units comprised of 63 studio, 39 one-bedroom and 14 two-bedroom units. All studio and one-bedroom units have one bathroom. All two bedroom units have two bathrooms. All units have kitchens. Inclusive of the 117 units, there will be 106 permanent supportive housing units, ten (10) transitional units and one (1) exempt management unit. There will be a total of seventeen (17) Americans with Disabilities Act (ADA) accessible units. Redesign of current hotel office spaces and common areas will also occur to ensure there is appropriate space for property management, resident services and supportive services case management team. No demolition will occur to the building. Jamboree plans to house residents permanently after the renovation utilizing the current building and infrastructure for residential purposes while undergoing minor reconfiguration. These reconfigurations will include ensuring all units meet local, state, federal regulations and residential building codes. The current swimming pool will be retained. Additionally, a new children's playground for ages 3-12 and adolescent play area with fencing and gates, tables and benches, turf ground covering, pet area, ADA parking and paths of travel and landscape will be incorporated.
2. **BORROWER AND GRANTEE:** The name of the Borrower and Grantee for the Loan and Grant is JHC-Vista Nueva LLC (Jamboree Housing Corporation) or related entity.
3. **PURPOSE OF LOAN:** The Loan is to be used by Borrower solely to pay the costs of acquisition, construction, operation and permanent financing and for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, and such other agreements as may be generally required by the Agency for the use of the funding source for the Loan.



4. **PRINCIPAL AMOUNT OF LOAN:** The combined principal amount of the Loan will be the lesser of the following:
 - a. Five Million Eight Hundred Forty-Five Thousand Dollars and No Cents (\$5,845,000.00), 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 Maturity Date of the Loan is 40 years or 480 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 OF LOAN:** The Loan will bear simple interest at zero percent (0%) per annum. Interest shall be calculated on the basis of a 365-day year and actual number of days elapsed.

7. **ANNUAL REPAYMENT OF LOAN:** 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 sources of funds, and the Loan is subject to all requirements related to the use of such, whether Agency requirements or otherwise: HOME ARP and CDBG. 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. **PURPOSE, TERM AND SOURCE OF GRANT:** The Three Million One Hundred Fifty Thousand Dollars and No Cents (\$3,150,000.00) Grant will be used by the Grantee solely to pay the costs of acquisition, construction and a three (3) year operation reserve for ten (10) transitional units and such other purposes as the Agency expressly agrees to in the grant agreement for the Grant, and such other agreements as may be generally required by the Agency for the use of the funding source for the Grant. The regulatory term will be for a minimum of three (3) years. The source of the Grant is ESG Program Funds.

10. **Borrower and Grantee acknowledges that, as a condition of the Agency's making of the Loan and Grant, the Property will be subject to restrictions on future sales and rentals which may result in less income to Borrower and Grantee 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/Grantee Initial)



11. **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.
12. **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.
13. **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.
14. **PROOF OF EQUITY**: Low Income Housing Tax Credits is not applicable to the project.
15. **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. Such commitments for financing shall not require modification of Agency loan documents, or any term of this commitment letter.
 - b. 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 other agreements.
16. **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.



17. **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.
18. **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.
19. **PLANS AND SPECIFICATION:** Final plans and specifications, if any, for the project must be in accord with the proposal approved as part of the Loan application. Final plans and specifications will be subject to Agency's final approval prior to the disbursement of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the project. The final plans shall incorporate all related mitigation measures, environmental conditions required, if any, for compliance with approvals under CEQA, and/or NEPA, or the U.S. Department of Housing and Urban Development as conditions of approval of the project.
20. **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.
21. **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.
22. **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.



23. **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.
24. **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.

25. **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, 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.
26. **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 fourteen (14) days following the close of construction financing.
27. **COMPLETION OF CONSTRUCTION:** Borrower shall complete the construction of the Improvements no later than twelve (12) months (Constriction Period) following the close of construction financing, unless the Notice of Available Funding (NOFA) and/or Guidelines, as amended, for Homekey Program funds dictate a more restrictive Construction Period, or extension is approved by Agency.



28. **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.
29. **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.
30. **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.
31. **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.
32. **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. 9.06 and 28 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.

33. **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.
34. **PURCHASE OF PROPERTY:** Borrower shall provide Agency with copies of all documents relating to Borrower's purchase of the Property.
35. **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.
36. **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.
37. **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.
38. **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:
 - a. Coordinator: Four (4) 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 three (3) 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.**
39. **LOW INCOME HOUSING TAX CREDITS (LIHTC):** LIHTC does not apply to this project.
40. **SMOKE-FREE ENVIRONMENT:** Fifty percent (50%) 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.
41. **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.
42. **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.
43. **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.
44. **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 has executed this Commitment as of the Effective Date.

BORROWER:

JHC-Vista Nueva LLC, a California limited liability company

By:

Michael Massie
Chief Development Officer

Attachment:

Exhibit 1 - Scope of Development



**Exhibit 1
Vista Nueva
Scope of Development**

Background

Vista Nueva will be a 106-unit permanent supporting housing development and 10-unit transitional units located at 140 Promenade Circle, Sacramento (Project). The Project site is operating as Staybridge Suites Sacramento Airport Natomas hotel. The hotel was built in 2007 on 2.29 acres. Jamboree plans to utilize the resources from the California Department Housing and Community Development's (HCD) Homekey Program and Sacramento Housing and Redevelopment Agency (SHRA) to convert the hotel into a multifamily residence for 55 years and transitional units to serve homeless and those at risk of homelessness for a minimum of three (3) years.

Scope of Development

The Project will create 117 total units that consists of 106 permanent supporting housing units comprised of 53 studio, 39 one-bedroom and 14-two bedroom units; ten (10) studio units to serve as transitional housing for family households that include a minor; and one (1) two-bedroom exempt management unit. There will be a total of seventeen (17) Americans with Disabilities Act (ADA) accessible units. The table below provides detail on the unit types and sizes.

Unit Types (Funding Programs)	Studio	One Bedroom	Two Bedroom	Total
Permanent Supporting Housing (Homekey, MHSA, HOME ARP and CDBG)	46	33	12	91
Permanent Supporting Housing (Homekey and MHSA)	7	6	2	15
Transitional Housing (Homekey and ESG)	10	0	0	10
Exempt Management Unit	0	0	1	1
Total Units	63	39	15	117

No demolition will occur to the building and residents will be housed within the current building while the minor rehabilitation is undertaken. Resident and transitional unit interior upgrades include new smoke/carbon detectors, and repairs and renovations to some doors, hardware, GFCI outlets, kitchen appliances, bathroom fixtures and accessories, plumbing, window coverings and paint. Community areas interior upgrades include repairs and renovations to the restrooms, office areas, meetings rooms, lounging and kitchen areas, stairways, and additional laundry sets. Mechanical systems improvements include repairs to the fire suppression, replacement of water heaters where necessary, new lighting in common areas and ADA units, repairs to the fire alarm, and new security controls at building exterior access points and repairs to the HVAC systems.

Existing amenities include a pool, social picnic area with barbeque, and seating for gatherings, indoor common area, computer space, and a multi-purpose room that includes kitchen space for group dining, celebrations and community activities. There will also be laundry facilities on the ground floor. Parking lot conversion includes removing some parking spaces to accommodate a new open space area. Additionally, a new children's tot lot and adolescent play area with fencing and gates, tables and benches, turf ground covering, pet area, ADA parking and paths of travel and landscape will be incorporated. A new smart irrigation controller, security cameras and systems, bicycle lockers, and upgraded lighting, swimming pool ADA lift will be installed. Repairs will be made to building exteriors (e.g. roof, stucco and masonry siding, gutters and downspouts), irrigation systems, barbecue areas, fences, gates and trash/recycle areas.



RESOLUTION NO. SHRC-_____

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

ON DATE OF

October 6, 2021

VISTA NUEVA PROJECT: APPROVAL OF CONDITIONAL LOAN AND GRANT COMMITMENT COMPRISED OF HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) AMERICAN RESCUE PLAN (ARP), COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND EMERGENCY SOLUTIONS GRANT (ESG) PROGRAM FUNDS (COMMITMENT); AUTHORIZATION TO EXECUTE THE COMMITMENT, FUNDING AGREEMENT AND RELATED DOCUMENTS WITH JHC-VISTA NUEVA LLC (JAMBOREE HOUSING CORPORATION), OR RELATED ENTITY (DEVELOPER) FOR THE PROJECT; AMEND THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY BUDGET; AND ENVIRONMENTAL FINDINGS

WHEREAS, on May 18, 2021, City Council (Council) adopted Resolution 2021-0115 approving the 2021 One-Year Action Plan Substantial Amendment #1, allocating CDBG and ESG program funds towards projects seeking Homekey Program funds, permanent supportive housing developments and temporary shelters. Council also authorized Sacramento Housing and Redevelopment Agency (SHRA), on behalf of the City of Sacramento, to execute agreements, documents and contracts with US Department of Housing and Urban Development and the appropriate entities to carry out projects and programs in accordance with the 2021 One Year Action Plan and prior year's Action Plans; and

WHEREAS, the Housing Authority of the City of Sacramento and their co-applicant, JHC-Vista Nueva LLC (Jamboree Housing Corporation), or related entity (Developer), desires to apply for approximately \$30,000,000 in Homekey Program funds from the California Department of Housing and Community Development. The Vista Nueva development includes the acquisition and conversion of a motel into 106 permanent supportive housing and ten (10) temporary shelter for homeless families/individuals located at 140 Promenade Circle (APN 225-2110-049-0000). Authorization to apply for Homekey funds is subject of a separate Housing Authority resolution; and

WHEREAS, on May 2021, SHRA, on behalf of the Housing Authority, released a Request for Proposals from owners and developers interested in receiving Project-Based Vouchers (PBV) to serve homeless families/individuals. In June 2021, the Developer applied for

and was awarded 106 PBV for permanent supportive/homeless housing units for the Project from SHRA; and

WHEREAS, in July 2021, the Developer requested gap funds to assist in the acquisition, construction, operation and permanent financing of the Project that will serve as permanent supportive housing and transitional housing for families. MHSF funds for this Project is subject to approval by the County of Sacramento Board of Supervisors; and

WHEREAS, the project has been analyzed in accordance with the California Environmental Quality Act (CEQA) and has been determined to be exempt from CEQA pursuant to CEQA Guidelines §15301; and

WHEREAS, the project is in the process of being analyzed in accordance with the National Environmental Policy Act (NEPA) and NEPA review will be completed prior to making any choice limiting action. It is anticipated that the review will result in a Finding of No Significant Impact (FONSI).

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 \$8,995,000 Conditional Loan and Grant Commitment is comprised of \$4,125,000 in HOME Investment Partnerships Program (HOME) American Rescue Plan (ARP), \$1,720,000 in Community Development Block Grant (CDBG) and \$3,150,000 in Emergency Solutions Grant (ESG) program funds (Commitment) with the Developer for the acquisition, construction, operation and permanent financing of the Project as Exhibit A is approved and allocated for the Vista Nueva development, which will provide 106 permanent supportive housing units and ten (10) transitional housing units for families, and one exempt management unit.

Section 3. The Executive Director, or her designee, is authorized to enter into, execute and amend the Commitment, funding agreement, and related documents for the acquisition, construction, operation and permanent financing of the Vista Nueva development with the Developer, and execute other documents, as approved to form by its Office of the General Counsel, perform other actions required for the HOME ARP, CDBG and ESG funds, including without limitation, negotiation, amendment, subordination, regulatory agreement, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.

Section 4. The Executive Director, or her designee, is authorized to amend the SHRA budget to incorporate \$4,125,000 in HOME ARP, \$1,720,000 in CDBG and \$3,150,000 in ESG program funds for the Vista Nueva development.

CHAIR

ATTEST:

CLERK



October 6, 2021

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

Honorable Members in Session:

SUBJECT:

**Central Sacramento Studios Project – Approval of Application for Homekey
Funds and Conditional Loan and Grant Commitment**

RECOMMENDATION:

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

Respectfully Submitted


LA SHELLÉ DOZIER
Executive Director

Attachment



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

**Business
October 19, 2021**

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

Title: Central Sacramento Studios Project – Approval of Application for Homekey Funds and Conditional Loan and Grant Commitment (two-thirds vote required)

Location/Council District: 1100 H Street and 815 11th Street, Sacramento/District 4

Recommendation: Adopt: 1) a Housing Authority Resolution authorizing the Executive Director or her designee to: a) submit an co-application, along with Sacramento 11th Street LP (Danco Communities), or related entity (Developer), to the California Department of Housing and Community Development (HCD) in the amount of approximately \$25,000,000 in Homekey Program (Homekey) funds for the Central Sacramento Studios Project (Project); b) execute a Standard Agreement for such funding and execute any documents necessary to participate in the Homekey Program, and any amendments thereto; c) amend the Housing Authority budget to receive and expend the Homekey funds for the acquisition and construction of a motel conversion to permanent supportive housing for formerly homeless families/individuals; 2) a Council Resolution: a) approving a \$5,298,000 Conditional Loan and Grant Commitment comprised of HOME Investment Partnerships Program (HOME) American Rescue Plan (ARP) and Permanent Local Housing Allocation (PLHA) program funds (Commitment) with the Developer for the construction and permanent financing of the Project; b) authorizing Sacramento Housing and Redevelopment Agency (SHRA) to enter into and execute the Commitment, funding agreement, and related documents for the financing of the Project with the Developer, and execute other documents and perform other actions including without limitation, negotiation, subordination, regulatory agreement, financial restructuring, and extensions; c) approving the SHRA budget amendment; d) making related findings; and 3) Adopt a Motion by two-thirds vote waiving Sacramento City Code and Council Rules of Procedure mandate that all labor agreements and all agreements greater than \$1,000,000 shall be made available to the public at least ten (10) days prior to council action.

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

Presenters: Christine Weichert, Director, 916-440-1353, Sacramento Housing and Redevelopment Agency

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: On September 9, 2021 the State of California Department of Housing and Community Development (HCD) announced that it is making \$1.45 billion dollars available through a Notice of Funding Availability (NOFA) for the Homekey Program. The Homekey Program provides funding to cities, counties, and other local entities, including housing authorities to convert motels, hotels, and other non-residential structures into permanent supportive housing and/or transitional housing for the State's homeless population. The Homekey Program is funded with federal Coronavirus Relief Funds (CRF) which must be spent within eight months of the date of award. HCD is accepting applications on an over-the-counter basis until the available funds are exhausted. HCD anticipates announcing awards within 45 days of receipt of a complete application.

Subject to Council and Housing Authority Board approval, the Housing Authority and Sacramento 11th Street LP (Danco Communities), or related entity, (Developer), plan to submit an application for Homekey Funds for the Central Sacramento Studios (Project), and to enter into a loan commitment and funding agreements for the construction and permanent financing of the Project. In the event the Project is awarded Homekey funds by December 2021, the Developer will acquire the property and begin the minor rehabilitation shortly thereafter. Occupancy is also anticipated to begin immediately after acquisition.

Project Description: The Housing Authority is proposing a co-application with the Developer that seeks funding to acquire 1100 H Street (currently the Sutter House motel) and 815 11th Street (former restaurant) in downtown Sacramento and undertake the minor rehabilitation necessary for the motel rooms to serve as permanent housing for homeless families/individuals. The motel was built in 1974 and the restaurant building was built in 1977 on 1.03 acres. A Vicinity Map and Picture of the Project are included as Attachments 2 and 3.

The motel currently has 94 studio units. Two studios will be converted to a one-bedroom and one-bathroom unit for management staff. There will be 92 permanent supportive homeless housing studios. Each unit will include one-bathroom and a new kitchenette with a sink, two-burner stove, refrigerator and microwave. A total of nine (9) units will be Americans with Disabilities Act (ADA) accessible. The motel breakfast dining room and kitchen will serve as the community space for resident services, supportive services and lounging areas. There will be 24-hour desk coverage, offices for case management, resident services and property management and fitness center.

Outdoor community space includes the existing swimming pool and parking lot, and new installations include a dog park, sports gaming area, designated smoking area and a gazebo with sitting areas. Perimeter fencing, automated vehicle and pedestrian gates, upgraded lighting and security camera systems will be installed.

Project Based Vouchers: The Developer anticipates applying to the Housing Authority for Project-Based Vouchers (PBV) to serve homeless families/individuals in 2022.

Project Developer: Danco Communities (Danco) is a Humboldt County-based affordable and market rate housing developer established in 1986. Danco has constructed over 25 affordable multifamily developments with over 700 units throughout California. Inclusive of Danco's portfolio, they have seven (7) permanent supportive housing/special needs developments with an aggregate 348 units. In December 2020, Danco was awarded Homekey funds from HCD for a permanent supportive housing project in Oakland. Central Sacramento Studios will be Danco's first project in Sacramento.

Property Management: The proposed Property Management agent is Danco Property Management (DPM). There will be 24-hour desk coverage, in addition to management and maintenance staff. DPM has over 15 years in property management experience in the western United States including single family, commercial, and affordable housing and currently manages over 2,000 multifamily units in California of which over 900 are affordable. DPM currently manages Danco's permanent supportive housing/special needs developments, including the upcoming Homekey funded project in Oakland. The final Management Plan is subject to SHRA approval prior to close of escrow.

Resident and Supportive Services: Resident and supportive services will be provided by LifeSTEPS, which currently provides resident services to over 250 affordable housing communities and more than 80,000 residents in California. LifeSTEPS will have a 0.4 full time equivalent (FTE) services coordinator to provide the required 15 hours of on-site resident services per week. Programs will be tailored to resident needs. Services will include, but is not limited to, social services and enrichment programs.

There will be 15 units restricted to the Mental Health Services Act (MHSA) funding program; and case management and supportive services will be provided directly by the County Department of Human Assistance (DHS). LifeSTEPS will also provide two FTE case managers to serve the non-MHSA assisted residents. The final Resident Services Plan is subject to SHRA approval prior to close of escrow.

Security Plan: There will be 24-hour desk coverage and security patrol. The Project will include installation of a security camera system at vehicular driveways, all points of access, stairways and common areas.

Project Financing: The financing structure of this Project includes HCD Homekey funds, MHSA, HOME ARP and PLHA program funds. A summary of SHRA financing is provided in the following table:

SHRA Funding Programs	Amount
Construction and Permanent Financing Loans	
Mental Health Services Act (MHSA)	\$ 2,120,000
HOME Investment Partnerships Program (HOME) American Rescue Plan (ARP)	\$ 4,088,000
Subtotal of Loans	\$ 6,208,000
Operation Grant	
Permanent Local Housing Allocation (PLHA)	\$ 1,210,000
Subtotal of Grant	\$ 1,210,000
Total SHRA Loans and Grant	\$ 7,418,000

Funding sources and uses and cash flow proforma for the Project are included in Attachments 4 and 5. Proposed funding sources and their affordability requirements are summarized in the table below. See Attachment 6 for maximum income and rent levels.

Unit Type	Units	% of Units	Affordability Restriction
Homekey, HOME ARP and PLHA	77	83%	Fifty-Five (55) Years
Homekey, MHSA, HOME ARP and PLHA	15	16%	Fifty-Five (55) Years
Manager's unit	1	1%	Unrestricted
Total	93	100%	

Policy Considerations: The recommended actions for the development are consistent with: 1) City of Sacramento (City) 2021 Comprehensive Siting Plan to Address Homelessness approved on August 10, 2021; 2) SHRA's previously approved Multifamily Lending and Mortgage Revenue Bond Policies, Affordable Housing Priority 2(i), Conversion of Non-Residential to Residential Use for Permanent Supportive Housing and Homeless Housing; 3) the 2021-2029 Housing Element, a) Goal 2, Increasing Affordable Housing Production, H-2.1 Provide Opportunities for Affordable Housing Throughout the City of Sacramento, H-2.3 Assist in Development of Affordable Housing, H-2.10 Awareness and Support, H-2.11 Conversions to Affordable Housing, b) Goal 7, Housing for People Experiencing Homelessness, and Policies H-7.1 Housing First Principles, H-7.4 Permanent Supportive Housing; and c) Goal 8, Increasing Accessible Housing; 4) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal is to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); and 5) 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). 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).

In 2007, the County of Sacramento Department of Health Services, Behavioral Health Services and SHRA entered in the Building Hope Program Memorandum of Understanding to establish the Building Hope Fund for the creation and preservation of affordable housing for extremely low income people living with psychiatric disabilities. The Building Hope Program is part of the Mental Health Services Act Housing Program initiative included in the approved MHSA Plan. The Building Hope Program funds are administered and overseen by SHRA to invest in permanent supportive housing units for homeless adults, transitional age youth, and children and families living with serious mental illness and/or serious emotional disturbance.

The Sacramento City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor agreements and all agreements greater than \$1,000,000 shall be made available to the public at least ten (10) days prior to council action. The recommendation is to waive this requirement.

Economic Impacts: This multifamily residential and temporary shelter project is expected to create 69.43 total jobs (38.98 direct jobs and 30.45 jobs through indirect and induced activities) and create \$6,090,725 in total economic output (\$3,743,104 of direct output and another \$2,347,621 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 analyzed in accordance with the California Environmental Quality Act (CEQA) and has been determined to be exempt from CEQA pursuant to CEQA Guidelines §15301. National Environmental Policy Act (NEPA): The project is in the process of being analyzed in accordance with the National Environmental Policy Act (NEPA) and NEPA review will be completed prior to making any choice limiting action. It is anticipated that the review will result in a Finding of No Significant Impact.

Sustainability Considerations: The proposed Project has been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2035 General Plan. If approved, this Project will advance the Land Use Goal 2.1, Complete Neighborhoods to promote livability and safety for residents of all ages, incomes, and cultural backgrounds. Characteristics of Complete Neighborhoods include a well-maintained housing facility.

Commission Action: *Sacramento Housing and Redevelopment Commission:* It is anticipated that, at its October 6th, 2021 meeting, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Council in the event this does not occur.

Rationale for Recommendation: The actions recommended in this report enable SHRA to continue to fulfill its mission of providing a range of affordable housing opportunities in the City and are consistent with the City's 2021 Comprehensive Siting

Homelessness, SHRA's previously approved Multifamily Lending and Mortgage Revenue Bond Policies, the City of Sacramento's 2021-2029 Housing Element as part of Sacramento's 2035 General Plan, Downtown Housing Initiative and Initiation, Promise Zone and the Opportunity Zone.

Financial Considerations: The proposed financing includes HCD Homekey funds and SHRA PLHA funds as grants to the Project. The SHRA MHSAs and HOME ARP loans will have a zero percent interest rate and a 40-year term. SHRA will collect an annual payment of 0.125 percent (12.5 basis points) of the total SHRA funding amount for monitoring the regulatory restrictions and administration of the funds. SHRA will also receive a fee equal to \$100 per each SHRA-funded unit per year.

Local Business Enterprise (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 possible 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, to promote employment opportunities.

Respectfully Submitted by:



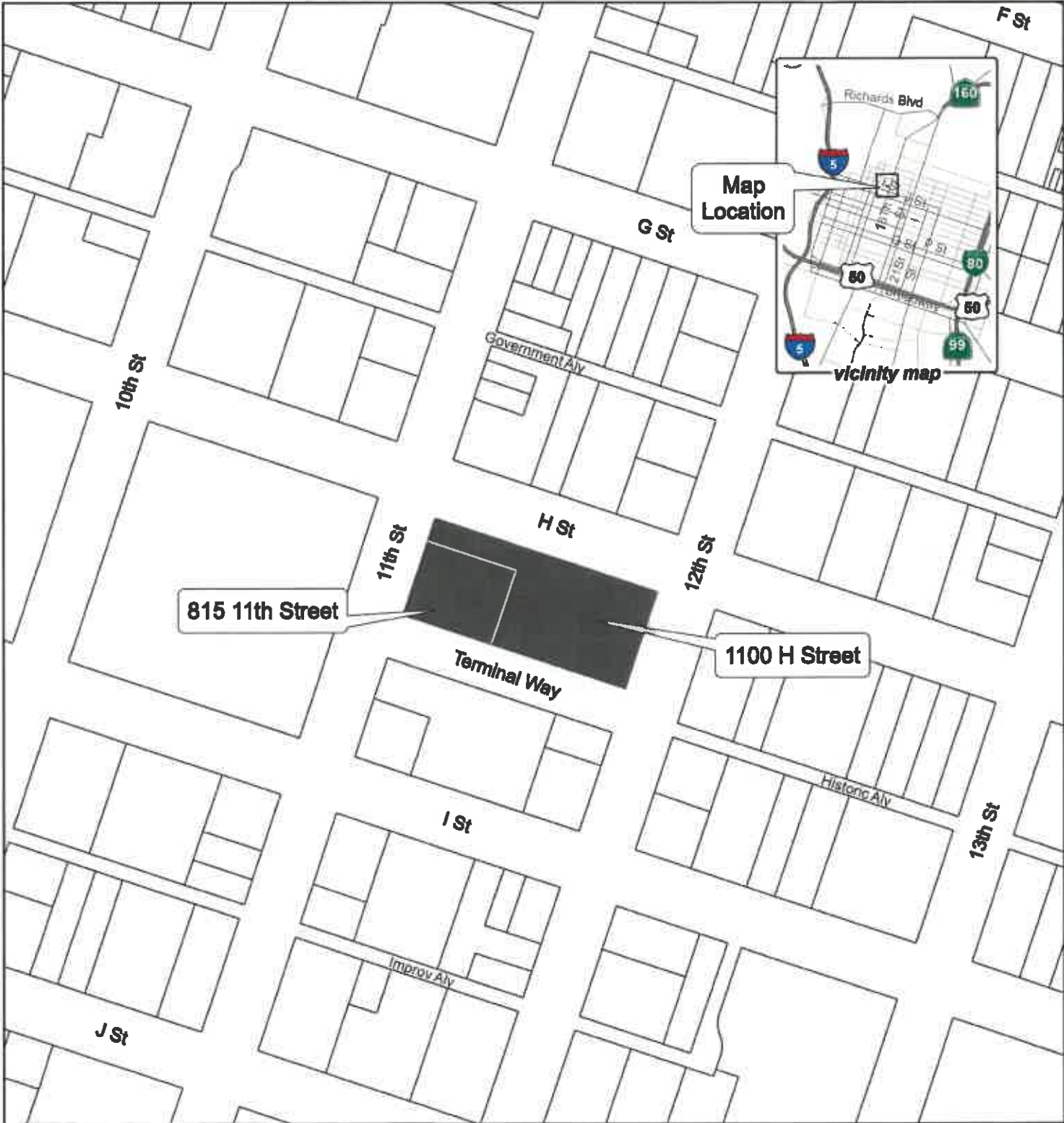
LA SHELLÉ DOZIER
Executive Director

Attachments

- 1-Description/Analysis
- 2-Vicinity Map
- 3-Picture of Project
- 4-Residential Project Summary
- 5-Cash Flow Proforma
- 6-Maximum Income and Rent Limits
- 7-Housing Authority Resolution – Homekey Funds
- 8-Council Resolution – Loan and Grant Commitment
- 9-Exhibit A Loan and Grant Commitment



Central Sacramento Studios



 Central Sacramento Studios



Central Sacramento Studios



**Central Sacramento Studios
Residential Project Summary**

Address	1100 H Street (motel) and 815 11th Street (restaurant), Sacramento 95814		
Year Built	1974 (motel) and 1977 (restaurant)		
Acreage	1.03 (44,866.8 sq. ft.)		
Unit Mix and Rents		ELI (30% AMI) PBV Anticipated	Total
Studio/1 Bath		92	92
Management Unit (1 Bedroom)		0	1
Total Units		92	93
Square Footage	Unit Size (sq.ft.)	Total	
Studio/1 Bath	424	39,008	sq. ft.
Community Area		1,200	sq. ft.
Total Gross		40,208	sq. ft.
On-site Amenities	Management, resident services and case management offices, community room with kitchen and lounging areas, fitness center, laundry facility, pool, dog park, sports gaming area, vehicle and bicycle parking spaces.		
Permanent Sources	Total	Per Unit	Per Square Foot
HCD Homekey Grant	20,630,111	221,829	513.08
Homekey Operating Reserve Grant	1,350,000	14,516	33.58
SHRA Loan	4,088,000	43,957	101.67
SHRA COSR Grant	1,210,000	13,011	30.09
Building Hope (MHSA) Loan	2,120,000	22,786	52.73
TOTAL SOURCES	\$ 29,398,111	\$ 316,109	\$ 731.15
Permanent Uses			
Acquisition	15,300,000	164,516	380.52
Construction Costs	8,090,725	65,492	151.48
Architecture & Engineering	350,000	3,763	8.70
Permits & Fees	300,000	3,226	7.46
Hard Cost Contingency	933,142	10,034	23.21
Soft Cost Contingency	72,125	776	1.79
Operating Reserve	1,336,119	14,367	33.23
Homekey Operating Reserve	1,350,000	14,516	33.58
Capitalized Operating Subsidy Reserve (COSR)	1,210,000	13,011	30.09
Legal Fees	50,000	538	1.24
Developer Fee	1,700,000	18,280	42.28
Third Party Fees, Marketing, Other	706,000	7,591	17.56
TOTAL USES	\$ 29,398,111	\$ 316,109	\$ 731.15
Leverage	SHRA \$ per Unit	Per Unit Cost	Leverage
	\$ 66,753	\$ 316,109	SHRA : Other
			\$1.00 : \$4.74
Management / Operations			
Proposed Developer	Danco Communities		
Property Management Company	Danco Property Management		
Operating Expenses	\$ 770,806	\$ 8,286	
Property Management	\$ 55,045	\$ 592	
Resident Services	\$ 222,000	\$ 2,387	
Replacement Reserves	\$ 48,500	\$ 500	
Taxes and Insurance	\$ 36,905	\$ 397	

Central Sacramento Studios
Cash Flow Proforma

Central Sacramento Studios		Square Feet	Total Sq Feet	Gross Rent	Utility Allowance	Net Rent	Rent per Sq Foot	Total Mo. Rent	Annual Rent	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 15	
Unit Type	Number	424	39,008	\$ 476	\$ -	\$ 476	\$ 1.12	\$ 43,792	\$ 525,504	2028	2029	2030	2031	2032	2033	2036	
Studio/1 Bath @ 30% AMI (PBV Anticipated)	92									609,424	656,282	672,080	688,507	742,523	815,478	885,871	
1 Bedroom/1 Bath - Exempt Management Unit	1	652	652	-	-	-	-	-	-	808,150	871,366	893,150	915,478	985,420	(90,249)	(88,420)	
Totals	93	1,076	39,660	\$ -	\$ -	\$ -	\$ -	\$ 43,792	\$ 525,504	\$1,347,645	\$1,451,266	\$1,487,548	\$1,524,736	\$1,641,974			
*The tenant rent will not exceed 30% of the household adjusted gross income with PBV.																	
Income																	
Potential Gross Income		2.50%		525,504	538,642	552,108	565,910	594,580	609,424	656,282	672,080	688,507	742,523	815,478	885,871		
Rental Subsidy		2.50%		0	0	733,050	751,378	770,161	788,415	808,150	871,366	893,150	915,478	985,420			
Leas Vacancy		5.00%		(26,275)	(26,932)	(64,258)	(85,864)	(87,511)	(89,199)	(70,929)	(76,382)	(80,249)	(86,420)				
Effective Gross Income				\$499,229	\$511,710	\$1,220,900	\$1,251,422	\$1,282,708	\$1,314,776	\$1,347,645	\$1,451,266	\$1,487,548	\$1,524,736	\$1,641,974			
Operating Expenses																	
Operating Expenses		3.50%	8,286	770,008	797,577	825,492	854,395	894,288	915,238	947,272	1,050,257	1,087,016	1,125,061	1,247,376			
Property Management		3.50%	592	55,045	56,972	58,966	61,029	63,165	65,376	67,664	75,021	77,648	80,364	88,101			
Resident Services		3.50%	2,387	222,000	229,770	237,812	246,135	254,750	263,686	272,895	302,963	313,153	324,113	359,350			
Replacement Reserves		0.00%	500	46,500	46,500	46,500	46,500	46,500	46,500	46,500	46,500	46,500	46,500	46,500			
Taxes/Insurance		2.00%	397	36,905	37,643	38,396	39,164	39,947	40,746	41,561	44,105	44,987	45,887	48,685			
Total Expenses			\$12,162	\$1,131,056	\$1,168,462	\$1,207,166	\$1,247,213	\$1,286,651	\$1,331,527	\$1,375,892	\$1,518,446	\$1,569,302	\$1,621,925	\$1,791,022			
Net Operating Income				(\$631,827)	(\$66,752)	\$13,734	\$4,209	(\$5,943)	(\$16,751)	(\$28,247)	(\$57,180)	(\$81,754)	(\$97,189)	(\$149,046)			
Debt Service																	
SHRA Monitoring Fee		0.125%	\$6,208,000	15,000	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			\$6,208,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
Priority Distributions																	
Partnership Management Fee (LP)		3.00%	\$7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,218	9,486	9,756	10,032	11,344			
Asset Management Fee (GF)		3.00%	\$7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,218	9,486	9,756	10,032	11,344			
Total			(\$661,827)	(\$687,202)	(\$17,160)	(\$27,182)	(\$37,828)	(\$48,140)	(\$59,157)	(\$70,929)	(\$83,705)	(\$97,561)	(\$111,413)	(\$126,302)			
SHRA & Building Hope (MHSA) Loans																	
Principal Balance		0.00%	\$6,208,000	6,208,000	6,208,000	6,208,000	6,208,000	6,208,000	6,208,000	6,208,000	6,208,000	6,208,000	6,208,000	6,208,000	6,208,000	6,208,000	
Payment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Balance			\$6,208,000	\$6,208,000	\$6,208,000	\$6,208,000	\$6,208,000	\$6,208,000	\$6,208,000	\$6,208,000	\$6,208,000	\$6,208,000	\$6,208,000	\$6,208,000	\$6,208,000	\$6,208,000	
Homekey Operating Reserve Grant																	
Beginning Balance		0.00%	\$1,350,000	\$688,173	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Deposit (or Withdrawal)			(\$651,827)	(\$687,202)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Ending Balance			\$688,173	\$970	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
SHRA COSR Grant																	
Beginning Balance		0.00%	\$1,210,000	\$1,210,000	\$1,210,000	\$1,192,820	\$1,192,820	\$1,165,638	\$1,127,813	\$1,078,672	\$856,177	\$754,426	\$637,513	\$186,630			
Deposit (or Withdrawal)			\$0	\$0	(\$17,160)	(\$27,182)	(\$37,828)	(\$48,140)	(\$59,157)	(\$70,929)	(\$83,705)	(\$97,561)	(\$111,413)	(\$132,952)			
Ending Balance			\$1,210,000	\$1,210,000	\$1,192,820	\$1,165,638	\$1,127,813	\$1,078,672	\$1,017,515	\$754,426	\$637,513	\$504,561	\$93				

Central Sacramento Studios

MAXIMUM INCOME AND RENT LIMITS 2021

*Limits at 30% of Area Median Income (AMI)
Homekey, Mental Health Services Act (MHSA), HOME
Investment Partnerships Program (HOME) American Rescue
Plan (ARP) and Project Based Vouchers (PBV)*

Maximum Gross Income Limits

<u>Family Size</u>	<u>30% AMI</u>
1 person	\$ 19,050
2 person	\$ 21,750

Maximum Gross Rent Limits¹

<u>Unit Size</u>	<u>30% AMI</u>
Studio	\$ 476

¹If awarded Project Based Vouchers, the tenant rent will not exceed 30% of the household adjusted gross income.

RESOLUTION NO. 2021 -

Adopted by the Housing Authority of the City of Sacramento

on date of

A RESOLUTION OF THE BOARD OF THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO AUTHORIZING JOINT APPLICATION TO THE HOMEKEY PROGRAM

BACKGROUND

- A. The Department of Housing and Community Development (“**Department**”) has issued a Notice of Funding Availability dated September 9, 2021, (“**NOFA**”), for the Homekey Program (“**Homekey**” or “**Program**”). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.3 (Assem. Bill No. 140 (2021-22 Reg. Sess.), § 20.).
- B. The Housing Authority of the City of Sacramento (“**Co-Applicant**”) desires to jointly apply for Homekey grant funds with Danco Communities (“**Corporation**”). Therefore, Co-Applicant is joining Corporation in the submittal of an application for Homekey funds (Application) to the Department for review and consideration.
- C. The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (Standard Agreement), and all other legal requirements of the Homekey Program.
- D. The project has been analyzed in accordance with the California Environmental Quality Act (CEQA) and has been determined to be exempt from CEQA pursuant to CEQA Guidelines §15301.
- E. The project is in the process of being analyzed in accordance with the National Environmental Policy Act (NEPA) and NEPA review will be completed prior to making any choice limiting action. It is anticipated that the review will result in a Finding of No Significant Impact.

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

- Section 1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, and to jointly apply for Homekey grant funds in a total amount not to exceed \$35,000,000.
- Section 2. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a

total amount not to exceed \$35,000,000, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the Homekey Documents).

- Section 3.** Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.
- Section 4.** La Shelle Dozier, Executive Director of Co-Applicant, or her designee, is authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.
- Section 5.** If the Application for funding is approved, the Housing Authority's budget is hereby amended to incorporate any Homekey funding up to \$35,000,000 for the acquisition, rehabilitation, and/or operation of a motel conversion to permanent supportive housing for unhoused individuals and families.
- Section 6.** 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 and adopted.

PASSED AND ADOPTED at a regular meeting of the Board of the Housing Authority of the City of Sacramento this 19th day of October, 2021 by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

The undersigned, _____ (Name and Title of Attester) of Co-Applicant does hereby attest and certify that the foregoing Resolution is a true and full copy of a resolution of the governing body adopted at a duly convened meeting on the date above mentioned and that the resolutions has not been altered, amended or repealed.

SIGNATURE: _____

DATE: _____

NAME: _____

TITLE: _____

RESOLUTION NO. 2021 -

Adopted by the Sacramento City Council

on date of

CENTRAL SACRAMENTO STUDIOS PROJECT: APPROVAL OF CONDITIONAL LOAN AND GRANT COMMITMENT COMPRISED OF HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) AMERICAN RESCUE PLAN (ARP) AND PERMANENT LOCAL HOUSING ALLOCATION (PLHA) PROGRAM FUNDS (COMMITMENT); AUTHORIZATION TO EXECUTE THE COMMITMENT, FUNDING AGREEMENT AND RELATED DOCUMENTS WITH SACRAMENTO 11TH STREET LP (DANCO COMMUNITIES), OR RELATED ENTITY (DEVELOPER) FOR THE PROJECT; AMEND THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY BUDGET; AND ENVIRONMENTAL FINDINGS

BACKGROUND

- A. The Housing Authority of the City of Sacramento and their co-applicant, Sacramento 11th Street LP (Danco Communities), or related entity (Developer), desires to apply for approximately \$25,000,000 in Homekey Program funds from the California Department of Housing and Community Development. The Central Sacramento Studios development includes the acquisition and conversion of a motel into 92 permanent supportive housing at 1100 H Street (APN 006-0045-002-0000) and 815 11th Street (APN 006-0045-003-0000). Authorization to apply for Homekey funds is included in a separate Housing Authority resolution.
- B. In August 2021, the Developer requested gap funds to assist in the construction and permanent financing of the Project that will serve as permanent supportive housing for families.
- C. The project has been analyzed in accordance with the California Environmental Quality Act (CEQA) and has been determined to be exempt from CEQA pursuant to CEQA Guidelines §15301.
- D. The project is in the process of being analyzed in accordance with the National Environmental Policy Act (NEPA) and NEPA review will be completed prior to making any choice limiting action. It is anticipated that the review will result in a Finding of No Significant Impact (FONSI).

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 \$5,298,000 Conditional Loan and Grant Commitment comprised of \$4,088,000 in HOME Investment Partnerships Program (HOME) American Rescue Plan (ARP) and \$1,210,000 in Permanent Local Housing Allocation

(PLHA) program funds (Commitment) with the Developer for the construction and permanent financing of the Project as described in Exhibit A is approved and allocated for the Central Sacramento Studios development, which will provide 92 permanent supportive housing units and one exempt management unit.

Section 3. SHRA is authorized to negotiate, enter into, execute and amend the Commitment, funding agreement, and related documents for the construction and permanent financing of the Central Sacramento Studios development with the Developer, and execute other documents, as approved to form by its Office of the General Counsel, perform other actions required for the HOME ARP and PLHA funds, including without limitation, negotiation, amendment, subordination, regulatory agreement, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.

Section 4. SHRA's budget is hereby amended to allocate \$5,298,000 in HOME ARP and PLHA program funds for the Central Sacramento Studios development.

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Exhibit A: Loan and Grant Commitment



Effective Date: October 19, 2021

Daniel J. Johnson, President/CEO
 Sacramento 11th Street LP
 c/o Danco Communities
 5251 Ericson Way
 Arcata, CA 95521

RE: Conditional Loan and Grant Commitment for Central Sacramento Studios Development

Dear Mr. Johnson:

On behalf of Sacramento Housing and Redevelopment (Agency), we are pleased to advise you of this Conditional Loan and Grant Commitment of a construction, operation and permanent loan (Loan and Grant) comprised of funds listed below for the purpose of construction, operation and permanent financing of that certain real property known as Central Sacramento Studios development located in the City of Sacramento at 1100 H Street and 815 11th Street, Sacramento, California 95814 (Property).

SHRA Funding Programs	Amount
Construction and Permanent Financing Loan and Operation Grant	
HOME Investment Partnerships Program (HOME) American Rescue Plan (ARP) Loan	\$ 4,088,000
Permanent Local Housing Allocation (PLHA) Operation Grant	\$ 1,210,000
Total SHRA Loan and Grant	\$ 5,298,000
Mental Health Services Act (MHSA) Construction and Permanent Loan (please see separate funding letter)	\$ 2,120,000

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 are 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 **April 30, 2023**, unless a mutually agreed upon extension is made.

1. **PROJECT DESCRIPTION:** The Central Sacramento Studios (Project) is located at 1100 H Street (currently the Sutter House motel) and 815 11th Street (former restaurant) in downtown Sacramento and undertake the minor rehabilitation necessary for the motel rooms to serve as permanent housing for homeless families/individuals. The motel was built in 1974 and the restaurant building was built in 1977 on 1.03 acres. The motel currently has 94 studio units. Two studios will be converted to a one-bedroom and one-bathroom unit for management staff. There will be 92 permanent support housing studios. Each unit includes one-bathroom and new kitchenette with a sink, two-burner stove, refrigerator and microwave. A total of nine (9) units will be Americans with Disabilities Act (ADA) accessible. The restaurant building is two levels. The first floor will be unimproved utilized as storage for staff at this time. There is elevator and stair access to the second floor, which will provide space for the resident and supportive services programs. Outdoor community space includes the existing swimming pool and parking lot, and new installations include a dog park, sports gaming area, designated smoking area and a gazebo with sitting areas. Perimeter fencing, automated vehicle and pedestrian gates, and security camera systems will be installed.
2. **BORROWER:** The name of the Borrower for the Loan is Sacramento 11th Street LP (Danco Communities), or related entity, (Developer).
3. **PURPOSE OF LOAN:** The Loan is to be used by Borrower solely to pay the costs of construction and permanent financing and for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, and such other agreements as may be generally required by the Agency for the use of the funding source for the Loan.
4. **PRINCIPAL AMOUNT OF LOAN:** The combined principal amount of the Loan will be the lesser of the following:
 - a. Four Million Eighty-Eight Thousand Dollars and No Cents (\$4,088,000.00), 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 Maturity Date of the Loan is 40 years or 480 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 OF LOAN:** The Loan will bear simple interest at zero percent (0%) per annum. Interest shall be calculated on the basis of a 365-day year and actual number of days elapsed.



7. **ANNUAL REPAYMENT OF LOAN:** 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 sources of funds, and the Loan is subject to all requirements related to the use of such, whether Agency requirements or otherwise: HOME ARP. 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.
13. **PROOF OF EQUITY:** Low Income Housing Tax Credits is not applicable to the project.
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. Such commitments for financing shall not require modification of Agency loan documents, or any term of this commitment letter.
 - b. 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 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. **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, 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 fourteen (14) days following the close of construction financing.
26. **COMPLETION OF CONSTRUCTION:** Borrower shall complete the construction of the Improvements no later than twelve (12) months (Constriction Period) following the close of construction financing, unless the Notice of Available Funding (NOFA) and/or Guidelines, as amended, for Homekey Program funds dictate a more restrictive Construction Period, or extension is approved by Agency.
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. **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.
30. **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.

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. 9.06 and 28 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:
- a. Coordinator: Four (4) hours per week (maximum)
 - b. Additional Programming: Eleven 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.
38. **LOW INCOME HOUSING TAX CREDITS (LIHTC):** LIHTC does not apply to this project.
39. **SMOKE-FREE ENVIRONMENT:** Fifty percent (50%) 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.

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 has executed this Commitment as of the Effective Date.

BORROWER:
Sacramento 11th Street LP, a California limited partnership

By: _____
Daniel J. Johnson, Authorized Signatory

Attachment:
Exhibit 1 - Scope of Development



Exhibit 1
Central Sacramento Studios
Scope of Development

The Central Sacramento Studios development is located at 1100 H Street (currently the Sutter House motel) and 815 11th Street (former restaurant) in downtown Sacramento and undertake the minor rehabilitation necessary for the motel rooms to serve as permanent housing for homeless families/individuals. The motel was built in 1974 and the restaurant building was built in 1977 on 1.03 acres.

The motel currently has 94 studio units. Two studios will be converted to a one-bedroom and one-bathroom unit for management staff. There will be 92 permanent supportive homeless housing studios. Each unit will include one-bathroom and a new kitchenette with a sink, two-burner stove, refrigerator and microwave. A total of nine (9) units will be Americans with Disabilities Act (ADA) accessible.

The breakfast dining room and kitchen will serve as the community space for resident services, supportive services and lounging areas. There will be 24-hour desk coverage, offices for case management, resident services and property management and fitness center. Also, the laundry machines will be free for residents. Security cameras and upgraded lighting will be installed.

Outdoor community space includes the existing swimming pool and parking lot, and new installations include a dog park, sports gaming area, designated smoking area and a gazebo with sitting areas. Perimeter fencing, automated vehicle and pedestrian gates, and security camera systems will be installed.

During a second phase, the Developer desires to convert the restaurant building to a use that will benefit the community, such as a respite center or other similar use.



RESOLUTION NO. SHRC-_____

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

ON DATE OF

October 6, 2021

CENTRAL SACRAMENTO STUDIOS PROJECT: APPROVAL OF CONDITIONAL LOAN AND GRANT COMMITMENT COMPRISED OF HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) AMERICAN RESCUE PLAN (ARP) AND PERMANENT LOCAL HOUSING ALLOCATION (PLHA) PROGRAM FUNDS (COMMITMENT); AUTHORIZATION TO EXECUTE THE COMMITMENT, FUNDING AGREEMENT AND RELATED DOCUMENTS WITH SACRAMENTO 11TH STREET LP (DANCO COMMUNITIES), OR RELATED ENTITY (DEVELOPER) FOR THE PROJECT; AMEND THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY BUDGET; AND ENVIRONMENTAL FINDINGS

WHEREAS, the Housing Authority of the City of Sacramento and their co-applicant, Sacramento 11th Street LP (Danco Communities), or related entity (Developer), desires to apply for approximately \$35,000,000 in Homekey Program funds from the California Department of Housing and Community Development. The Central Sacramento Studios development includes the acquisition and conversion of a motel into 92 permanent supportive housing at 1100 H Street (APN 006-0045-002-0000) and 815 11th Street (APN 006-0045-003-0000). Authorization to apply for Homekey funds is subject of a separate Housing Authority resolution; and

WHEREAS, in August 2021, the Developer requested gap funds to assist in the construction and permanent financing of the Project that will serve as permanent supportive housing for families. MSHA funds for this Project is subject to approval by the County of Sacramento Board of Supervisors; and

WHEREAS, the project has been analyzed in accordance with the California Environmental Quality Act (CEQA) and has been determined to be exempt from CEQA pursuant to CEQA Guidelines §15301; and

WHEREAS, the project is in the process of being analyzed in accordance with the National Environmental Policy Act (NEPA) and NEPA review will be completed prior to making any choice limiting action. It is anticipated that the review will result in a Finding of No Significant Impact (FONSI).

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 \$5,298,000 Conditional Loan and Grant Commitment is comprised of \$4,088,000 in HOME Investment Partnerships Program (HOME) American Rescue Plan (ARP) and \$1,210,000 in Permanent Local Housing Allocation (PLHA) program funds (Commitment) with the Developer for the construction and permanent financing of the Project as described in Exhibit A is approved and allocated for the Central Sacramento Studios development, which will provide 92 permanent supportive housing units and one exempt management unit.

Section 3. The Executive Director, or her designee, is authorized to negotiate, enter into, execute and amend the Commitment, funding agreement, and related documents for the construction and permanent financing of the Central Sacramento Studios development with the Developer, and execute other documents, as approved to form by its Office of the General Counsel, perform other actions required for the HOME ARP and PLHA funds, including without limitation, negotiation, amendment, subordination, regulatory agreement, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.

Section 4. The Executive Director, or her designee, is authorized to amend the SHRA budget to incorporate \$5,298,000 in HOME ARP and PLHA program funds for the Central Sacramento Studios development.

CHAIR

ATTEST:

CLERK

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CHAIR

ATTEST:

CLERK