NOTICE OF REGULAR MEETING
Sacramento Housing and Redevelopment Commission
TELECONFERENCE MEETING ONLY
Wednesday, February 2, 2022 – 4:00 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/L2eVNyq2cZ8

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 Comment’ period or on a specific agenda item.

Please contact the Agency Clerk’s office at 916-440-1363, 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) 440-1363 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) 440-1363 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 – January 19, 2022

BUSINESS

1. Authority To Execute 18-Month Conditional Loan Commitment With Urban Housing Communities In The Amount Of $2 Million In HOME Investment Partnerships Program Funds For The New Construction Of Crossing At Woodberry Way Affordable Housing Development

PRESENTATIONS

2. Housing Choice Voucher Waitlist Presentation

3. Innovation Park Planned Unit Development - Mixed Income Housing Strategy

4. One-Year Action Plan Federal Programs Allocation Process Workshop Number One - City Report

5. One-Year Action Plan Federal Programs Allocation Process Workshop Number One - County Report

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT
MINUTES
Sacramento Housing and Redevelopment Commission (SHRC)
Special Meeting
January 19, 2022
Meeting noticed on January 14, 2022

ROLL CALL
The Sacramento Housing and Redevelopment Commission meeting was called to order at 4:02 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 (arrived 4:30), Morgan, Nunley, Ross, Schumacher-Hodge, Staajabu, Osmany, Starks, Woo

MEMBERS ABSENT: Griffin

STAFF PRESENT: La Shelle Dozier, Brad Nakano, Susana Jackson, Christine Weichert, Sarah O'Daniel, James Shields, Celia Yniguez, Peter Masih, Maria Avdalas, Vickie Smith

APPROVAL OF AGENDA
The Agenda was approved as submitted.

CITIZENS COMMENTS
None

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

CONSENT


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

AYES: Amanfor, Morgan, Nunley, Ross, Schumacher-Hodge, Staajabu, Osmany, Starks, Woo

NOES: None

ABSENT: Griffin

Not present to vote: Boyd
PRESENTATION

2. Housing Choice Voucher Waitlist Presentation

Sarah O'Daniel presented the update.

BUSINESS

3. River City Trio Tax Equity and Fiscal Responsibility Act Hearing and Approval of Tax-Exempt Bonds

Christine Weichert presented the item.

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

AYES: Amanfor, Boyd, Morgan, Nunley, Ross, Schumacher-Hodge, Staajabu, Osmany, Starks, Woo

NOES: None

ABSENT: Griffin

4. 2022 SHRA Commission Chair Election

Commissioner Ross nominated Commissioner Nunley who declined the nomination.

Commissioner Starks nominated Commissioner Morgan who accepted the nomination.

Commissioner Staajabu nominated Commissioner Amanfor who accepted the nomination.

Commissioner Amanfor nominated Commissioner Ross who accepted the nomination.

Commissioner Nunley motioned to close the nominations. Commissioner Woo seconded the motion. The votes were as follows:
AYES: Amanfor, Boyd, Morgan, Nunley, Ross, Schumacher-Hodge, Staajabu, Osmany, Starks, Woo

NOES: None

ABSENT: Griffin

After ballots were counted there was a tie between Commissioner Amanfor and Commissioner Morgan so ballots were submitted a second time. At the final count, Commissioner Morgan was declared the winner.

5. 2022 SHRA Commission Vice-Chair Election

Commissioner Schumacher-Hodge nominated Commissioner Osmany who accepted the nomination.

Commissioner Morgan nominated Commissioner Amanfor who accepted the nomination.

Commissioner Boyd nominated Commissioner Ross who accepted the nomination.

Commissioner Nunley motions to close the nominations. Commissioner Woo seconded the motion. The votes were as follows:

AYES: Amanfor, Boyd, Morgan, Nunley, Ross, Schumacher-Hodge, Staajabu, Osmany, Starks, Woo

NOES: None

ABSENT: Griffin

After ballots were counted Commissioner Amanfor was declared the winner.

EXECUTIVE DIRECTOR’S REPORT

La Shelle Dozier announced next meeting is February 2nd and gave an update on the Emergency Rental Assistance Program.

COMMISSION CHAIR REPORT

Chair Morgan announced that he would be going out of town to attend his father’s funeral.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Commissioners expressed condolences on the death of Chair Morgan’s father.
ADJOURNMENT

As there was no further business to be conducted, Chair Morgan adjourned the meeting at 5:20 pm.

_________________________Clerk
Sacramento Housing and Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Authority To Execute 18-Month Conditional Loan Commitment With Urban Housing Communities In The Amount Of $2 Million In HOME Investment Partnerships Program Funds For The New Construction Of Crossing At Woodberry Way Affordable Housing Development

SUMMARY

The attached report is submitted to you for review prior to final approval at the Sacramento County Board of Supervisors.

Respectfully submitted,

LA SHELLE DOZIER
Executive Director
COUNTY OF SACRAMENTO
CALIFORNIA

For the Agenda of:
February 15, 2022

To: Board of Supervisors

Through: Ann Edwards, County Executive

Bruce Wagstaff, Deputy County Executive, Social Services

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

Subject: Authority To Execute 18-Month Conditional Loan
Commitment With Urban Housing Communities In The
Amount Of $2 Million In HOME Investment Partnerships
Program Funds For The New Construction Of Crossing At
Woodberry Way Affordable Housing Development

District(s): Nottoli

RECOMMENDED ACTION
This report recommends the adoption of the attached Board of Supervisors
Resolution for the Crossings at Woodberry Way (Project), which authorizes
the Sacramento Housing and Redevelopment Agency (SHRA) to: 1) execute a
loan commitment comprised of $2 million in County HOME Investment
Partnership Program (HOME) funds (Commitment) and transmit Commitment
to Urban Housing Communities (UHC), or related entity (Developer), for the
Crossing at Woodberry Way Development (Project), 2) negotiate, enter into,
execute and transmit loan and other documents to Developer for the Project
that the Executive Director may deem necessary, and as approved to form by
its Office of General Counsel, 3) perform other actions the Executive Director
deems necessary to fulfill the intent of the Commitment that accompanies this
resolution, in accordance with their terms, and to ensure proper repayment of
the HOME loan funds, including without limitation, loan restructuring, loan
amendment, subordination, restructuring, regulatory agreement, extensions
and refinancing consistent with SHRA adopted policies, and 4) amend the
SHRA budget as necessary for the Project.
BACKGROUND
The City of Rancho Cordova (City), in an effort to increase the supply of affordable housing in their community, identified funds available for the construction of new affordable housing from multiple local sources including Rancho Cordova’s Affordable Housing Trust Fund, Redevelopment Agency Low Income Housing Set-Aside, and Measure R funds. On February 22, 2021 the City issued a Notice of Funding Availability (NOFA) to solicit proposals for the construction of new affordable multifamily housing. UHC responded to the NOFA with a proposal to build a 28-unit affordable housing development. In their response to the NOFA, they requested assistance from the City to help achieve financial feasibility for the project and maximize the affordability of the housing units. The Project is known as Crossings at Woodberry Way and is proposed to be constructed on a City owned site at 2738 Woodberry Way.
On April 27, 2021 the Rancho Cordova City Council authorized a conditional loan commitment of $980,000 which includes $288,774 in City deferred impact fee.

As a gap still remained, City Staff requested HOME funds from SHRA for the project. Rancho Cordova is a participating member in the County of Sacramento’s HOME consortium which is administered by SHRA. Staff are currently requesting authority to execute a loan commitment with the City of Rancho Cordova and UHC in the amount of $2 million in HOME funds for the new construction of the Crossings at Woodberry Way Apartments and to enter into and execute loan documents and all necessary documents related to the HOME loan for the development. The SHRA loan for the Project will utilize 10 years (2018-2027) of the City of Rancho Cordova’s share of county HOME funds.

Crossings at Woodberry Way Development
UHC has submitted a full application seeking funding to construct multifamily housing for families on a vacant .97 acre parcel in Rancho Cordova which will be known as the Crossings at Woodberry Way Apartments. A Vicinity Map, Site Plan and Project Rendering are included as Attachments 1, 2 and 3.

The Project is adjacent to the 18-unit affordable multifamily housing development known as Crossings at New Rancho (Phase I) located at 2708 Woodberry Way, in Rancho Cordova which was also developed by UHC. The new Project will provide an additional 28 housing units comprised of 18 two-bedrooms, 10 three-bedrooms, and one (1) two-bedroom exempt management unit.
Authority To Execute 18-Month Conditional Loan Commitment With Urban Housing Communities In The Amount Of $2 Million In HOME Investment Partnerships Program Funds For The New Construction Of Crossing At Woodberry Way Affordable Housing Development
Page 3

PROJECT DESCRIPTION: The City of Rancho Cordova (City) will provide City owned land to develop the (site). Urban Housing Communities (UHC) is proposing the construction of a new 28-unit multi-family building on vacant land. The project will share amenities with the newly constructed Crossings at New Rancho (phase I) property. Phase I was also developed by UHC development team and managed by the same property management company Buckingham Property Management.

Crossings at Woodberry will consist of three, 3-story walk-up buildings with tuck under parking. Construction will be wood-frame. Apartment amenities will include a covered patio/balcony for each unit, dishwasher, refrigerator garbage disposal and wiring for cable television. All appliances will be energy star rated. The units flooring will be vinyl plank throughout. The projects contemporary design is aesthetically consistent with phase I. Common areas include a, leasing office, community room with full kitchen, and play area equipment for school aged children. Additionally, the project amenities will include a laundry room.

DEVELOPER: Urban Housing Communities is an affordable housing developer with 18 years of experience in residential development, including 24 developments consisting of 19 new construction projects. UHC has developed multifamily affordable housing for families, seniors and veterans providing a total of 1,423 units.

PROPERTY MANAGEMENT: The proposed property management company is Buckingham Property Management. Buckingham is also the property manager of phase I, Crossings at New Rancho.

RESIDENT SERVICES: A New Day Home Health Care will provide resident services for all tenants. A minimum of 8 hours per week of on-site after school services will be provided by a resident services coordinator tailored to resident’s needs four days per week.

SECURITY PLAN: Crossings at Woodberry Way will include a security camera system which will provide 24-hour surveillance.

PROJECT FINANCING: The financing structure of Crossings at Woodberry Way includes federal tax credit equity, Rancho Cordova deferred impact fee, a Rancho Cordova loan, a Rancho Cordova seller carryback loan, a SHRA loan, and state tax credit equity. Funding sources and uses are in the Residential Project Summary, and the Cash Flow Proforma are provided in Attachments 4 and 5.
Authority To Execute 18-Month Conditional Loan Commitment With Urban Housing Communities In The Amount Of $2 Million In HOME Investment Partnerships Program Funds For The New Construction Of Crossing At Woodberry Way Affordable Housing Development

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Low-Income Set-Aside Requirements: As a condition of receiving tax credits, federal law requires that rental units be set aside for targeted-income groups. Income restrictions from Low Income Housing Tax Credit (LIHTC) financing require that no households have income above 60 percent of Area Median Income (AMI). The affordability restrictions will be specified in regulatory agreements with the Developer. A schedule of maximum income and rents are included as Attachment 6. The anticipated funding sources and their affordability requirements are summarized in the tables below for each phase of the development:

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Units</th>
<th>% of Units</th>
<th>Affordability Restriction</th>
</tr>
</thead>
<tbody>
<tr>
<td>9% LIHTC and HOME</td>
<td>4</td>
<td>7%</td>
<td>Extremely Low Income 30% of AMI</td>
</tr>
<tr>
<td>9% LIHTC and HOME</td>
<td>5</td>
<td>6%</td>
<td>Very Low Income 40% of AMI</td>
</tr>
<tr>
<td>9% LIHTC and HOME</td>
<td>11</td>
<td>55%</td>
<td>Very Low Income 50% of AMI</td>
</tr>
<tr>
<td>9% LIHTC and HOME</td>
<td>7</td>
<td>4%</td>
<td>Low Income 60% of AMI</td>
</tr>
<tr>
<td>Exempt</td>
<td>1</td>
<td>28%</td>
<td>Management Units</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

COMMISSION ACTION
At its meeting of February 2, 2022, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. Staff will notify the Board in the event the item is not approved.

POLICY CONSIDERATIONS
The recommended actions for this Project are consistent with: a) SHRA Multifamily Lending and Mortgage Revenue Bond Policies adopted by the Board on September 24, 2019, Subsection 1.1.(2)(I), new construction.

ENVIRONMENTAL REVIEW California Environmental Quality Act (CEQA): The proposed project is located within the Folsom Boulevard Specific Plan Area and its development was analyzed in the associated Folsom Boulevard Specific Plan Mitigated Negative Declaration (FBSP MND) (SCH. No 2007112018). Development of the project site was also evaluated in the City of Rancho Cordova General Plan Environmental Impact Report (SCH No. 2005022137).
Authority To Execute 18-Month Conditional Loan Commitment With Urban Housing Communities In The Amount Of $2 Million In HOME Investment Partnerships Program Funds For The New Construction Of Crossing At Woodberry Way Affordable Housing Development
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The proposed project is subject to the mitigation measures identified in the FBSP MND, as applicable.

National Environmental Policy Act (NEPA): The proposed project is in the process of being analyzed for compliance with NEPA and review will be completed prior to making any choice limiting action.

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

FINANCIAL ANALYSIS
The proposed bond issuance will not be an obligation of the County, the Housing Authority or the Sacramento Housing and Redevelopment Agency. The bonds will be the obligation solely of the Project’s owner, who will bear all costs associated with the issuance of the bonds. The Agency will receive a one-time issuance fee of 0.25 percent of the bond amount, which is payable at bond closing, and annual payment for monitoring the regulatory restrictions and administration of the bonds, in the amount of 0.125 percent of the bond amount, not to exceed $25,000, for the term of 55 years. The Developer will be responsible for payment of all costs, fees, and deposits relating to the bond application.

Respectfully Submitted,

LA SHELLIE DOZIER, Executive Director
Sacramento Housing and Redevelopment Agency

APPROVED
ANN EDWARDS
County Executive

By:
BRUCE WAGSTAFF
Deputy County Executive
Authority To Execute 18-Month Conditional Loan Commitment With Urban Housing Communities In The Amount Of $2 Million In HOME Investment Partnerships Program Funds For The New Construction Of Crossing At Woodberry Way Affordable Housing Development

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Attachment(s):
RES – Resolution
ATT 1 – Vicinity Map
ATT 2 – Site Plan
ATT 3 – Project Rendering
ATT 4 – Residential Project Summary
ATT 5 – Cash Flow Pro forma
ATT 6 – Maximum Income and Rent Limits
ATT 7 – Loan Commitment
RESOLUTION NO.

CROSSING AT WOODBERRY WAY PROJECT: APPROVAL TO EXECUTE HOME INVESTMENT PARTNERSHIPS PROGRAM LOAN COMMITMENT AND TRANSMIT TO URBAN HOUSING COMMUNITIES (A0575 RANCHO CORDOVA, L.P., OR RELATED ENTITY (DEVELOPER); AMEND SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY BUDGET; RELATED FINDINGS AND ENVIRONMENTAL FINDINGS

WHEREAS, on September 16, 2021 Urban Housing Communities (A0575 Rancho Cordova, L.P.), or related entity submitted an application to Sacramento Housing and Redevelopment Agency (SHRA) for $2 million in HOME Investment Partnerships Program (HOME) funds for the purpose of construction and permanent financing of Crossing at Woodberry Way affordable housing development (Project).

WHEREAS, the recommended actions for this Project are consistent with: a) SHRA’s Multifamily Lending and Mortgage Revenue Bond Policies adopted by the Board on September 24, 2019, Subsection 1.1(2)(iii), new construction of workforce housing.

WHEREAS, the proposed project is located within the Folsom Boulevard Specific Plan Area and its development was analyzed for compliance with the California Environmental Quality Act in the associated Folsom Boulevard Specific Plan Mitigated Negative Declaration (FBSP MND) (SCH. No 2007112018). Development of the project site was also evaluated in the City of Rancho Cordova General Plan Environmental Impact Report (SCH No. 2005022137). The proposed project is subject to the mitigation measures identified in the FBSP MND, as applicable.

WHEREAS, the proposed project is in the process of being analyzed for compliance with the National Environmental Policy Act and review will be completed prior to making any choice limiting action.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO:
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 Crossing at Woodberry Way Loan Commitment (Commitment) of $2 million in HOME funds incorporated in this resolution is approved; and SHRA is authorized to enter into and execute the Commitment, and transmit the Commitment to Developer, as approved to form by SHRA’s Office of General Counsel (Counsel).

Section 3. SHRA is authorized to negotiate, enter into, execute and transmit loan documents to Developer for the Project that its Executive Director may deem necessary, as approved to form by Counsel, and perform other actions its Executive Director deems necessary to fulfill the intent of the Commitment that accompanies this resolution, in accordance with their terms, and to ensure proper repayment of the HOME loan funds, including without limitation, loan restructuring, loan amendment, subordination, regulatory agreement, extensions and refinancing consistent with SHRA adopted policies and with this resolution.

Section 4. SHRA is authorized to amend its budget to incorporate $2 million in HOME funds, for the purpose of assisting Developer with the construction and permanent financing of the Project consistent with SHRA’s adopted policies, Commitment and this resolution.

Section 5. This resolution shall take effect immediately upon its adoption.
On a motion by Supervisor ________________, seconded by Supervisor ________________, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 15th day of February, 2022, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

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

Chair of the Board of Supervisors of Sacramento County, California

(SEAL)

ATTEST: Clerk, Board of Supervisors
Crossings at Woodberry Way

- Sallana Way
- Croetto Way
- Woodberry Way
- Folsom Blvd

Crossings at Woodberry Way

Map Location

vicinity map

SHRA GIS
November 12, 2021

Crossings at Woodberry Way (2738 Woodberry Way)
Crossings at Woodberry Site Plan
Crossings at Woodberry Project Rendering
# Crossings at Woodberry Way

## Residential Project Summary

### Address
2738 Woodberry Way, Rancho Cordova

### Number of Units
28

### Construction Type
New Construction

### Acreage
0.073 (37,868 Sq Ft)

### Unit Mix
<table>
<thead>
<tr>
<th>Type</th>
<th>ELI 30% AMI</th>
<th>VLI 40% AMI</th>
<th>LI 50% AMI</th>
<th>LI 60% AMI</th>
<th>Exempt Management Units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Bedroom/2 Bath</td>
<td>2</td>
<td>3</td>
<td>8</td>
<td>4</td>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td>3 Bedroom/2 Bath</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4</strong></td>
<td><strong>5</strong></td>
<td><strong>11</strong></td>
<td><strong>7</strong></td>
<td><strong>10</strong></td>
<td><strong>28</strong></td>
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</tbody>
</table>

### Square Footage
<table>
<thead>
<tr>
<th>Type</th>
<th>Per Unit</th>
<th>Total Sq Ft</th>
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</thead>
<tbody>
<tr>
<td>2 Bedroom/2 Bath</td>
<td>907</td>
<td>16,326</td>
</tr>
<tr>
<td>3 Bedroom/2 Bath</td>
<td>1,108</td>
<td>11,080</td>
</tr>
<tr>
<td>Common Areas</td>
<td>8,986</td>
<td>36,302</td>
</tr>
</tbody>
</table>

### Resident Facilities
Community room, laundry facilities, outdoor gathering & play area. Parking includes 45 spaces (31 covered & 14 uncovered).

### Permanent Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Current Total</th>
<th>Per Unit</th>
<th>Per Sq Ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Tax Credit Equity</td>
<td>$ 10,570,831</td>
<td>$ 377,530</td>
<td>$ 291.19</td>
</tr>
<tr>
<td>State Tax Credit Equity</td>
<td>$ 3,277,777</td>
<td>$ 117,063</td>
<td>$ 90.29</td>
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<tr>
<td>SHRA Loan</td>
<td>$ 2,000,000</td>
<td>$ 71,429</td>
<td>$ 55.09</td>
</tr>
<tr>
<td>City of Rancho Cordova Loan</td>
<td>$ 692,000</td>
<td>$ 24,714</td>
<td>$ 19.06</td>
</tr>
<tr>
<td>City of Rancho Cordova Seller Carryback Land Loan</td>
<td>$ 675,000</td>
<td>$ 24,107</td>
<td>$ 18.59</td>
</tr>
<tr>
<td>Deferred Developer Fee</td>
<td>$ 147,001</td>
<td>$ 5,250</td>
<td>$ 4.05</td>
</tr>
<tr>
<td>City of Rancho Cordova Deferred Impact Fee</td>
<td>$ 286,000</td>
<td>$ 10,286</td>
<td>$ 7.93</td>
</tr>
<tr>
<td><strong>TOTAL SOURCES</strong></td>
<td>$ 17,650,609</td>
<td>$ 630,379</td>
<td>$ 486.22</td>
</tr>
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</table>

### Permanent Uses

<table>
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<tr>
<th>Item</th>
<th>Current Total</th>
<th>Per Unit</th>
<th>Per Sq Ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition</td>
<td>$ 695,250</td>
<td>$ 24,830</td>
<td>$ 19.15</td>
</tr>
<tr>
<td>Construction</td>
<td>$ 7,694,955</td>
<td>$ 274,820</td>
<td>$ 211.97</td>
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<tr>
<td>Environmental Cleanup</td>
<td>$ 1,811,433</td>
<td>$ 64,694</td>
<td>$ 49.90</td>
</tr>
<tr>
<td>Site Work and Grading</td>
<td>$ 892,365</td>
<td>$ 31,870</td>
<td>$ 24.58</td>
</tr>
<tr>
<td>Permits and Fees</td>
<td>$ 997,892</td>
<td>$ 35,639</td>
<td>$ 27.49</td>
</tr>
<tr>
<td>Architecture and Engineering</td>
<td>$ 722,400</td>
<td>$ 25,800</td>
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<tr>
<td>Hard Cost Contingency</td>
<td>$ 519,938</td>
<td>$ 18,589</td>
<td>$ 14.32</td>
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<tr>
<td>Soft Cost Contingency</td>
<td>$ 343,813</td>
<td>$ 12,279</td>
<td>$ 9.47</td>
</tr>
<tr>
<td>Financing Costs</td>
<td>$ 1,256,100</td>
<td>$ 44,861</td>
<td>$ 34.60</td>
</tr>
<tr>
<td>Operating Reserves</td>
<td>$ 626,000</td>
<td>$ 22,357</td>
<td>$ 17.24</td>
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<tr>
<td>Legal Fees</td>
<td>$ 120,008</td>
<td>$ 4,286</td>
<td>$ 3.31</td>
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<tr>
<td>Developer Fee</td>
<td>$ 1,200,000</td>
<td>$ 42,857</td>
<td>$ 33.06</td>
</tr>
<tr>
<td>Insurance, Third Party, Marketing, Other</td>
<td>$ 770,455</td>
<td>$ 27,516</td>
<td>$ 21.22</td>
</tr>
<tr>
<td><strong>TOTAL USES</strong></td>
<td>$ 17,650,609</td>
<td>$ 630,379</td>
<td>$ 486.22</td>
</tr>
</tbody>
</table>

### Leverage Discussion with update sources/uses

<table>
<thead>
<tr>
<th>Item</th>
<th>$ Per Unit</th>
<th>Per Unit Cost</th>
<th>Leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHRA $ per Unit</td>
<td>$ 71,429</td>
<td>$ 630,379</td>
<td>$1.00 : $8.83</td>
</tr>
</tbody>
</table>

## Management/Operations

### Proposed Developer
- Property Management Company
  - Operations Budget: $175,000
  - Property Management: $13,535
  - Resident Services: $20,000
  - Replacement Reserves: $11,200
  - Taxes and Insurance: $20,300

### Urban Housing Communities
Buckingham Property Management
## Crossings at Woodberry Way

### Unit Type
- **2 Bedroom/2 Bath (30% AMI)**
- **3 Bedroom/2 Bath (30% AMI)**
- **2 Bedroom/2 Bath (40% AMI)**
- **3 Bedroom/2 Bath (40% AMI)**
- **2 Bedroom/2 Bath (50% AMI)**
- **3 Bedroom/2 Bath (50% AMI)**
- **2 Bedroom/2 Bath (60% AMI)**
- **3 Bedroom/2 Bath (60% AMI)**
- **2 Bedroom/2 Bath (Market Management Unit)**

### Annual Income

<table>
<thead>
<tr>
<th>Potential Gross Income</th>
<th>Other Income</th>
<th>Less Vacancy</th>
<th>Effective Gross Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>$314,989</td>
<td>$3,077</td>
<td>$16,718</td>
<td>$302,327</td>
</tr>
<tr>
<td>$322,227</td>
<td>$3,769</td>
<td>$18,491</td>
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<tr>
<td>$330,285</td>
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<td>$336,540</td>
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<td>$366,210</td>
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<td>$26,766</td>
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### Operating Expenses

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>Property Management</th>
<th>Residential Services</th>
<th>Replacement Reserve</th>
<th>Taxes and Insurance</th>
<th>Total Expenses</th>
</tr>
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<tbody>
<tr>
<td>$6,250</td>
<td>$483</td>
<td>$11,000</td>
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<tr>
<td>$7,000</td>
<td>$714</td>
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<td>$24,000</td>
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<td>$8,000</td>
<td>$852</td>
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<td>$8,800</td>
<td>$992</td>
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### Net Operating Income

<table>
<thead>
<tr>
<th>Debt Service</th>
<th>amount</th>
<th>rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHRA Monitoring Fee</td>
<td>$2,000,000</td>
<td>0.125%</td>
</tr>
<tr>
<td>Debt Service Subtotal</td>
<td>$3,400</td>
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<tr>
<td>$3,400</td>
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<td>$3,400</td>
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<tr>
<td>$3,400</td>
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### Priority Distributions

<table>
<thead>
<tr>
<th>Asset Management Fee (GP)</th>
<th>Admin General Partner Fee</th>
<th>Managing General Partner Fee</th>
<th>Priority Distributions Subtotal</th>
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<tbody>
<tr>
<td>$8,000</td>
<td>$7,000</td>
<td>$8,000</td>
<td>$23,000</td>
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<tr>
<td>$8,000</td>
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</tr>
<tr>
<td>$8,000</td>
<td>$7,000</td>
<td>$8,000</td>
<td>$23,000</td>
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### Deferred Developer Fee

<table>
<thead>
<tr>
<th>Principal Balance</th>
<th>Interest for Period</th>
<th>Accumulated Interest</th>
<th>Payment</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$147,000</td>
<td>$4,410</td>
<td>$8,800</td>
<td>$4,410</td>
<td>$115,518</td>
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<tr>
<td>$147,000</td>
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<td>$8,800</td>
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<td>$8,800</td>
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</table>

### SHRA Loan

<table>
<thead>
<tr>
<th>Principal Balance</th>
<th>Interest for Period</th>
<th>Accumulated Interest</th>
<th>Payment</th>
<th>Balance</th>
</tr>
</thead>
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<tr>
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<td>$60,000</td>
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<td>$2,000,000</td>
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</table>

### City Impact Fee

<table>
<thead>
<tr>
<th>Principal Balance</th>
<th>Interest for Period</th>
<th>Accumulated Interest</th>
<th>Payment</th>
<th>Balance</th>
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</thead>
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<tr>
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</table>

### Pneumo Contova Loan

<table>
<thead>
<tr>
<th>Principal Balance</th>
<th>Interest for Period</th>
<th>Accumulated Interest</th>
<th>Payment</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$692,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$692,000</td>
</tr>
<tr>
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</tr>
<tr>
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<td>$0</td>
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<td>$692,000</td>
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</table>

### Pneumo Contova Seller Carryback Loan

<table>
<thead>
<tr>
<th>Principal Balance</th>
<th>Interest for Period</th>
<th>Accumulated Interest</th>
<th>Payment</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$765,000</td>
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<td>0</td>
<td>0</td>
<td>$765,000</td>
</tr>
<tr>
<td>$765,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$765,000</td>
</tr>
<tr>
<td>$765,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$765,000</td>
</tr>
</tbody>
</table>

### Ancillary Activities

<table>
<thead>
<tr>
<th>Total No.</th>
<th>Annual Rent</th>
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</thead>
<tbody>
<tr>
<td>0</td>
<td>$24,635</td>
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<tr>
<td>0</td>
<td>$299,270</td>
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</tbody>
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### Notes

- Adjustments
- Crossings at Woodberry Way Cash Flow Proforma
Crossing at Woodberry Way

MAXIMUM INCOME AND RENT LIMITS 2021
Rents at 30%, 40%, 50%, and 60% of Area Median Income (AMI)
Low Income Housing Tax Credits and HOME Funds

### Maximum Gross Income Limits

<table>
<thead>
<tr>
<th>Family Size</th>
<th>30% AMI</th>
<th>40% AMI</th>
<th>50% AMI</th>
<th>60% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 person</td>
<td>$19,050</td>
<td>$25,400</td>
<td>$31,750</td>
<td>$38,100</td>
</tr>
<tr>
<td>2 person</td>
<td>$21,750</td>
<td>$29,000</td>
<td>$36,250</td>
<td>$43,500</td>
</tr>
<tr>
<td>3 person</td>
<td>$24,480</td>
<td>$32,640</td>
<td>$40,800</td>
<td>$48,960</td>
</tr>
<tr>
<td>4 person</td>
<td>$27,180</td>
<td>$36,240</td>
<td>$45,300</td>
<td>$54,360</td>
</tr>
<tr>
<td>5 person</td>
<td>$29,370</td>
<td>$39,160</td>
<td>$48,950</td>
<td>$58,740</td>
</tr>
<tr>
<td>6 person</td>
<td>$31,530</td>
<td>$42,040</td>
<td>$52,550</td>
<td>$63,060</td>
</tr>
<tr>
<td>7 person</td>
<td>$33,720</td>
<td>$44,960</td>
<td>$56,200</td>
<td>$67,440</td>
</tr>
</tbody>
</table>

### Maximum Gross Rent Limits

<table>
<thead>
<tr>
<th>Unit Size</th>
<th>30% AMI</th>
<th>40% AMI</th>
<th>50% AMI</th>
<th>60% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Bedroom</td>
<td>$612</td>
<td>$816</td>
<td>$1,020</td>
<td>$1,224</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>$706</td>
<td>$942</td>
<td>$1,178</td>
<td>$1,413</td>
</tr>
</tbody>
</table>
Effective Date: February 15, 2022

A0575 Rancho Cordova, L.P.
John F. Bigley, Manager
2000 E Fourth Street, Suite 205
Santa Ana, CA 92705

RE: Conditional Loan Commitment for Crossings at Woodberry Way

Dear Mr. Bigley:

On behalf of the Sacramento Housing and Redevelopment Agency (Agency), we are pleased to advise you of this Conditional Loan Commitment (Commitment) of construction loan funds (Loan) comprised of $2,000,000 in HOME Investment Partnerships Program (HOME) for the purpose of financing the construction and development of that certain real property known as Crossings at Woodberry Way located at 2738 Woodberry Way, Rancho Cordova, California 95670 (Property). The Agency's decision is based on your application, and all representations and information supplied by you to it. If these representations and information change in a material manner without written approval of the Agency, this Commitment is void. Agency's obligation to make the Loan is subject to the satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency.

The Loan shall be made on standard Agency loan documents. Loan terms not in this Commitment and the attached loan document forms shall not be included in the final loan documents without additional environmental review and governing board approval. In the event of any discrepancies between terms stated in this Commitment and the loan documents, the terms stated in this Commitment shall be deemed to be terms of this Commitment.

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

This Commitment will expire July 31, 2023, unless a mutually agreed upon extension is made.

1. **PROJECT DESCRIPTION:** Crossing at Woodberry Way development is composed of multifamily apartment buildings and includes a total of three (3) buildings, 31 covered
parking spaces, 14 uncovered parking spaces, and 28 units comprised of 2-bedroom, and 3-bedroom units. The Project will contain amenities that include community room, laundry facilities and an outdoor gathering and play area. Additionally, residents will have access to the Crossings at New Rancho amenities that include management offices, community rooms with kitchen Barbecue and picnic area, business center, laundry facility, tot lot and community garden.

2. **BORROWER:** The name of the Borrower for the Loan is A0575 Rancho Cordova, L.P., a California limited partnership with (Urban Housing Communities, LLC), or related entity as the lead development partner.

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

4. **PRINCIPAL AMOUNT:** The combined principal amount of the Loan will be the lesser of the following:
   
   a. Two Million Dollars and No Cents ($2,000,000.00), or
   b. an amount to be determined prior to close of the Loan based on a project budget approved by Agency.

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

7. **ANNUAL REPAYMENT:** Annual principal and interest payments shall be made according to the structured payment schedule contained in the final Loan Agreement and as calculated to achieve a minimum annual debt service coverage ratio of 1.2:1. Payments shall be applied first to outstanding interest accrued and unpaid and then to principal. All outstanding principal and interest is due and payable on the Maturity Date.

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

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

___________ (Borrower Initial)
10. **ACCELERATION:** Agency shall have the right to accelerate repayment of the Loan in the event of a default under any Loan Document or upon sale, transfer or alienation of the Property except as specifically provided for in the Loan documents.

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

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

13. **PROOF OF EQUITY:** Borrower shall provide proof of equity for the Property and Improvements in the amount of no less than $10,000,000 in Low Income Housing Tax Credit Equity and no less than $147,000 in deferred developer fee. If LIHTC equity goes below $10,000,000 the equity must be offset by an increase in deferred developer fee or other non-Agency funding source.

14. **OTHER FINANCING:** Borrower, as a requirement of the Loan, shall procure and deliver to Agency evidence satisfactory to Agency that Borrower has obtained the following described financing which may be secured by a lien upon the Property and Improvements superior or subordinate to Agency’s liens, and which shall be otherwise on terms and conditions acceptable to Agency:

   a. As a condition precedent to disbursement of the remainder of the Agency loan, construction financing from a private lender(s) in an amount(s) sufficient to complete construction of the Property according to a scope of work as approved by Agency and made for a term not less than that specified in the Schedule of Performances for completion of construction, and in any event not less than the time necessary to fulfill all conditions precedent to funding of the permanent financing.
   b. Commitments for permanent financing sufficient to “take out” all liens senior to the Agency’s lien.
   c. Such commitments for financing shall not require modification of Agency loan documents, or any term of this commitment letter.
   d. Such commitments shall not be based upon sources and uses of Project funds that are different from those approved by Agency for the project or be subject to conditions which require amendment of the DDA, OPA or other agreements.

15. **EVIDENCE OF FUNDS:** Prior to the first disbursement of the Loan, Borrower must demonstrate evidence of adequate and assured funding to complete the development of the Project in accordance with the Agency’s requirements. Borrower’s evidence of available
funds must include only one or more of the following: a) Borrower equity; b) firm and binding commitments for the Project from financial institution(s) or from other lender(s) approved by Agency in its absolute discretion; and c) Agency’s contribution, provided, however, that Agency is not obligated by this letter to make any contribution not stated in the terms of the letter.

16. **SOILS AND TOXIC REPORTS:** Borrower has submitted to the Agency a hazardous substances report made in accordance with the American Society for Testing and Materials "Standard Practice for Environmental Site Assessments; Phase I Environmental Site Assessment Process" (Designation ASTM 1527-05) 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 including any loss of any equity investment due to an adjustment in the allowable tax credits, the Agency shall withhold for itself as loan repayment, one-half of such savings from the amount of retention then held by the Agency, and the Loan balance shall be reduced by the amount so withheld. The Agency, in its sole discretion, shall determine any reduction and/or repayment of the Agency loan based upon this cost certification and the original approved budget for the project.

25. **START OF CONSTRUCTION:** Borrower shall commence construction at the earliest possible date subject to the conditions of this Agency and other involved lenders, but no later than sixty (60) days following the close of construction financing.

26. **OTHER LENDER DRAW:** “Other Lender Draw” means a draw request or other request for disbursement submitted to another lender for the Project. Borrower shall concurrently submit to Agency any Other Lender Draw. Delivery of such Other Lender Draw shall be made in the same manner as any other notice, except that it shall also be marked “OTHER LENDER DRAW REQUEST” and delivered to the person named in writing by Agency as the recipient of such requests or, in the absence thereof, to Agency’s Portfolio Management office. Borrower shall provide Agency with true, accurate and correct copies of each Other Lender Draw, if any, including without limitation all supporting information, documents, and other required submittals. Agency shall have the right to reject an Other Lender Draw, for failing to comply with the Loan, for changing the Project in any material way, or for impairing
the ability of Agency to enjoy the practical realization of its rights under the Loan and its related instruments. If Agency rejects an Other Lender Draw, Borrower shall withdraw the notice for such Other Lender Draw and shall not accept and shall return to Agency any disbursement on account of such Other Lender Draw.

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

28. **SECURITY CAMERAS AND OUTSIDE LIGHTING:** Project shall include installation of a security camera system to provide 24 hours of surveillance and exterior lighting, 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 Agency'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 COMPANY:** Borrower must procure a Title Company in the Sacramento region. Title Company is the insurer of title and the escrow holder. The Title Company is Fidelity National
33. **TITLE INSURANCE:** Borrower must procure and deliver to Agency an ALTA Lender's Policy of Title Insurance, together with such endorsements as Agency may require, including but not limited to ALTA endorsement nos. 9.6 and 9.7 (or CLTA endorsement nos. 100 and 116) and ALTA endorsement no. 25 (or CLTA endorsement no. 116) insuring Agency in an amount equal to the principal amount of the Loan and covenants, conditions or restrictions of the Loan, that Agency's Deed of Trust constitutes a third lien or charge upon the Property and Improvements subject only to such items as shall have been approved by Agency. There must be no exceptions permitted for mechanics liens. Title insurance for the Loan must be issued by a title insurer approved by Agency.

34. **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.

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

36. **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.

37. **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.

38. **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.

39. **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 eight (8) hours per week:

a. After School Programming: Eight (8) hours per week (two hours per day and four days per week minimum)

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

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

42. **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.

43. **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.

44. **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.

45. **ACCEPTANCE OF THIS COMMITMENT:** Borrower’s acceptance of this Commitment shall be evidenced by signing and delivering to Agency the enclosed copy of this letter. Until receipt of such acceptance by Agency, Agency shall have no obligation under this letter. Agency may withdraw this Commitment at any time prior to Borrower’s acceptance.

Signatures appear on the following page.
Sincerely,

La Shelle Dozier, Executive Director

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

BORROWER:
A0575 Rancho Cordova, L.P., a California limited partnership
By: Ikaika Ohana, a Hawaii nonprofit corporation

By:
  John F. Bigley

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

Scope of Work

The Crossings at Woodberry Way is a new construction development on approximately 1.07 gross acres, .97 net acres located in the city of Rancho Cordova (Project). The development consists of 28 units comprised 18 two-bedroom with two-bathrooms, and 10 three-bedroom with two-bathroom units. Inclusive of this unit mix, one unit will be exempt for management staff. The common areas and amenities include outside areas with a minimum 600 square foot softscape area where play equipment will be installed for young children. There will be a minimum 600 square foot outdoor area that may be utilized by teens. Crossings at Woodberry Way has been designed with a 738-square foot community room/leasing office/amenity rooms which includes a full kitchen and lounge area. There is a 136-square foot laundry room that will contain a minimum of 3 washers + 3 dryers. Both the community room and laundry room are located within Building A.

All work shall comply with Federal and State Americans with Disability Act (ADA) accessibility requirements, as well as any other requirements stipulated by the funding sources. When there are differences, the stricter shall prevail. TCAC requirements include 15% of the unit types be Accessible. The Borrower is responsible for notifying their architect and/or engineer of all funding sources used on the Project. The architect and/or engineer must indicate these funding requirements in the Project’s plans/scope of work.

i. Mitigation Measures:

No environmental mitigation is required.

II. Mitigation Monitoring Plan:

No plan is required

III. Building Exteriors:

1. Parking Spaces: The development will include 45 onsite parking spaces, with 24 standard tuck-under spaces, 1 ADA van accessible tuck-under space, 13 compact, uncovered surface parking spaces, 1 ADA van accessible uncovered space, and 6 compact, carport covered parking spaces. Total ADA spaces will be the two (2) mentioned spaces.

2. Balconies and Patios: All ground floor apartments will have patios and all upper floor apartments will have balconies.

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

4. Non-Smoking: The Project is 100% non-smoking.

5. Landscaping: Landscaping is designed with drought tolerant plants and trees. Trees will be planted throughout the parking lot to meet City shading requirements.

Landscaping
will integrate a children’s play area, a teen area at the BBQ area, community garden space, and mailbox.

6. Picnic Area: Barbeque and seating area will be provided.
7. Play Area: The play area will have one (1) school-age appropriate area
8. Community Garden: The southeast corner of the site will have a resident organic garden, with raised planter beds.
9. Mailboxes: The mailbox kiosk will be located north of Building A.
10. Site Fencing: Vehicle access will be from Woodberry Way. The access is open due to lack of vehicle setback area at the driveway entry. Pedestrian access to the site is via a sidewalk at Woodberry Way or through a person-gate on Folsom. With the exception of a portion of Woodberry Way being open, perimeter site fencing is tubular steel.
11. Stormwater: The development will meet storm water requirements through use of on-site storm water planters and/or bioswales along the project perimeter.
12. Roof: Buildings are planned with pitched roofs and roof wells in order to provide a platform for PV panels, and AC mechanical equipment locations. Buildings include cool roofs, planned to passively counteract the warm conditions of Sacramento County.
13. Siding: The building skin will be a combination of Hardiplank siding and painted stucco.
14. Offsite Improvements: Public offsite improvements consist of street frontage improvements along Woodberry Way and Folsom Blvd, including new sidewalks, curbs, gutters, landscaping, and lighting. Additionally, the project will improve the access alley that connects Woodberry Way to Folsom with a pedestrian walkway, bollards, and landscaping.

IV. Building Interiors

1. Americans with Disabilities Act (ADA) Units: There will be seven (7) units, 15% of the units, accessible with mobility features, and an additional three (3) units, 10% of the units, will include communications features for persons with hearing or vision impairment.
2. Non-Smoking: The Project will have 100% non-smoking units.
3. Smoke Detectors: All units, offices and interior common areas will have a smoke/carbon monoxide detector installed in accordance with current code requirements.
4. Appliances: All apartment kitchens will have brand new Energy Star rated appliances including, refrigerator with freezer combination, electric stove and range, dishwasher and garbage disposal.
5. Bathtubs and Toilets: All apartments will have bathtubs or showers. Restrooms will have water efficient toilet and fixtures, and bath accessories.
6. Doors (Interior, Exterior and Sliding Glass): All interior and exterior doors will have matching hardware finishes. All exterior doors will have deadbolt locks, keyed latch assemblies, and viewers. The dwelling entry door hardware shall have single action hardware to release deadbolt and latch assembly. All doors will meet current egress standards.
7. Cabinets, Counters and Sinks: All apartment kitchens will have cabinets, solid surface countertops, and stainless steel sink. All apartment bathrooms will have wood vanities, and solid surface vanity tops and sinks. All cabinetry face frames, doors and drawer faces will be of hardwood.
8. Ceilings and Walls: Low or no VOC paint will be used in building interiors.
9. Windows: All apartments will have energy efficient vinyl dual pane windows. Windows designed to open will have screens. All windows will meet current egress standards.
10. Blinds: Vertical blinds will be provided in all apartment windows and sliding glass doors.
11. Electrical and Lighting: All apartments will have high efficiency lighting, ceiling fans, exhaust fans vented to the exterior and bathroom humidistat fans. Central air conditioning and forced air heat will be provided. Wiring from telephone/data/cable suppliers will be installed within walls or attic spaces. Conduits are not allowed to be mounted on the exterior of the buildings.
12. Flooring: Apartment interiors will have vinyl plank flooring throughout, except in bathrooms where they will have vinyl sheet flooring.
13. Plumbing Fixtures: All apartments will have new water efficient plumbing fixtures.

V. Community Amenities

1. Community Room, Management Office and Lobby: The furnished management office and lobby will have vinyl plank flooring, energy efficient lighting and HVAC systems.
2. Ceilings and Walls: Low VOC paint will be used in all building interiors.
3. Community Restroom: The one community restroom on the first floor will be ADA compliant, have low-flow bathroom fixtures, sink, solid surface countertop, and bathroom accessories. Bathroom walls will have glazed wall tile to 48 inches high as per code.
4. Community Room Kitchen: The community room kitchen will be ADA compliant and include cabinets with hardwood faces, solid surface countertop, Energy Star rated appliances (refrigerator, electric stove with range, garbage disposal and dishwasher), energy efficient lighting, HVAC system, and water efficient plumbing fixtures will be installed.
5. Stairs (open corridor style): Residential hallways and stairs will be of durable flooring made of concrete flooring type. Stairs will be located near the elevator to encourage use for those that can forgo the elevator. Stairs will have non-slip concrete treads, landings and closed risers. All hallway floorings will be exterior finish due to open corridor design. The first floor hallways will be stained concrete.
6. HVAC & Plumbing Systems: Each apartment will have its own split system air conditioning and forced air heat with its own thermostat. Stairwells will not have heating or air conditioning. Tankless gas water heaters will provide hot water for each unit. Bathroom exhaust fans will be humidistat controlled.
7. Laundry Facility: The laundry room accommodates three (3) washers and three (3) dryers, which will include one set of ADA accessible laundry machines.
8. Signage: A comprehensive signage package will be implemented throughout the development including all common area signage, unit ID, wayfinding, code, fire, life and safety signage.
9. Trash Enclosure: One Trash enclosure with bin will be located in the northeast corner of the project and will be ADA accessible.
10. Recycle: One bin will be available for recycle materials.
11. Bicycle parking: Twenty-two (22) long-term and three (3) short-term bicycle parking will be provided. Long-term bicycle parking will be provided within the tuck under
garage spaces, with wall racks, and short-term bicycle parking will be provided on the exterior of the building.

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

The project will meet the Lender’s minimum Construction Standards that is on the following pages.

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

RENTAL PROPERTY MINIMUM CONSTRUCTION STANDARDS

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

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

Useful Life Expectancy – Rehabilitation only

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

General Requirements

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

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

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

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

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

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

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

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

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

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

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

Site Work

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Building Envelope and Moisture Protection – Rehabilitation only

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

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

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

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

Doors and Windows

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

B. All doors must have matching hardware finishes.

C. All exterior doors must have deadbolt locks, keyed latch assemblies, viewers, and screws in strike plates long enough to penetrate the door jamb framing by at least one inch. The dwelling entry door hardware shall have single action hardware to release deadbolt and latch assembly.
D. All sliding exterior doors shall have screen doors and shall have functional locks and must operate freely without excessive effort.

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

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

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

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

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

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

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

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

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

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

**Finishes – Rehabilitation only**
A. Floor coverings must be in good, useable condition - no holes, tears, rips, or stains.

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

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

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

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

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

Furnishings

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

Special Construction

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

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

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

Mechanical/Plumbing

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

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

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

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

Mechanical/Plumbing – Rehabilitation only

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

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

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

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

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

Electrical – Rehabilitation only

A. All electrical panels shall meet current code.

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

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

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

Resident Services Community Space

All properties, regardless of project type (i.e. senior, family, or large family), must devote a minimum of 500 s.f. to actual resident services/community space. Resident services space includes common kitchens, computer rooms, meeting rooms and general gathering space. It does not include public restrooms, leasing offices, laundry facilities and lobbies. Common kitchens are required, including refrigerator, stove, garbage disposal, and dishwasher.

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

End of Scope of Development.
RESOLUTION NO. SHRC-_______


ON DATE OF

January 19, 2022

CROSSING AT WOODBERRY WAY PROJECT: APPROVAL TO EXECUTE HOME INVESTMENT PARTNERSHIPS PROGRAM LOAN COMMITMENT AND TRANSMIT TO URBAN HOUSING COMMUNITIES (A0575 RANCHO CORDOVA, L.P.), OR RELATED ENTITY (DEVELOPER); AMEND SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY BUDGET; RELATED FINDINGS AND ENVIRONMENTAL FINDINGS

WHEREAS, on September 16, 2021, Urban Housing Communities (A0575 Rancho Cordova, L.P.), or related entity (Developer) submitted an application to Sacramento Housing and Redevelopment Agency (SHRA) for $2 million in HOME Investment Partnerships Program (HOME) funds for the purpose of construction and permanent financing of Crossing at Woodberry Way affordable housing development (Project).

WHEREAS, The recommended actions for this Project are consistent with: a) SHRA’s Multifamily Lending and Mortgage Revenue Bond Policies adopted by the Board on September 24, 2019, Subsection 1.1.(2)(iii), new construction of workforce housing.

WHEREAS, the proposed project is located within the Folsom Boulevard Specific Plan Area and its development was analyzed for compliance with the California Environmental Quality Act (CEQA) in the associated Folsom Boulevard Specific Plan Mitigated Negative Declaration (FBSP MND) (SCH. No 2007112018). Development of the project site was also evaluated in the City of Rancho Cordova General Plan Environmental Impact Report (SCH No. 2005022137). The proposed project is subject to the mitigation measures identified in the FBSP MND, as applicable.

WHEREAS, the proposed project is in the process of being analyzed for compliance with the National Environmental Policy Act and review will be completed prior to making any choice limiting action.
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 Crossing at Woodberry Way Loan Commitment (Commitment) of $2 million in HOME funds incorporated in this resolution is approved; and the Executive Director is authorized to enter into and execute the Commitment, and transmit the Commitment to Developer, as approved to form by SHRA’s Office of General Counsel (Counsel).

Section 3. The Executive Director, or her designee, is authorized to negotiate, enter into, execute and transmit loan documents to Developer for the Project that the Executive Director may deem necessary, as approved to form by Counsel, and perform other actions the Executive Director deems necessary to fulfill the intent of the Commitment that accompanies this resolution, in accordance with their terms, and to ensure proper repayment of the HOME loan funds including without limitation, loan restructuring, loan amendment, subordination, regulatory agreement, extensions and refinancing consistent with SHRA’s adopted policies and with this resolution.

Section 4. The Executive Director, or her designee, is authorized to amend its budget to incorporate $2 million in HOME funds, for the purpose of assisting the Developer with the construction and permanent financing of Crossings at Woodberry Way consistent with SHRA’s adopted policies, Commitment and this resolution.

Section 5. This resolution shall take effect immediately upon its adoption.
Sacramento Housing and Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Innovation Park Mixed Income Housing Strategy

SUMMARY

The attached report is submitted to you for review and comment. There is no action required for this item.

Respectfully submitted,

[Signature]
LA SHELLE DOZIER
Executive Director
Innovation Park PUD Mixed Income Housing Strategy

The Innovation Park Planned Unit Development (Innovation Park) is a mixed-use community proposed on the approximately 183.8-acre site that includes the prior Sleep Train Arena building and former Sacramento Kings practice facility, parking lots surrounding the arena building, and partially and fully undeveloped areas north of the arena and parking lots. SBH Natomas LLC (“Developer”) is the owner of Innovation Park, located within the North Natomas community in the northwestern portion of the city of Sacramento.

The land uses immediately surrounding the Innovation Park PUD area consist of mixed-use commercial, multi-family residential, and vacant land uses, and are bounded by Del Paso Road to the north, Truxel Road to the east, Arena Boulevard to the south, and East Commerce Way to the west.

Innovation Park is a proposed mixed-use, master planned community consisting of a state-of-the-art hospital and medical campus comprised of approximately 35 acres of hospital and medical campus, 24.3 acres of park, medium to high density mixed-use zoning, and a school. The plan area will have a General Plan designation of Urban Center Low with a density range of 20 units per acre to 150 units per acre.

The North Natomas Community Plan calls for “[n]eighborhoods (that) will provide a balance of different housing densities with a variety of housing types, lot sizes, and affordability to serve a broad spectrum of residents.”

The vision for Innovation Park is to transform and redevelop the prior Sleep Train Arena from an underutilized sports complex into a vibrant innovation district focused on health, education, and living, with a mix of uses that enhances the fabric of North Natomas and the region. The project’s goals envision a plan that supports a wide variety of housing types as envisioned by the housing principles of the North Natomas Community Plan. Estimated residential densities, ranging from 20 units to a permitted maximum zoning density of 150 units per acre, will assist in generating a diverse housing stock including affordable units and a significant pool of workforce housing.

Innovation Park is subject to the City of Sacramento Mixed Income Housing Ordinance. The Mixed Income Housing Ordinance requires residential projects of more than 100 gross acres to “pay a housing impact fee” based on fees established by the city council as identified in the nexus study and prepare a strategy that will “demonstrate how the project will provide housing for a variety of incomes and family types consistent with the housing element.”

At the time of this Mixed Income Housing Strategy, the housing impact fees for single unit dwellings of 20 du/ac or more are $0, and for multi-unit dwellings of 40 du/ac or more are $0.

Some of the key goals of Innovation Park supporting mixed income housing include:

1. Provide policy and design guidance for new development that is compatible with and well-integrated within the existing community.
2. Provide synergistic connections between medical office, residential, and commercial development within and surrounding Innovation Park.

3. Develop a mixed-use environment that provides residents with the opportunity to live, work, and play within Innovation Park.

4. Provide a range of housing types and densities, including but not limited to step-up housing, to meet the varied needs and preferences of those who will work both in the Plan Area and the greater region.

5. Provide an urban-core adjacent environment that prioritizes multimodal transportation including pedestrian, bicycles, and vehicles through a centralized complete street framework.

6. Provide a range of housing types and densities, including but not limited to step-up housing, to meet the varied needs and preferences of those who will work both in the Plan Area and the greater region.

7. Provide an urban-core adjacent environment that prioritizes multimodal transportation including pedestrian, bicycles, and vehicles through a centralized complete street framework.

8. Create a flexible entitlement structure to provide for more cost efficient housing and the ability to respond to future job and market opportunities.

9. Promote environmental sustainability through the use of green building technology, water conservation, renewable energy resources, active transportation options, or other community innovations.

Innovation Park supports several of the goals and policies listed in the 2021-2029 City of Sacramento Housing Element Goals and Policies:

**H-1.4 Facilitate Infill Housing Development.** The City shall facilitate infill housing along commercial corridors, near employment centers, near high-frequency transit areas, and in all zones that allow residential development as a way to revitalize commercial corridors, promote walkability and increased transit ridership, and provide increased housing options.

**H-1.7 Encourage Adaptive Reuse.** The City shall promote and facilitate the conversion of commercial, office, industrial, and parking structures for housing and mixed-use developments.

**H-2.13 Affordable Housing Set-Aside in Enhanced Infrastructure Financing Districts.** The City shall require a 20 percent set-aside for affordable housing in all new enhanced infrastructure financing districts to the extent permissible by State law.

**H-4.1 Expand Housing Types Throughout the City.** The City shall take meaningful actions to allow for a greater array of housing types throughout the city to create more inclusive and equitable neighborhoods and to affirmatively further fair housing.

**H-4.3 Promote Mixed Income Neighborhoods.** The City shall promote mixed income neighborhoods with an equitable distribution of housing types for people of all incomes throughout the City by encouraging new affordable housing in high resource areas and promoting homeownership opportunities throughout the City, particularly in low resource areas.
H-8.3 Encourage Accessible Housing Near Transit and Amenities. The City shall encourage the development, rehabilitation, and preservation of accessible housing, particularly in neighborhoods that are accessible to public transit, commercial services, and health and community facilities.

Incorporating Affordable Units

According to the City of Sacramento’s 2021-2029 Housing Element, housing is affordable if it costs no more than 30 percent of gross household income. According to the U.S. Department of Housing and Urban Development, lower income households are those that earn less than 80% than the area median income, or $72,500 for a family of four in the Sacramento area in 2021. Workforce housing reflects units that are affordable to households earning between 60 and 120 percent of the area median income.

Along with the affordability by design principles of providing an opportunity for a wide variety of medium and dense housing, in an effort to ensure that a portion of the residential units developed in the Innovation Park area are affordable, the Developer will incorporate affordable units directly into Innovation Park.

At this time, the Developer is entitling the property, but has not presented a residential development at Innovation Park. To ensure that affordable units are incorporated into Innovation Park along with the associated infrastructure, the Developer will proactively develop an innovative Mixed Income Housing Strategy premised on a multi-faceted approach that requires the future residential developer to choose a path prior to building any residential units. This Mixed Income Housing Strategy provides a necessary flexibility that contributes to the City of Sacramento’s housing goals during this statewide housing crisis, ensures affordable units will be incorporated with any market rate units, and that the associated infrastructure can be developed to support the housing. This Mixed Income Housing Strategy provides the following options and components to ensure a mix of housing to support all future residents of Innovation Park (Strategy):

1. Prior to receiving any residential building permits in Innovation Park (except for the hospital and medical campus land area in Parcels D and D1), the proposed residential developer must choose one of the two following options, notify the Planning Director of its choice, and clearly indicate that option in its application:

   a. The residential developer shall build or cause to build ten (10%) percent of any residential units within the PUD as affordable units either delivered before or concurrently as the market-rate housing. The affordable units will have affordability levels set at or below eighty percent (80%) of area median income applicable to Sacramento County, adjusted for family size as published and annually updated by the United States Department of Housing and Urban Development pursuant to section 8 of the United States Housing Act of 1937. These units may be mixed throughout a development as single-unit dwellings, or they may be provided in one multi-unit development. The affordable housing units will be eligible to receive Housing Trust Funds, which is administered by SHRA. To utilize this option, the residential developer
must present its plan to build ten (10%) as a minor amendment to this Strategy subject to Planning and Design Commission approval. Or;

b. The developer will dedicate 2.0 net building acres to Sacramento Housing and Redevelopment Agency ("SHRA") in Parcel A – Innovation District as illustrated in Figure 2-1 of the District Schematic Plan and the developer’s land dedication must be approved and accepted by SHRA ("SHRA Land"). Given the dense urban context, this acreage provides the ample opportunity for SHRA to potentially develop, and manage, up to 150 affordable housing units, consistent with 17.712.030.B.1.c of the Mixed Income Housing Ordinance. To the greatest extent feasible, SHRA will ensure the construction of the affordable housing units will be contemporaneous with market rate units.

i. The final map for Parcels D and D1 – Health District in the Schematic Plan may be recorded prior to the land dedication to SHRA. The final maps for remaining Parcels A, B, C, E and E1 will be permitted to record concurrently with/after the developer transfers the dedicated land to SHRA, pursuant to the Land Characteristics described herein.

ii. Up to 1,500 market rate resident building permits may be issued before the following condition must be met and additional permits issued:

1. The developer must build or cause to build ten percent (10%) of any additional residential units beyond 1,500 units within the PUD as affordable units, or pay Housing Impact Fees adopted at the time of pulling permits for construction (Fees). The affordable units will have affordability levels set at or below eighty percent (80%) of area median income applicable to Sacramento County, adjusted for family size as published and annually updated by the United States Department of Housing and Urban Development pursuant to section 8 of the United States Housing Act of 1937.

2. These units may be mixed throughout a development as single-unit dwellings, or they may be provided in one multi-unit development.

3. The affordable housing units will be eligible to receive Housing Trust Funds, which is administered by SHRA.

2. An option to make a minor amendment to this Strategy is subject to Planning and Design Commission approval and the amended Strategy shall not deviate from the threshold of ten percent (10%) affordable housing set-aside.

Land Characteristics

Prior to SHRA taking ownership, off-site infrastructure must be fully constructed, including street, curb/gutter, sidewalk, sewer, water, gas, electric, and other infrastructure and stubbed to the lot.
Furthermore, dedicated sites must be located within a ¼ mile of at least three of the following amenities:

- An existing or planned public elementary, middle, or high school;
- An existing or planned public park or recreational facility;
- An existing or planned transit stop;
- An existing or planned grocery store; and/or
- An existing or planned public library.

Any subsequent revisions made to changes in the Schematic Plan that impact the SHRA Land must be discussed with and approved by the City Community Planning & Development and SHRA prior to implementation of any amendments to this Strategy. SHRA shall not be permitted to sell, transfer, or otherwise use the land for any other purpose than building affordable housing units. Any future development project shall be consistent with the PUD as approved on date of the transfer, and its related design guidelines.

**Affordable Housing Regulatory Agreement and Monitoring Fees**

The purpose of the Affordable Housing Regulatory Agreement Monitoring Fees is to cover SHRA’s ongoing administrative expenses related to monitoring of the affordable units (annual inspections, income eligibility review, sale, resale, subordinations, etc.) for the duration of the regulatory agreement. Fees will be paid at the time the 30-year Affordable Housing Regulatory Agreement is recorded.

If the applicant/developer is producing multifamily affordable housing units not assisted by the SHRA through a mortgage revenue bond issuance and/or a gap financing loan, the applicant/developer must pay a fee equal to the number of Affordable Units multiplied by the Average Public Subsidy/Unit and SHRA’s approved annual monitoring fee discounted over the 30-year regulatory period.

If SHRA is issuing a bond or providing a loan to the project these fees will be waived.
Sacramento Housing and Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

One Year Action Plan Federal Allocation Process - Workshop Number One – City Report

SUMMARY

The attached report is submitted to you for review and comment. There is no action required for this item.

Respectfully submitted,

[Signature]
LA SHELLE DOZIER
Executive Director
Honorable Mayor and Members of the City Council

Title: One Year Action Plan Federal Programs Allocation Process Workshop Number 1

Location/Council District: Citywide

Recommendation: Review and provide direction regarding the Federal Programs Allocation Process schedule, eligibility, and potential projects.

Contact: Christine Weichert, Director, (916) 440-1353; Sacramento Housing and Redevelopment Agency

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

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: On May 28, 2019 the Council approved the One-Year Action Plan Allocation Process for federal funds administered by the Sacramento Housing and Redevelopment Agency (SHRA). The One-Year Action Plan outlines programs, projects and other actions for multiple federally funded programs, including Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) Program, and is approved by the Council each year. The new One-Year Action Plan Allocation Process includes a process and schedule to develop the annual One-Year Action Plan. The process begins in January/February of each year and includes two workshops with the City Council, one community workshop before the Sacramento Housing and Redevelopment Commission, and multiple coordination activities with the City Manager and City Departments to determine projects and
One Year Action Plan Federal Programs Allocation Process  February 15, 2022
Workshop Number 1
programs. Additionally, the schedule aligns with the development of the City's annual Capital Improvement Program. This presentation is the initial step in the One-Year Action Plan Allocation process and requests input from the Council related to potential projects.

**Policy Considerations:** The One-Year Action Plan Allocation Workshop is consistent with the adopted Consolidated Plan, including the Citizen Participation Plan. This Workshop provides transparency to the allocation process. City and SHRA staff have identified potential Public Infrastructure and Community Facilities projects which will be included in the presentation.

**Economic Impacts:** Not applicable.

**Environmental Considerations:** Not applicable.

**Sustainability Considerations:** Not applicable.

**Rationale for Recommendation:** Not applicable.

**Financial Considerations:** Below are the estimated allocations for 2022 for each funding source. The figures are estimates based upon previous years' entitlement allocations.

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<thead>
<tr>
<th>Revenue Source</th>
<th>2023 Estimated New Allocation</th>
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Local Business Enterprise (LBE)/Minority and Women's Business Enterprise (MBE/WBE): Not applicable.

Respectfully Submitted by: LA SHELLE DOZIER
Executive Director

**Attachments**
1-Description/Analysis
2-Background
Background

Since 1982, SHRA has managed and administered federal housing, public service and community development funds on behalf of the City and County of Sacramento (City and County) and has served as the federal housing and community development staffing entity pursuant to a joint powers agreement between the City and County and its Housing Authorities. The United States Department of Housing and Urban Development (HUD) requires the submission of three documents as part of the formula grant programs. These documents include: 1) Analysis of Impediments (AI) to Fair Housing; 2) Five Year Consolidated Plan; and 3) One-Year Action Plan. The AI and the 2020-2024 Consolidated Plan were approved by the City Council on October 22, 2019 by Resolution 2019-0408.

Analysis of Impediments (AI)
In 2016, the City authorized SHRA to enter into collaboration agreements with surrounding municipalities and public housing authorities to perform a regional AI. The AI identifies actions needed to overcome the effects of impediments to fair housing which are incorporated into the Consolidated Plan. The Primary Findings are the following: 1) segregation and lack of access to economic opportunity persist; 2) homeownership rates vary widely by race and ethnicity, lowest rates for Blacks and Hispanics; 3) highest rates of cost burden and crowding are experienced by Blacks and Hispanic households; 4) affordable rental options increasingly limited; 5) residents with disabilities lack access to affordable, accessible housing, services; 6) public transportation outside of the downtown grid is limited and costly (prior to Sacramento Regional Transit network changes); 7) educational inequities persist in the region; and 8) there are disparities in labor market engagement.

Consolidated Plan
A Consolidated Plan is required of any city, county or state that receives federal block grant dollars for housing and community development funding from HUD. HUD consolidated the planning and application process of formula grant programs in 1995, with the purpose of coordinating program requirements and simplifying the process of requesting and obtaining federal funds. The City of Sacramento receives four formula grants which are administered by SHRA including: Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Solutions Grant (ESG), and Housing for Persons with AIDS (HOPWA) programs. The consolidated planning process is intended to achieve the following:
One Year Action Plan Workshop
Page 2

- Promote citizen participation in the development of local priority needs benefiting low- and moderate-income persons.
- Develop a series of One-Year Action Plans that will be the basis for assessment of performance.
- Consult with public and private agencies to identify needs and appropriate actions required to address their needs.

The 2020-2024 Consolidated Plan is a joint City-County planning document that identifies the areas housing, public service, and community development needs and describes a long-term strategy to meet those needs. The Consolidated Plan provides a vision, goals and strategies for the allocation of these federal formula grant funds.

The Consolidated Plan has three overarching goals to address community needs including: 1) provide affordable housing, including for those with special needs; 2) provide a suitable living environment through more livable and integrated neighborhoods; and 3) expand economic opportunities, especially for low- and moderate-income persons. Specific activities the City will undertake to achieve the stated objectives in 2020 are detailed in the 2020 One-Year Action Plan. These activities are designed to serve extremely low-, low-, and moderate-income residents by funding programs and projects in the following categories: 1) Infrastructure and Public Improvements, 2) Affordable Housing Development, and 3) Public Services. The Consolidated Plan’s goals and priorities for the City were developed through an extensive community engagement process and consultation with public agencies in the City.

Action Plan
The One-Year Action Plan (Plan) details programs, activities, and budgets for the year beginning January 1 through December 31. The One-Year Action Plan describes the resources expected to be available in the coming program year from federal, nonfederal, and private sources. It includes a description of the activities that will be undertaken to meet the specific objectives in the Consolidated Plan. In subsequent years, the One-Year Action Plan will be used to update the Consolidated Plan. It also provides the City with a basis for assessing its progress in meeting the goals of the Consolidated Plan through the Consolidated Annual Performance and Evaluation Reports (CAPER).

The Action Plan’s key components are broken down in the following sections:

CDBG Eligible Activities
The CDBG program requires that each activity must meet one of three national objectives: 1) Benefitting low and moderate income persons using
One Year Action Plan Workshop
Page 3

one of four subcategories: a) Low and Moderate Income (LMI), Area Benefit in a primarily residential census tract; b) LMI Clientele (homeless, seniors, etc.); c) Housing for LMI residents; d) Jobs for LMI residents; 2) Prevention or elimination of slums or blighted areas; and 3) Urgent Need. Additionally, the activity must also be eligible and generally include the following: Public Facility/Infrastructure Improvements; Public Services; Acquisition; Clearance and Remediation Activities; Homeownership Assistance; and Planning and Environmental Studies.

Infrastructure and Public Facility Improvements
There is a continuing need in the City for infrastructure and public facility improvements to serve low- and moderate-income residents who reside within older neighborhoods that either have inadequate facilities or where existing facilities suffer from heavy use or deferred maintenance, leading to disrepair. Capital improvement funding identified in the Action Plan strives for maximum leveraging opportunities in order to provide the greatest impact to residents.

Supporting large infrastructure and public facility improvement projects benefiting low and moderate-income areas remains a key objective of the City’s CDBG Program. The Consolidated Plan identifies targeted priority areas which represent the intersection of various considerations for effectively targeting funding and maximizing impacts. To the extent a pipeline of projects exists within the priority areas, the program goal is to strategically support such projects. However, area benefit projects outside the priority areas will also be supported where strategic projects exist in broader low- and moderate-income areas and to the extent that capital and public facility funding remains available.

The Action Plan recognizes the limited federal, state, and local funding available for Projects, and strategically focuses funding on fewer, but larger projects in low- and moderate-income neighborhoods. The goal is to create a concentration of activity that generates strategic and visible impacts which promote positive changes within the community.

Housing
Housing activities outlined in the Action Plan seek to support, increase and improve the multi-family housing stock, fund minor and emergency repairs to existing single-family homes, and provide decent and affordable housing to low- and moderate-income individuals. SHRA’s ability to respond to difficult housing issues has been constrained in recent years due to the limited amount of entitlement grants from the federal government and limited state and local funding. As a result, resources from CDBG have been consistently targeted over the Consolidated Planning period towards housing
rehabilitation and in support of housing development. Efforts have been made to reduce mobility barriers for low- and moderate-income households by supporting infrastructure improvements along transit corridors in conjunction with housing development and community facilities in designated neighborhoods. This strategy is part of SHRA's efforts to support equitable Transit-Oriented Development and is proven to lead to increased opportunities for low- and moderate-income residents to live closer to their place of work and enjoy greater interaction with their surrounding community and amenities.

**HOME Program**

The HOME Program empowers grantees to design and implement affordable housing strategies to respond to locally determined needs. HOME funds, unlike CDBG, can be used for construction of new housing. Additionally, HOME funds are also used for the rehabilitation of existing housing.

In accordance with HOME regulations (24 CFR Part 92), projects are subject to regulatory restrictions for a term of five through twenty years depending on the amount and type of assistance. In the past, restrictions were recorded for longer periods than required, typically for the purpose of uniformity among different funding sources. In an effort to maximize the opportunity for rehabilitation projects to secure new financing, such as Mortgage Revenue Bond and Tax Credits, staff recommends HOME restrictions be only for the period required by HUD. Once the HOME loan has been repaid, the HOME affordability period has been satisfied, and continued affordability is assured through the placement of a new restriction, the HOME regulatory agreement will be released. The new restrictions will generally remain in force for a minimum of fifty-five years.

**Homeless Services**

SHRA is part of the Continuum of Care Advisory board and is committed to partner with the City and Sacramento Steps Forward (SSF), the lead agency for the Continuum of Care (CoC). As such, SHRA continues to participate in discussions about the best methods to reach out to homeless persons and how to assess individual needs as part of ongoing coordination efforts. It is recognized in the Action Plan that addressing homelessness is a high priority for the City. SHRA continually works with City staff on the most strategic use of federal funding for homeless services, including CDBG, HOPWA, and ESG, to reflect and complement the broader commitments of the City to prevent and end homelessness.

Objectives to address homelessness include: 1) supporting efforts to continue the CoC System for homeless assistance through the provision of emergency shelters, rapid re-housing/prevention services, and including
housing for the chronically homeless; and 2) providing permanent
supportive housing services, and supportive services for low- and moderate-
income persons and those with special needs, including the homeless and
persons living with HIV/AIDS.

As part of the Action Plan, CDBG, ESG, and HOWPA funds are used for
established programs such as the emergency shelters, rapid re-housing and
other actions related to the prevention of homelessness.

Emergency Solutions Grant
The federal Emergency Solutions Grant program (ESG) provides funds for a
variety of activities to address homelessness as authorized under the federal
Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH)
Act of 2009. ESG funds may be used for five program components: street
outreach, emergency shelter, homelessness prevention, rapid re-housing
assistance, and administrative activities. Upon approval of the Action Plan by
the Sacramento City Council, SHRA executes subrecipient agreements for
rapid re-housing and emergency shelter programs. Rapid re-housing services
include housing search and placement, housing stability case management,
direct short-term rental assistance, rental application fees, security/utility
deposits, and first/last months’ rent.

HOPWA
HOPWA provides housing assistance and related supportive services to low-
income persons living with HIV/AIDS and their families. These include, but
are not limited to, the acquisition, rehabilitation, or new construction of
housing units, costs for facility operations, rental assistance, and short-term
payments to prevent homelessness. Supportive services can include case
management, substance abuse treatment, mental health treatment,
nutritional services, job training and placement assistance, and assistance
with daily living. In addition to funding for activities outlined above, SHRA
works with developers in order to create affordable HOPWA housing units as
opportunities present themselves.

As a HOPWA recipient, SHRA has the responsibility to serve eligible
individuals within the Eligible Metropolitan Statistical Area (EMSA) which is a
metropolitan area with more than 500,000 people and more than 2,000
persons living with HIV or AIDS. For HOPWA funds allocated to the City, the
eligible area includes Sacramento, Yolo, Placer, and El Dorado counties.
SHRA works with sub-recipients to provide services to HOPWA-eligible
clients.
Public Services
An overall priority for CDBG is to increase self-sufficiency and economic opportunity for low-income residents and individuals with special needs so that they can achieve a reasonable standard of living. The priority in the Consolidated Plan for the utilization of public service funding is to support the provision of vital services to the City’s most vulnerable populations, such as providing meals to seniors and the services and emergency shelter to homeless households.

Fair Housing
SHRA, the City and County of Sacramento, and the Cities of Citrus Heights, Elk Grove, Folsom, and Rancho Cordova implement fair housing services through local partnerships. The result is the Renter’s Hotline, which serves as a central intake point to provide counseling, dispute resolution and fair housing services for all Sacramento residents in a housing crisis or dispute. Access is through telephone and the internet. Other components include fair housing education and training for landlords, implicit bias training, and fair housing investigation/testing/litigation.
Sacramento Housing and Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

One Year Action Plan Federal Allocation Process - Workshop Number One – County Report

SUMMARY

The attached report is submitted to you for review and comment. There is no action required for this item.

Respectfully submitted,

[Signature]
LA SHELLE DOZIER
Executive Director
COUNTY OF SACRAMENTO
CALIFORNIA

For the Agenda of:
February 15, 2022

To: Board of Supervisors

Through: Ann Edwards, County Executive

Bruce Wagstaff, Deputy County Executive, Social Services

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

Subject: One-Year Action Plan Federal Program Allocation Process – Workshop Number One

District(s): All

RECOMMENDED ACTION
This is an informational workshop to review the Federal Programs Allocation Process schedule, eligibility, present potential projects and programs, and to receive project ideas and input from the Board.

BACKGROUND
On October 22, 2019 the Board approved the One-Year Action Plan Allocation Process (Process) for federal funds administered by the Sacramento Housing and Redevelopment Agency (SHRA). The Process provides specific opportunities for input from the Board of Supervisors, the County Executive, the community and County Departments. Additionally, it aligns with the development of the County’s Capital Improvement Program (CIP) resulting in improved placement of funding resources to improve housing, economic and community development opportunities for low and moderate income residents of Sacramento. The One-Year Action Plan outlines programs, projects and other action for multiple federally funded programs, including Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG), and is approved by the Board each year. The approved Process includes a procedure and schedule to develop the annual One-Year Action Plan. The Process begins in January/February of each year and includes two workshops with the Board of Supervisors, one community workshop before the Sacramento Housing and Redevelopment Commission, and multiple coordination activities with the
County Executive and County Departments to determine projects and programs. This presentation is the initial step in the One-Year Action Plan Allocation process and requests input from the Board related to potential projects.

POLICY CONSIDERATIONS
The workshop is consistent with the process included in the County and SHRA Memorandum of Agreement.

ENVIRONMENTAL REVIEW
Not applicable.

M/WBE/SECTION 3 CONSIDERATIONS
Minority and Women’s Business Enterprise requirements and Section 3 requirements do not apply to this report.

FINANCIAL ANALYSIS
Below are the estimated allocations for 2023 for each funding source. The figures are estimates based upon previous years’ entitlement allocations:

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<td>ESG</td>
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Respectfully Submitted,

[Signature]

LA SHELL DOZIER, Executive Director
Sacramento Housing and Redevelopment Agency

APPROVED
ANN EDWARDS
County Executive

By:
BRUCE WAGSTAFF
Deputy County Executive

Attachment(s):
ATT 1 – Background
Since 1982, SHRA has managed and administered federal housing, public service and community development funds on behalf of the City and County of Sacramento (City and County) and has served as the federal housing and community development staffing entity pursuant to a joint powers agreement between the City and County and its Housing Authorities. The United States Department of Housing and Urban Development (HUD) requires the submission of three documents as part of the formula grant programs. These documents include: 1) Analysis of Impediments (AI) to Fair Housing; 2) Five Year Consolidated Plan; and 3) One-Year Action Plan. The AI and the 2020-2024 Consolidated Plan were approved by the Board of Supervisors October 22, 2019 (Resolution 2019-0743).

Analysis of Impediments (AI)
In 2016, the County authorized SHRA to enter into collaboration agreements with surrounding municipalities and public housing authorities to perform a regional AI. The AI identifies actions needed to overcome the effects of impediments to fair housing which are incorporated into the Consolidated Plan. The Primary Findings are the following: 1) segregation and lack of access to economic opportunity persist; 2) homeownership rates vary widely by race and ethnicity, lowest rates for Blacks and Hispanics; 3) highest rates of cost burden and crowding are experienced by Blacks and Hispanic households; 4) affordable rental options increasingly limited; 5) residents with disabilities lack access to affordable, accessible housing, services; 6) public transportation outside of the downtown grid is limited and costly (prior to Sacramento Regional Transit network changes); 7) educational inequities persist in the region; and 8) there are disparities in labor market engagement.

Consolidated Plan
A Consolidated Plan is required of any city, county or state that receives federal block grant dollars for housing and community development funding from the United States Department of Housing and Urban Development (HUD). HUD consolidated the planning and application process of formula grant programs in 1995, with the purpose of coordinating program requirements and simplifying the process of requesting and obtaining federal funds. The County of Sacramento receives three formula grants administered by SHRA: Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG). The consolidated planning process is intended to achieve the following:

- Promote citizen participation in the development of local priority needs benefiting low- and moderate- income persons.
- Develop a series of One-Year Action Plans that will be the basis for assessment of performance.
- Consult with public and private agencies to identify needs and appropriate actions required to address their needs.
The Consolidated Plan is a joint planning document for the Urban County of Sacramento (as defined by HUD) which includes the Sacramento County unincorporated area, the Cities of Folsom, Isleton, and Galt, and the City of Sacramento. It identifies the County’s housing, public service, and community development needs and describes a long-term strategy to meet those needs. The 2020-2024 Consolidated Plan was approved by the Board on October 22, 2019 (Resolution 2019-0743). The Consolidated Plan provides the vision, goals and strategies for the allocation of federal funds as well as other actions the jurisdictions may take to support these goals.

The Consolidated Plan’s three overarching goals to address community needs include: 1) provide affordable housing, including for those with special needs; 2) provide a suitable living environment through more livable and integrated neighborhoods; and 3) expand economic opportunities, especially for low- and moderate-income persons. Specific activities the County of Sacramento and SHRA will undertake using federal funding to achieve the objectives are outlined in the Consolidated Plan. These activities are designed to serve extremely low-, low-, and moderate-income residents by funding programs and projects in the following categories: 1) Infrastructure and Public Improvements, 2) Affordable Housing Development, and 3) Public Services. The Consolidated Plan’s goals and priorities for the County were developed through an extensive community engagement process and consultation with public agencies in the County.

**Action Plan**

The One-Year Action Plan (Plan) details the programs, activities, and budgets for the year beginning January 1 through December 31. The Plan describes the resources expected to be available in the coming program year from federal, nonfederal, and private sources. It includes a description of the activities that will be undertaken to meet the specific objectives in the Consolidated Plan.

The Action Plan’s key components are outlined below.

**CDBG Eligible Activities**

The CDBG program requires that each activity must meet one of three national objectives: 1) Benefitting low and moderate income persons using one of four subcategories: a) Low and Moderate Income (LMI), Area Benefit in a primarily residential census tract; b) LMI Clientele (homeless, seniors, etc.); c) Housing for LMI residents; d) Jobs for LMI residents; 2) Prevention or elimination of slums or blighted areas; and 3) Urgent Need. Additionally, the activity must also be eligible and generally include the following: Public Facility/Infrastructure Improvements; Public Services; Acquisition; Clearance and Remediation Activities; Homeownership Assistance; and Planning and Environmental Studies.
Infrastructure and Public Facility Improvements
There is a continuing need in the County for infrastructure and public facility improvements to serve low- and moderate-income residents who reside within older neighborhoods that either have inadequate facilities or where existing facilities are suffering from heavy use or deferred maintenance, leading to disrepair. Capital improvement funding identified in the Action Plan strives for maximum leveraging opportunities in order to provide the greatest impact to residents. Supporting large infrastructure and public facility improvement projects benefiting low- and moderate-income areas is a key objective of the County’s CDBG Program.

The infrastructure and public facility improvement projects are selected through consultation with County staff and are based on the ability for them to be completed in a timely manner, CDBG program eligibility, and current County priorities. The Action Plan recognizes the limited federal, state and local funding available for these types of improvements and strategically focuses funding on fewer, but larger projects in low- and moderate-income neighborhoods. The goal is to create activities which generate strategic and visible impacts that promote positive changes within the community.

Agreement Cities
Per HUD guidelines and Notice CPD-17-03, Sacramento County is considered an Urban County because it has a population of more than 200,000 in its unincorporated areas and participating incorporated areas. Local jurisdictions within an Urban County that are considered non-entitlement cities as defined by HUD are able to enter into Cooperation Agreements for CDBG, HOME, and ESG funding with SHRA, on behalf of the County.

In addition, entitlement cities have the option to enter into Consortium Agreements with SHRA for HOME funding only. Entering into an agreement with SHRA allows for the jurisdiction’s low- and moderate-income populations to be included in the calculation for receiving entitlement funds from HUD. These funds, less any administration costs, are made available to that jurisdiction for HUD-funded activities depending on the type of agreement. Absent utilizing the Urban County, such jurisdictions and their population are counted into the State formula and must access funds on a competitive basis through the State. Such access may be limited, and thus it is frequently more advantageous to partner with the Urban County.

In 2019, SHRA was authorized to enter into three-year (2021-2023) Cooperation Agreements with Folsom, Isleton and Galt for CDBG, HOME, and ESG funding, and a HOME Consortium Agreement with the cities of Citrus Heights and Rancho Cordova.
Housing
The housing activities outlined in the Action Plan seek to support, increase and improve the multi-family housing stock, fund minor and emergency repairs to existing single-family homes, and provide decent and affordable housing to low- and moderate-income individuals. SHRA’s ability to respond to difficult housing issues has been constrained in recent years due to the limited amount of entitlement grants from the federal government and limited state and local funding. As a result, resources from CDBG have been consistently targeted over the Consolidated Planning period towards housing rehabilitation and in support of housing development. Additionally, efforts have been made to reduce mobility barriers for low- and moderate-income households by supporting infrastructure improvements along transit corridors in conjunction with housing development and community facilities in designated neighborhoods. This strategy is part of SHRA’s efforts to support equitable Transit-Oriented Development, which is proven to lead to increased opportunities for low- and moderate-income residents to live closer to their place of work and enjoy greater interaction with their surrounding community and amenities.

To maximize fair housing choice, affordable housing rehabilitation and new construction are not limited to low- and moderate-income areas and can be developed where it is most appropriate. Guidelines for investing in affordable housing rehabilitation and new construction activities were approved by the Board of Supervisors separately as part of SHRA’s Multifamily Lending and Mortgage Revenue Bond Policies.

HOME Program
The HOME Program empowers grantees to design and implement affordable housing strategies to respond to locally determined needs. HOME funds, unlike CDBG, can be used for new construction. Additionally, HOME funds are also used for rehabilitation of existing multifamily housing. Guidelines for investing in affordable housing rehabilitation and new construction activities were approved by the Board of Supervisors separately as part of SHRA’s Multifamily Lending and Mortgage Revenue Bond Policies.

Homeless Services
SHRA is part of the Continuum of Care Advisory board and is committed to partnering with Sacramento Steps Forward (SSF), the lead agency for the Continuum of Care (CoC). As such, SHRA continues to participate in discussions about the most effective ways to reach out to homeless individuals and to assess their individual needs as part of ongoing coordination efforts. It is recognized within the Action Plan that the County has determined addressing homelessness as a high priority. SHRA continues to work with County staff on the most strategic use of federal funding for homeless services, including
CDBG and ESG to reflect and complement the broader commitments of the County to prevent and end homelessness.

Objectives to address homelessness include supporting the continuation of the CoC homeless assistance system for individuals and families through the provision of emergency shelters, rapid re-housing/prevention services, and permanent supportive housing services, and supportive services for low- and moderate-income individuals and those with special needs, including the homeless and persons living with HIV/AIDS.

As part of the Action Plan, CDBG and ESG funding is expected to continue for established programs which include emergency shelters, rapid re-housing and other actions related to the prevention of homelessness.

**Emergency Solutions Grant**
SHRA, on behalf of the County of Sacramento, administers ESG funding. Upon approval of the Action Plan by the Sacramento Board of Supervisors, SHRA will execute subrecipient agreements for rapid re-housing and emergency shelter programs. Rapid re-housing services include housing search and placement, housing stability case management, direct short-term rental assistance, rental application fees, security/utility deposits, and first/last months’ rent.

**Public Services**
An overall priority for CDBG is to increase self-sufficiency and economic opportunity for low- and moderate-income residents and individuals with special needs so that they can achieve a reasonable standard of living. The priority in the Consolidated Plan for the utilization of public service funding is to support the provision of vital services to the County’s most vulnerable populations, such as providing meals to seniors and the services and emergency shelter to homeless households.

**Fair Housing**
SHRA, the City and County of Sacramento, and the Cities of Citrus Heights, Elk Grove, Rancho Cordova and Folsom implement fair housing services through local partnerships. The result is the Renter’s Hotline, which serves as a central intake point to provide counseling, dispute resolution and fair housing services for Sacramento County residents in a housing crisis or dispute. Access is through telephone and the internet. Other components include fair housing education and training for landlords, and implicit bias training and Investigation/Testing/Litigation.