



**NOTICE OF REGULAR MEETING**  
**Sacramento Housing and  
Redevelopment Commission**  
**TELECONFERENCE MEETING ONLY**  
**Wednesday, March 2, 2022 – 4:00 pm**  
**801 12<sup>th</sup> Street Commission Room**  
**Sacramento CA**

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

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

**YouTube Link:** <https://youtu.be/iiuNq-624NA>

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

1. Email comments to [publiccomments@shra.org](mailto:publiccomments@shra.org) which will be read into the record by the Clerk during the meeting.
2. Comment by phone during the meeting by dialing (888) 970-1444. Please call and indicate if you wish to comment during the general ‘Citizens 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](http://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**

**CITIZEN COMMENT REPORT**

**CITIZENS COMMENTS**

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

## APPROVAL OF MINUTES – February 2, 2022

### CONSENT

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

### PRESENTATION

2. Family Self Sufficiency Program presentation

### DISCUSSION/BUSINESS ITEMS

3. Tax Equity and Fiscal Responsibility Act Hearing and Approval of Tax-Exempt Bonds, Loan Commitment and Funding Agreements for the Mirasol Village Block D Project (Twin Rivers Phase 4) – City Report
4. Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project - County Report

### PRESENTATION

5. Rental Assistance Demonstration (RAD) Program Update

### EXECUTIVE DIRECTOR REPORT

### COMMISSION CHAIR REPORT

### ITEMS AND QUESTIONS OF COMMISSION MEMBERS

### ADJOURNMENT



**MINUTES**  
**Sacramento Housing and Redevelopment Commission (SHRC)**  
**Special Meeting**  
**February 2, 2022**

Meeting noticed on January 28, 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, Morgan, Nunley, Ross, Staajabu, Osmany, Starks, Woo

**MEMBERS ABSENT:** Griffin (one vacancy)

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

**APPROVAL OF AGENDA**

The Agenda was approved as submitted. The Chair announced that items 4 and 5 would be heard together.

**CITIZENS COMMENTS**

Three citizen's comments were read into the record. All three asked that their names not be read in to the record. The comments were

1. How to apply for Mirasol Village - The Clerk announced that this inquiry had been forwarded to the appropriate staff for follow up.
2. Income calculation policies related to receiving a lump sum- The Clerk announced that this inquiry had been forwarded to the appropriate staff for follow up.
3. Suspected fraud in the Shelter + Care program. The Clerk announced that this inquiry had been forwarded to the appropriate staff for follow up.

Commissioner Ross asked if the Clerk could confirm in the minutes that items presented during public comment had been followed up by staff. Brad Nakano, SHRA General Counsel, indicated that staff would look back at the discussion that occurred a few months ago related to this. Chair Morgan indicated that he recalled that the Clerk was going to note in the minutes to confirm follow up had occurred. Staff indicated they would report back at the next meeting.

**APPROVAL OF MINUTES** – January 19, 2022 minutes were approved as amended with a comment from Commissioner Ross.

## 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

Larry Jenkins 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, Staajabu, Osmany, Starks, Woo

NOES: None

ABSENT: Griffin

## PRESENTATIONS

2. Housing Choice Voucher Waitlist Presentation

Laila Darby presented the item.

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

Christine Weichert presented the item.

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

Celia Yniguez presented the item.

## EXECUTIVE DIRECTOR'S REPORT

La Shelle Dozier announced the following:

- Next meeting is March 2<sup>nd</sup>
- Commissioner Schumacher-Hodge has resigned

## COMMISSION CHAIR REPORT

None.

## ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Commissioner Boyd asked if the resignation of Commissioner Schumacher-Hodge was due to the early start time for the Commission. Staff indicated that while this was a factor, she had also indicated that her workload and other priorities were preventing her from participating.

## ADJOURNMENT

As there was no further business to be conducted, Chair Morgan adjourned the meeting at 5:15 pm.

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Clerk

March 2, 2022



Sacramento Housing and Redevelopment Commission  
Sacramento, California

Honorable Members in Session:

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

**RECOMMENDATION**

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

**CONTACT PERSONS**

James Shields, Deputy Executive Director of Administration, 916-440-1319  
Vickie Smith, Senior Management Analyst, 916-440-1363

**SUMMARY**

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

**BACKGROUND**

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

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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

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

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

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

### **ENVIRONMENTAL REVIEW**

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

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**

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Respectfully submitted,



LA SHELLE DOZIER  
Executive Director

Attachments



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

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

ON DATE OF

**March 2, 2022**

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

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

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

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

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

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

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

**WHEREAS**, by Executive Order N-25-20 on March 12, 2020 (N-25-20), all residents were directed to heed any orders and guidance of state and local public health officials, including but not limited to the imposition of social distancing measures, to control the spread of COVID-19. By Executive Order N-29-20 on March 17, 2020 (N-29-20) and in furtherance of the imposition of social distancing measure, notwithstanding any other provision of state or local law, including the

Brown Act, N-29-20 authorized a local legislative body to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to attend and to address the local legislative body, during the period in which state or local public officials impose or recommend measures to promote social distancing, including but not limited to limitations on public events. All requirements in the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or of the public as a condition of participation in or quorum for a public meeting were waived; and

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

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

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

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

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

**BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:**

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

Section 2. The Commission hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

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

Section 4. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) April 1, 2022, or (ii) such time the Commission adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Agency may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

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CHAIR

ATTEST:

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CLERK



February 24, 2022

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Tax Equity and Fiscal Responsibility Act Hearing and Approval of Tax-Exempt Bonds,  
Loan Commitment and Funding Agreements for the Mirasol Village Block D Project  
(Twin Rivers Phase 4)

SUMMARY

The attached report is submitted to you for review prior to final approval at the  
Sacramento City Council.

Respectfully submitted,

  
LA SHELLE DOZIER  
Executive Director



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

**Public Hearing**  
**March 8, 2022**

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

**Title: Tax Equity and Fiscal Responsibility Act Hearing and Approval of Tax-Exempt Bonds, Loan Commitment and Funding Agreements for the Mirasol Village Block D Project (Twin Rivers Phase 4)**

**Location/Council District: 475 Pipevine Street, District 3**

**Recommendation:** Conduct a public hearing and upon conclusion adopt: 1) a City Council Resolution indicating the City Council has conducted a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing related to the proposed construction and financing of the Mirasol Village Block D (Block D) (Project) and approving the issuance of tax-exempt bonds by the Housing Authority of the City of Sacramento (Housing Authority); 2) a City Council Resolution a) amending the Sacramento Housing and Redevelopment Agency (SHRA) budget to allocate up to \$7 million comprised of \$3.3 million in Permanent Local Housing Allocation (PLHA) funds, \$1.4 million in Mixed Income Housing Funds (MIHF), \$1.4 million in Housing Trust Funds (HTF) and \$900,000 in Housing Opportunities for Persons with AIDS (HOPWA) funds for the purpose of construction and permanent financing of the Project, b) approving the Conditional Loan Commitment (Commitment), c) authorizing SHRA to execute and transmit the Commitment to Twin Rivers Phase 4, L.P. (McCormack Baron Salazar) or related entity (Developer) for the Project, d) authorizing SHRA to negotiate, enter into, execute and amend from time to time a funding agreement comprised of up to \$7 million in PLHA, MIHF, HTF and HOPWA funds and related documents for the construction and permanent financing of the Project with the Developer and execute other documents, as approved to form by its Office of the General Counsel (Counsel), and perform other actions required for the PLHA, MIHF, HTF and HOPWA program funds, including without limitation, negotiation, subordination, regulatory agreements, financial restructuring, and extensions, consistent with its adopted policy and with this resolution, e) designate the Housing Authority of the County of Sacramento (HACOS) to negotiate, enter into, execute and amend from time to time a funding agreement comprised of up to \$2 million in Choice Neighborhoods Implementation (CNI) funds and related documents for the construction and permanent financing of the Project with the Developer and execute other documents, as approved to form by its Counsel, and perform other actions required for the CNI program funds, including without limitation, negotiation, subordination, regulatory agreements, financial restructuring, and extensions, consistent with its adopted policy and with this resolution,

and f) making related findings; 3) a Housing Authority Resolution a) amending the Housing Authority budget to allocate up to \$3 million in Housing Authority Funds (HAF) for the purpose of construction and permanent financing of the Project, b) approving the Commitment, c) authorizing the Executive Director, or her Designee, to execute and transmit the Commitment to the Developer for the Project, d) authorizing the Executive Director, or her Designee, to negotiate, enter into, execute and amend from time to time a funding agreement comprised of up to \$3 million in HAF and related documents for the construction and permanent financing of the Project with the Developer and execute other documents, as approved to form by its Counsel, and perform other actions required for the HAF, including without limitation, negotiation, subordination, regulatory agreements, financial restructuring, and extensions, consistent with its adopted policy and with this resolution, and e) making related findings; and 4) a Housing Authority Resolution a) indicating the intention of the Housing Authority to issue up to \$38 million in tax exempt mortgage revenue bonds to provide acquisition, construction and permanent financing of the Project, b) authorizing the Housing Authority to submit an application to the California Debt Limit Allocation Committee (CDLAC) for allocation authority to issue bonds, and c) authorizing the Executive Director, or designee, to execute any and all documents deemed necessary by herself or her designee and related to the transaction.

**Contact:** La Shelle Dozier, Executive Director, (916) 440-1319; Christine Weichert, Director, (916) 440-1353, Sacramento Housing and Redevelopment Agency

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

**Department:** Sacramento Housing and Redevelopment Agency

### **Description/Analysis**

**Issue Detail:** In 2015, HACOS and the City of Sacramento (City) were, as co-grantees, awarded a \$30 million CNI Grant from the US Department of Housing and Urban Development (HUD) for the Twin Rivers Transit Oriented Development and Light Rail Station project (Master Development). The CNI Grant period ends September 30, 2022, by which time all grant funds must be expended and all units must be financed, otherwise, the \$30 million grant is subject to recapture.

On December 12, 2017, HACOS and City Council members approved the Master Development Agreement, which includes the Option to Lease (ground lease loans). SHRA is managing the Master Development and McCormack Baron Salazar is the master developer and Housing Lead (Developer). The Master Development is now known as Mirasol Village. The total project area includes six residential blocks and encompasses approximately 26 acres. A vicinity map and project renderings of Mirasol Village are shown in Attachments 8 and 9.

The Master Development is being developed in five phases. The first phase includes Blocks B and E (123 units) and construction will be completed in April 2022. The second phase is Block A (104 units), and construction will be completed in September 2022. The third phase is Block C (84 units) and the Developer plans to start construction on this

block by the summer of 2022. The Developer is now actively seeking to secure all funds needed to construct the fourth phase, Block D (116 units) (Project), subject of this report. The fifth phase, Block F, is the block east of 12<sup>th</sup> Street and will be the last block developed.

On March 16, 2021, City Council approved SHRA and the Developer to apply to the State of California Strategic Growth Council and Department of Housing and Community Development in funding Round 6 for an Affordable Housing and Sustainable Communities grant for up to \$30 million, including up to \$20 million for the affordable housing development and \$10 million for the housing related infrastructure of the Project. Unfortunately, in January 2022, the Project was not awarded.

On December 7, 2021, HACOS and City Council approved the predevelopment loan agreement and construction/permanent loan commitment of up to \$2 million in CNI funds for the financing of Mirasol Village Block D (Phase 4).

The Developer of the Project applied to SHRA requesting a not to exceed \$38 million bond issuance from the Housing Authority and a \$15 million gap loan from the City and County for the construction and permanent financing of the Project.

On November 2, 2021, the Board of Supervisors (Board) adopted the American Rescue Plan Act (ARPA) Phase One Funding Allocation with Housing as a priority, and SHRA staff is recommending an appropriation of \$5 million of ARPA funds for the construction and permanent financing of this Project. On March 8, 2022, it is anticipated the Board will approve a \$5 million loan commitment comprised of ARPA funds for the construction and permanent financing of the Project to fill the \$15 million gap loan required.

On February 11, 2022, the Developer submitted a funding application to California Housing Finance Agency (CalHFA) for \$5 million in Mixed Income Program (MIP) funds to assist with the construction and permanent financing of the Project.

Subject to all governing board approvals, the Housing Authority and Developer will apply to California Debt Limit Allocation Committee (CDLAC) for tax-exempt bonds and to California Tax Credit Allocation Committee (CTCAC) for four percent Low Income Housing Tax Credits (LIHTC) on March 16, 2022, with a goal to close financing in fall 2022 and complete construction by the fall of 2024.

Development: Mirasol Village Block D will be a new construction, mixed-income housing development. The Project will include a mixture of multifamily apartment and garden-style walk-up buildings. Block D will consist of a total of five residential buildings that includes 116 rental housing units that range from one to four bedrooms in size and 58 on-grade parking spaces. The unit mix will include 47 replacement units, 43 tax-credit units, 25 units restricted to 80% of Area Median Income (AMI) and one exempt management unit. A separate building at the north end of the site will include an early childhood education center that will be developed by SHRA. Block D residents will also have access to all outdoor community amenities including the park, garden, barbeque areas, and electric car share.

Entitlements: The site plan approval for Block D was received on February 27, 2020, and the building permits are expected to be ready to issue in fall 2022.

Developer: The limited partnership, Twin Rivers Phase 4, L.P. will develop the Project. A McCormack Baron Salazar, Inc. affiliate, Twin Rivers Phase 4, MBS GP, Inc., will serve as administrative general partner of the limited partnership. The Developer is an experienced owner and manager of affordable rental housing projects with more than 40 years of experience in affordable housing and has developed over 21,000 homes in 23 states across the U.S., including 13 communities in California. They have extensive experience in financing projects with tax credits, tax exempt bonds, and other public and private funding sources.

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

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

Resident Services: Resident services will be provided by Urban Strategies, which currently provides resident services to 11 affordable housing communities across the country. Urban Strategies will be required to provide at least 20 hours of services per week for Block D residents. Programs will be tailored to resident needs. SHRA staff has reviewed and approved Urban Strategies' resident services plan detailing the scope and schedule of services to be provided. Services will be provided by an on-site services coordinator and will include social services and enrichment programs.

Project Financing: In addition to the capitalized ground lease loans previously approved by the County Housing Authority Board on December 12, 2017, and CNI funds previously approved by the County Housing Authority Board and City Council on December 7, 2021, the proposed financing of the Project includes County ARPA funds, City Permanent Local Housing Allocation funds (PLHA), City Housing Authority Funds (HAF), City Mixed Income Housing Funds (MIHF), City Housing Trust Funds and Housing Opportunities for Persons With AIDS (HOPWA) loans, CalHFA MIP loan, four percent LIHTC, tax-exempt bond financing, a conventional loan, deferred developer fee and development impact fee waivers. The law firm of Orrick, Herrington and Sutcliffe LLP, will serve as Bond Counsel to the Housing Authority. A summary of County and City financing is provided in the following table:



**Mirasol Village Block D**

<b>County and City Loan Programs</b>	<b>Amount</b>
SHRA County ARPA Loan	\$ 5,000,000
HACOS CNI Loan (approved December 2021)	\$ 2,000,000
HACOS Ground Lease Loan (approved December 2017)	\$ 468,000
<b>Subtotal of County Loans</b>	<b>\$ 7,468,000</b>
SHRA City PLHA Loan	\$ 3,300,000
HACS HAF Loan	\$ 3,000,000
SHRA MIHF Loan	\$ 1,400,000
SHRA City HTF Loan	\$ 1,400,000
SHRA HOPWA Loan	\$ 900,000
<b>Subtotal of City Loans</b>	<b>\$ 10,000,000</b>
<b>TOTAL COUNTY AND CITY LOANS</b>	<b>\$ 17,468,000</b>

Low-Income Set-Aside Requirements: As a condition of receiving LIHTC and the benefits of tax-exempt bond financing, federal law requires that units be set aside for targeted income groups. Income restrictions from LIHTC financing require that 20 percent of the units have rents that are affordable to households with income up to 50 percent of Area Median Income (AMI). SHRA further requires at least 15 percent of the units have rents that are affordable to households with income up to 50 percent AMI and at least five percent of the units have rents that are affordable to households with income up to 30 percent AMI, based on financial feasibility. HUD approved 47 replacement Project Based Vouchers for the public housing replacement units in the Project which are administered by the County Housing Authority. Project affordability restrictions will be specified in regulatory agreements as required by the ARPA, CNI, Ground Lease, PLHA, HAF, MIHF, HTF, and HOPWA funding sources with the Developer. The Residential Project Summary and Proforma are included as Attachments 10 and 11, and a schedule of Maximum Income and Rent Limits is included as Attachment 12. These anticipated sources and their affordability requirements are summarized in the following table:

**Mirasol Village Block D**

<b>Affordability Restrictions (55 years)<sup>1</sup></b>	<b>Units</b>	<b>% of Units</b>
Extremely Low Income (30% AMI)	47	40%
Low Income (60% AMI)	43	37%
Low-Moderate Income (80% AMI)	25	22%
Management Unit (Exempt)	1	1%
<b>Total</b>	<b>116</b>	<b>100%</b>

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

**Policy Considerations:** The recommended actions are consistent with a) SHRA's approved Multifamily Lending and Mortgage Revenue Bond Policies, adopted on December 3, 2019 b) the 2021-2029 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2021-0259); c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); d) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by year 2025 (Resolution No. 2015-282); e) the 2007 Asset Repositioning Strategy of the City and County Housing Authorities; f) the 2013-2019 Consolidated Plan; and g) the River District Specific Plan adopted February 15, 2011.

**Economic Impacts:** This multifamily residential project is expected to create 521 total jobs (292.49 direct jobs and 228.51 jobs through indirect and induced activities) and create \$45,701,526 in total economic output (\$28,086,239 of direct output and another \$17,615,287 of output through indirect and induced activities). *The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.*

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

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

**Commission Action:** *Sacramento Housing and Redevelopment Commission:* At its March 2, 2022 meeting, the Sacramento Housing and Redevelopment Commission reviewed the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

**Rationale for Recommendation:** The actions recommended in this report enable SHRA to continue to fulfill its mission to provide a range of affordable housing opportunities in the City and are consistent with SHRA's approved Multifamily Lending and Mortgage Revenue Bond Policies, the City of Sacramento's 2021-2029 Housing Element, Promise Zone Plans and Goals, Downtown Housing Initiative and Initiation, Asset Repositioning Strategy, Consolidated Plan and the River District Specific Plan.

**Financial Considerations:** The SHRA, Housing Authority and HACOS loans will be used for the acquisition, construction and permanent financing of the Project. The ARPA, CNI, PLHA, MIHF, HTF, HOPWA and HAF loans will have a 3% simple interest rate and 57-year term. The capitalized ground lease loan will have an Applicable Federal Rate and 57-year term. SHRA will receive a one-time issuance fee of 0.25 percent of the bond amount, which is payable at bond closing, and annual payment for monitoring the regulatory restrictions and administration of the bonds in the amount of 0.125 percent of the bond amount. SHRA will also receive a \$100 annual administrative fee for each assisted unit. The total administrative fee will not exceed \$25,000 annually for the affordable units during the 55-year regulatory term. The Developer will be responsible for payment of all costs and fees relating to the bonds. Mortgage revenue bonds do not represent a financial obligation of SHRA, Housing Authority, or City of Sacramento.

**Local Business Enterprise (LBE)/Minority and Women's Business Enterprise (MBE/WBE):** Minority and Women's Business Enterprise will be applied as required by federal requirements to maintain that federal funding. Section 3 requirements will be applied as required by federal regulations and the SHRA Economic Opportunity Plan. Developer and General Contractor will work with the Sacramento Employment and Training Agency, the Greater Sacramento Urban League, or similar programs, for employment opportunities and program requirements.

Respectfully Submitted by:

  
LA SHELLE DOZIER  
Executive Director

**Attachments**

- 01-Description/Analysis
- 02-Council Resolution – TEFRA
- 03-Council Resolution – Commitment
- 04-Exhibit A to Resolution – Commitment
- 05-Housing Authority Resolution – Commitment
- 06-Exhibit A to Resolution – Commitment
- 07-Housing Authority Resolution – Inducement
- 08-Vicinity Map
- 09-Project Renderings
- 10-Residential Project Summary
- 11-Cash Flow Proforma
- 12-Maximum Income and Rent Limits

## **RESOLUTION NO. 2022-\_\_\_\_\_**

**Adopted by the Sacramento City Council**

### **MIRASOL VILLAGE BLOCK D: APPROVAL OF THE ISSUANCE OF OBLIGATIONS BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON BEHALF OF TWIN RIVERS PHASE 4, L.P.**

#### **BACKGROUND**

- A. The Housing Authority of the City of Sacramento, a housing authority organized and existing under the laws of the State of California (the "Authority"), proposes a plan of financing providing for the issuance of exempt facility bonds for a qualified residential rental project pursuant to Section 142(a)(7) of the Internal Revenue Code of 1986 (the "Code") in one or more series issued from time to time, including bonds issued to refund such exempt facility bonds in one or more series from time to time, and at no time to exceed \$38,000,000 (the "Obligations") and to lend the proceeds thereof to Twin Rivers Phase 4, L.P. or a partnership of which McCormack Baron Salazar, Inc. (the "Developer") or a related person to the Developer is the general partner, to be used to provide funds to finance or refinance the acquisition, construction and development of a multifamily housing residential facility to be located at 475 Pipevine Street, in the City of Sacramento, California;
- B. Section 147(f) of the Code requires the execution and delivery of the Obligations to be approved by the City Council of the City (the "City Council"), as the elected representative of the City of Sacramento and the host jurisdiction of the subject multifamily housing residential facility, after a public hearing has been held following reasonable and proper notice;
- C. A public hearing was held by the City Council on March 8, 2022, following duly published notice thereof, and all persons desiring to be heard have been heard;
- D. It is in the public interest and for the public benefit that the City Council, as the elected representative of the City of Sacramento and the host jurisdiction of the subject multifamily housing residential facility, approve the execution and delivery by the Authority of the Obligations;

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

- Section 1. The City Council of the City of Sacramento hereby finds, determines and declares that issuance by the Authority of the Obligations in the maximum principal amount of \$38,000,000 for the purposes described above is hereby approved.
- Section 2. This resolution shall take effect immediately upon its adoption.

## **RESOLUTION NO. 2022 -**

**Adopted by the Sacramento City Council**

on date of

**MIRASOL VILLAGE BLOCK D (PROJECT): AUTHORIZATION TO AMEND THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (SHRA) BUDGET AND ALLOCATE UP TO \$7 MILLION COMPRISED OF \$3.3 MILLION IN PERMANENT LOCAL HOUSING ALLOCATION (PLHA) FUNDS, \$1.4 MILLION IN MIXED INCOME HOUSING FUNDS (MIHF), \$1.4 MILLION IN HOUSING TRUST FUNDS (HTF) AND \$900,000 IN HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) FUNDS TO THE PROJECT; APPROVAL TO EXECUTE LOAN COMMITMENT, FUNDING AGREEMENT AND RELATED DOCUMENTS WITH TWIN RIVERS PHASE 4 L.P. (MCCORMACK BARON SALAZAR) OR RELATED ENTITY (DEVELOPER); DESIGNATE THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO TO EXECUTE FUNDING AGREEMENT AND RELATED DOCUMENTS WITH THE DEVELOPER, AND ENVIRONMENTAL FINDINGS**

### **BACKGROUND**

- A. In 2015, the Housing Authority of the County of Sacramento (HACOS) and the City of Sacramento (City) were, as co-grantees, awarded a \$30 million Choice Neighborhoods Implementation Grant from the US Department of Housing and Urban Development (HUD) for the Twin Rivers Transit Oriented Development and Light Rail Station project (Master Development).
- B. On December 12, 2017, HACOS and City Council members approved the Master Development Agreement, which includes the Option to Lease (ground lease loans). SHRA is managing the Master Development and McCormack Baron Salazar is the master developer and Housing Lead (Developer). The Master Development is now known as Mirasol Village. The total project area includes six residential blocks and encompasses approximately 26 acres.
- C. On March 16, 2021, City Council approved SHRA and the Developer to apply to the State of California Strategic Growth Council and Department of Housing and Community Development in funding Round 6 for an Affordable Housing and Sustainable Communities grant for up to \$30 million, including up to \$20 million for the affordable housing development and \$10 million for the housing related infrastructure of the Project. Unfortunately, in January 2022, the Project was not awarded.
- D. On December 7, 2021, HACOS and City Council approved the predevelopment loan agreement and construction/permanent loan commitment of up to \$2 million in CNI funds for the financing of Mirasol Village Block D (Phase 4).
- E. The Developer of the Project applied to SHRA requesting a not to exceed \$38 million bond issuance from the Housing Authority and a \$15 million gap loan from the City and County for the construction and permanent financing of the Project.

- F. In a separate Housing Authority resolution, staff is recommending approval of up to \$3 million in Housing Authority Funds for the purpose of construction and permanent financing of the Project.
- G. On November 2, 2021, the Board of Supervisors (Board) adopted the American Rescue Plan Act (ARPA) Phase One Funding Allocation with Housing as a priority, and SHRA staff is recommending an appropriation of \$5 million of ARPA funds for the construction and permanent financing of this Project. On March 8, 2022, it is anticipated the Board will approve a \$5 million loan commitment comprised of ARPA funds for the construction and permanent financing of the Project to fill the \$15 million gap loan required.
- H. On February 11, 2022, the Developer submitted a funding application to California Housing Finance Agency for \$5 million in Mixed Income Program funds to assist with the construction and permanent financing of the Project.
- I. Subject to all governing board approvals, the Housing Authority and Developer will apply to California Debt Limit Allocation Committee (CDLAC) for tax-exempt bonds and to California Tax Credit Allocation Committee (CTCAC) for four percent Low Income Housing Tax Credits (LIHTC) on March 16, 2022, with a goal to close financing in fall 2022 and complete construction by the fall of 2024.
- J. The recommended actions are consistent with a) SHRA's approved Multifamily Lending and Mortgage Revenue Bond Policies, adopted on December 3, 2019 b) the 2021-2029 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2021-0259); c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); d) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by year 2025 (Resolution No. 2015-282); e) the 2007 Asset Repositioning Strategy of the City and County Housing Authorities; f) the 2013-2024 Consolidated Plan (Resolution No. 2019-0408), 2020 Action Plan (Resolution No. 2019-0408), and 2021 Action Plan (Resolution No. 2020-0350); and g) the River District Specific Plan adopted February 15, 2011.
- K. A combined Initial Study/Environmental Assessment (IS/EA) was prepared for the Mirasol Village (formerly Twin Rivers) Transit Oriented Development and Light Rail Station Project pursuant to California Environmental Quality Act (CEQA) requirements under 14 California Code of Regulations (CCR) §15070, and National Environmental Policy Act (NEPA) requirements under 24 Code of Federal Regulations (CFR) §58.36. The Mitigated Negative Declaration (MND) and associated Mitigation Monitoring and Reporting Program (MMRP) were adopted and a Notice of Determination (NOD) was issued pursuant to CEQA and a Finding of No Significant Impact (FONSI) was prepared pursuant to NEPA. The requested action requires no further environmental review.

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



- Section 1. All evidence presented having been duly considered, the findings, including environmental findings regarding this action, as stated above, are found to be true and accurate and are hereby approved adopted.
- Section 2. SHRA is authorized to amend its budget to allocate up to \$7 million comprised of \$3.3 million in PLHA funds, \$1.4 million in MIHF, \$1.4 million in HTF and \$900,000 in HOPWA funds for the purpose of construction and permanent financing of the Project.
- Section 3. The Conditional Loan Commitment attached hereto as Exhibit A for the purpose of construction and permanent financing of the Project with up to \$7 million comprised of PLHA, MIHF, HTF AND HOPWA program funds (Commitment) is approved, and SHRA is authorized to execute and transmit the Commitment to Twin Rivers Phase 4, L.P. (McCormack Baron Salazar) or related entity (Developer) for the Project.
- Section 4. SHRA is authorized to negotiate, enter into, execute and amend from time to time a funding agreement comprised of up to \$7 million in PLHA, MIHF, HTF and HOPWA funds and related documents for the construction and permanent financing of the Project with the Developer and execute other documents, as approved to form by its Office of the General Counsel (Counsel), and perform other actions required for the PLHA, MIHF, HTF and HOPWA program funds, including without limitation, negotiation, subordination, regulatory agreements, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.
- Section 5. HACOS is the designated authority to negotiate, enter into, execute and amend from time to time a funding agreement comprised of up to \$2 million in CNI funds and related documents for the construction and permanent financing of the Project with the Developer and execute other documents, as approved to form by its Counsel, and perform other actions required for the CNI program funds, including without limitation, negotiation, subordination, regulatory agreements, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.
- Section 6. SHRA finds that an economically feasible alternative method of financing on substantially comparable terms and conditions, without subordination is not available. Therefore, SHRA is authorized to subordinate the PLHA, MIHF, HTF AND HOPWA loans to the senior loans.
- Section 7. This resolution shall take effect immediately upon its adoption.

**Table of Contents:**

Exhibit A: Conditional Loan Commitment (PLHA, MIHF, HTF and HOPWA)



March 8, 2022

Dan Falcon, Managing Director  
720 Olive Street, Suite 2500  
St. Louis, Missouri 63101

Re: Conditional Loan Commitment for Mirasol Village Block D (Phase 4)

Dear Mr. Falcon:

On behalf of the Sacramento Housing and Redevelopment Agency (SHRA), Housing Authority of the City of Sacramento (HACS) and Housing Authority of the County of Sacramento (HACOS), collectively "Agency," we are pleased to advise you of its commitment of acquisition, construction and permanent loan funds (Loan) in an amount not to exceed \$17,468,000 in program funds described in the chart below for the purpose of financing the development of that certain real property known as Mirasol Village Block D (Phase 4) (Project) located 1381 Swallowtail Ave, Sacramento, California (Property) (Commitment).

<b>LOAN FUNDING PROGRAMS</b>	<b>NOT TO EXCEED LOAN AMOUNTS</b>
SHRA County American Rescue Plan Act (ARPA) Loan	\$ 5,000,000.00
SHRA City Permanent Local Housing Allocation (PLHA) Loan	\$ 3,300,000.00
HACS Housing Authority Funds (HAF) Loan	\$ 3,000,000.00
HACOS Choice Neighborhoods Implementation (CNI) Loan	\$ 2,000,000.00
SHRA Mixed Income Housing Funds (MIHF) Loan	\$ 1,400,000.00
SHRA City Housing Trust Funds (HTF) Loan	\$ 1,400,000.00
SHRA Housing Opportunities for Persons With AIDS (HOPWA) Loan	\$ 900,000.00
HACOS Ground Lease Loan (90% of the current appraised value of the land)	\$ 468,000.00
<b>TOTAL LOANS</b>	<b>\$ 17,468,000.00</b>

The Agency's decision is based on representations and information supplied by McCormack Baron Salazar, Inc. in its capacity as Housing Lead and Master Developer. If these representations and information change in a material manner without written approval of the Agency, this Commitment is void. Agency's obligation to make the Loan is subject to the satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency. This Commitment supersedes previous loan commitments associated with CNI and ground lease loans.

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

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

This Commitment will expire **September 30, 2023**, or extended upon mutual agreement.

1. **PROJECT DESCRIPTION:** Twin Rivers (Mirasol Village) Phase 4 is a new construction, mixed-income housing development. The Project is the third phase of development for the multi-phased, Twin Rivers public housing redevelopment project. The Project will consist of a total of five residential buildings that will include a minimum of 116 rental housing units. The housing units will be 1-4 bedrooms in size and include a minimum of 47 replacement housing units in accordance with the HUD-approved replacement housing plan for the Project. The Project will also contain several outdoor amenities including tot lots, barbeque areas, and bike or car share.
2. **BORROWER:** The name of the Borrower for the Loan is Twin Rivers Phase 4, L.P., a California limited partnership with McCormack Baron Salazar, Inc., or related entity as the lead development partner.
3. **PURPOSE OF LOAN:** The Loan is to be used by Borrower solely to pay the costs of acquisition, construction and permanent financing of the Project and for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, as well as in such other agreements as may be generally required by the Agency for the use of the funding source for the Loan.
4. **PRINCIPAL AMOUNT:** The principal amount of the Loan will be a maximum of Seventeen Million Four Hundred Sixty-Eight Thousand Dollars and No Cents (\$17,468,000.00) or such lesser amount as may be needed and as determined by Borrower and approved by Agency prior to close of the Loan.
5. **TERM OF LOAN:** The Loan shall mature up to 57 years or 684 months from the date of closing construction financing, at which point any and all unpaid principal and interest on the loan will be due and payable. Final maturity date will be determined by impact of terms and conditions of other sources of financing approved for the Project.
6. **INTEREST RATE:** The Loan will bear simple interest at three percent (3%) per annum. Interest shall be calculated on a 365-day year, actual days elapsed basis. With the exception of the Ground Lease Loan, which will be the Applicable Federal Rate.
7. **ANNUAL REPAYMENT:** Annual principal and interest payments shall be made according to the structured payment schedule contained in the final Loan Agreement and as calculated to achieve a minimum annual debt service coverage ratio of 1.2:1. Payments shall be applied first to outstanding interest accrued and unpaid and then to principal. All outstanding principal and interest is due and payable on the maturity date. Notwithstanding the preceding payment schedule, no payments shall be required on this Loan until the full balance of principal and interest on the proposed capitalized ground lease made by the Housing Authority of the County of Sacramento to Borrower pursuant to the Master Development Agreement is paid in full.
8. **SOURCE OF LOAN FUNDS:** Agency is making the Loan from the ARPA, PLHA, HAF, CNI, HTF and HOPWA funding programs and ground lease, and is subject to all of the requirements related to the use of these funds, whether Agency requirements or otherwise. This Loan is conditioned upon Borrower's acceptance of Agency requirements and conditions related to its lending programs and funding sources, including among others the required forms of agreements for the Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.



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

\_\_\_\_\_ (Borrower Initial)

9. ACCELERATION: Agency shall have the right to accelerate repayment of the Loan in the event of a default under any Loan Document or upon sale, transfer or alienation of the Property except as specifically provided for in the Loan documents.
10. SECURITY: The Loan shall be evidenced by promissory note(s) secured by a deed of trust with assignment of rents against the fee and/or leasehold interest in the Property and Improvements, which shall be a lien upon the Property and Improvements subject only to additional liens senior to the Agency's lien securing loans needed for the Project and such other liens or items as the Agency may approve in writing prior to close. The Loan shall also be secured by security agreements where required. The Agency may agree to subordinate said deed of trust in order to accommodate completion of construction of the Project.
11. LEASE AND RENTAL SCHEDULE: All leases of the Property and Improvements shall be subject to Agency review and approval prior to execution. Borrower shall not deviate from the rental schedule presented in Borrower's application for the Loan without Agency's prior written approval provided, however, that such approval shall not be required for annual adjustments to rental rates as permitted by the California Tax Credit Allocation Committee.
12. PROOF OF EQUITY: Borrower shall provide proof of equity for the Property and Improvements in the amount of no less than stated in Borrower's request for the Loan. Proof of equity will generally be in the form of verified low income housing tax credit equity and deferred developer fee. If the final equity contribution is less than that as anticipated, the difference in equity must be offset by an increase in the deferred developer fee.
13. OTHER FINANCING: Borrower, as a requirement of the Loan, shall procure and deliver to Agency evidence satisfactory to Agency that Borrower has obtained the following described financing which may be secured by a lien upon the Property and Improvements superior or subordinate to Agency's liens, and which shall be otherwise on terms and conditions acceptable to Agency:
  - (a) As a condition precedent to disbursement of the Agency loan, construction financing from private lender(s) in an amount(s) sufficient to complete construction of the Project according to a Scope of Work as approved by Agency (Construction Financing). The term of Construction Financing must not be less than that specified in the Schedule of Performances for completion of construction and in any event not less than the time necessary to fulfill all conditions precedent to funding of the permanent financing.
  - (b) Commitments for permanent financing sufficient to "take out" all Construction Financing liens senior to the Agency's lien.
  - (c) Such commitments for construction and permanent financing shall not require modification of Agency loan documents, or any term of this commitment letter.
  - (d) Such commitments shall not be based upon sources and uses of Project funds that are different from those approved by Agency for the project or be subject to conditions which require amendment of Agency documents or other agreements.



14. EVIDENCE OF FUNDS: Prior to the first disbursement of the Loan, Borrower must demonstrate evidence of adequate and assured funding to complete the development of the Project in accordance with the Agency's requirements. Borrower's evidence of available funds must include only one or more of the following: a) Borrower equity; b) firm and binding commitments for the Project from financial institution(s) or from other lender(s) approved by Agency in its absolute discretion; and c) Agency's contribution, provided, however, that Agency is not obligated by this letter to make any contribution not stated in the terms of the letter.
15. SOILS AND TOXIC REPORTS: Borrower will submit to the Agency a hazardous substances report made in accordance with the American Society for Testing and Materials "Standard Practice for Environmental Site Assessments; Phase I Environmental Site Assessment Process" (Designation E1527-13) prepared by a licensed or registered environmental engineer or other qualified party prior to Loan closing. Borrower must, as a condition of disbursement of Loan funds, give assurances satisfactory to the Agency that hazardous materials are not present on the Property or that any hazardous materials on the Property will be remediated and that no further remediation is then required by the environmental agency having responsibility for monitoring such remediation.
16. LOAN IN BALANCE: Borrower will be required to maintain the Loan "in balance" at all times. The Loan is "in balance" whenever the amount of the undisbursed Loan funds, the remaining sums to be provided by the Borrower and the loan funds from other project lenders or the equity investor are sufficient, in the sole judgement of the Agency, to pay for the remainder of the work to be done on the project as required by written agreement with the Agency. Should the Agency determine that the Loan is not "in balance" the Agency may declare the Loan to be in default.
17. PLANS AND SPECIFICATION: Final plans and specifications, if any, for the project must be in accord with the approved proposal. Final plans and specifications will be subject to Agency's final approval prior to the disbursal of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the project. The final plans shall incorporate all related mitigation measures as required in the Mitigation Monitoring and Reporting Program of Twin Rivers (Mirasol Village) Transit Oriented Development and Light Rail Station Project as may applicable to Twin Rivers (Mirasol Village) Phase 4, environmental conditions required, if any, for compliance with approvals under CEQA, and/or NEPA, or the U.S. Department of Housing and Urban Development as conditions of approval of the project.
18. ARCHITECTURAL AGREEMENT: The architectural agreement (Agreement), if any, for the preparation of the plans and specifications and other services shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Agreement as security for the Loan.
19. CONSTRUCTION CONTRACT: The construction contract (Contract), if any, and any change orders issued thereunder, and the contractor (Contractor) to be retained by Borrower to construct the Improvements shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Contract as security for the Loan. Agency may require Contractor to provide a performance and payment bond in a form acceptable to Agency for the amount of the Contract.



20. **RETENTION AMOUNT:** The Agency shall retain ten percent (10.0%) of each construction disbursement as retention, not to exceed a total of ten percent (10.0%) of the total amount of the Loan.
21. **COST BREAKDOWN:** Borrower shall deliver to Agency for Agency's approval prior to commencement of work a detailed cost breakdown of the cost of constructing, financing and other costs of developing the Project, which breakdown conforms to the project plans and specification and the approved budget for the Project. Borrower shall also deliver a list of all contractors and subcontractors to be employed in connection with the construction of the Improvements. If required by the Agency, Borrower shall also submit copies of all bids received for each item of work to be performed as well as copies of executed contracts and subcontracts with acceptable bidders.
- All contracts, subcontracts, contractors, and subcontractors shall be subject to Agency's approval prior to close of the Loan. Agency also reserves the right to require performance and material payment bonds on any or all contractors, or in lieu of bond a letter of credit acceptable to Agency.
- Agency shall make disbursements of the Loan based on a cost breakdown that lists line items in cost categories. Agency shall require that Borrower provide documentation supporting all requests for disbursement of Loan funds, including proof of work done and actual expenditure. Agency shall conduct inspections of the Property to assure that the work was done before making a disbursement.
22. **COST SAVINGS:** At completion of construction, Borrower shall submit to Agency a cost certification prepared by a qualified, independent auditor acceptable to Agency which shall indicate the amounts actually spent for each item in the cost breakdown and shall indicate the final sources of funding. If there is an aggregate savings, in the total of all such cost breakdown items from the cost breakdown items in the original budget approved by the Agency, after adjusting for any decrease in any funding source including any loss of any equity investment due to an adjustment in the allowable tax credits, the Agency shall withhold for itself fifty percent (50%) of such savings from the amount of retention then held by the Agency and the Loan balance shall be reduced by the amount so withheld. The Agency, in its sole discretion, shall determine any reduction and/or repayment of the Agency loan based upon this cost certification and the original approved budget for the project.
23. **START OF CONSTRUCTION:** Borrower shall commence construction at the earliest possible date subject to the conditions of this Agency and other involved lenders, but no later than sixty (60) days following the close of construction financing.
24. **COMPLETION OF CONSTRUCTION:** Borrower shall complete the construction of the Improvements no later than 24 months following the close of construction financing.
25. **SECURITY CAMERAS AND OUTSIDE LIGHTING:** Project shall include installation of a security camera system, exterior lighting, and security patrols, all as approved by the Agency.
26. **INSURANCE PROVIDER:** Each policy of insurance required under the Loan shall be obtained from a provider licensed to do business in California and having a current Best's Insurance Guide rating of A VII, which rating has been substantially the same or increasing for the last five (5) years, or such other equivalent rating, as may reasonably be approved by Lender's legal counsel.



27. HAZARD INSURANCE: Borrower shall procure and maintain fire and extended coverage insurance and during construction Builder's Risk completed value insurance in a form and substance approved by Agency. Coverage shall be for protection against loss of, or damage to the Improvements or materials for their construction to their full insurable value. Borrower shall also procure and maintain insurance against specific hazards affecting Agency's security for the Loan as may be required by Agency, governmental regulations, or any permanent lender. All such policies shall contain a standard mortgagee loss payable clause in favor of Agency. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000.00).
28. PUBLIC LIABILITY AND OTHER INSURANCE: Borrower must procure and maintain public liability and property damage insurance (with Agency named as additional insured) in a form approved by Agency. Coverage must be approved by Agency and must be in at least the following limits of liability: (1) Commercial General Liability insurance in Insurance Services Office (ISO) policy form CG 00 01 Commercial General Liability (Occurrence) or better with limits of liability, which are not less than \$1,000,000, per occurrence limit; \$5,000,000 general aggregate limit, and \$5,000,000 products and completed operations aggregate limit, all per location of the Project; (2) Property damage liability of \$1,000,000 each occurrence, \$1,000,000 single limit and \$1,000,000 aggregate; (3) Contractual liability for Bodily Injury of \$1,000,000 each occurrence, for Property Damage of \$1,000,000 each occurrence and \$1,000,000 aggregate, and Personal Injury with Employment Exclusion Deleted of \$1,000,000 aggregate; and (4) Comprehensive Automobile Liability for any vehicle used for or in connection with the Work of \$1,000,000. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000). Borrower must also procure and maintain workers' compensation and all other insurance required under applicable law, as required by law and as approved by Agency.
29. TITLE INSURANCE: Borrower must procure and deliver to Agency an ALTA Lender's Policy of Title Insurance, together with such endorsements as Agency may require, including but not limited to CLTA endorsement nos. 100, 116, and 102.5/102.7 insuring Agency in an amount equal to the principal amount of the Loan, that Agency's Deed of Trust constitutes a third lien or charge upon the Property and Improvements subject only to such items as shall have been approved by Agency. There must be no exceptions permitted for mechanic's liens. Title insurance for the Loan must be issued by a title insurer approved by Agency.
30. ORGANIZATIONAL AGREEMENTS: Borrower must submit to Agency certified copies of all of Borrower's organizational documents, including all amendments, modifications or terminations: if a corporation, Borrower's Articles of Incorporation and By-Laws; if a partnership, its Partnership Agreement and, as applicable, Certificate of Limited Partnership or Statement of Partnership; if a Limited Liability Company, its Articles of Organization and its Operating Agreement; and in all cases with all exhibits and amendments to such documents, fictitious business name statements, other related filings or recorded documents and such related documents as Agency may request. If it is a corporation, Borrower must submit a corporate borrowing resolution referencing this Loan. If Borrower is other than a corporation, Borrower must submit such proof of authority to enter this Loan as may be required under the organizational documents.
31. PURCHASE OR LEASE OF PROPERTY: Borrower shall provide Agency with copies of all documents relating to Borrower's ownership interest in the Property.



32. FINANCIAL INFORMATION: During the term of the Loan, Borrower shall deliver to Agency within 120 days of the end of each fiscal year an audited income and expense statement, a balance sheet, and a statement of all changes in financial position signed by authorized officers of Borrower. Prior to close of the Loan and during its term, Borrower must deliver to Agency such additional financial information as may be requested by Agency. Agency reserves the right to review and approve financial statements and other credit information and references prior to closing. During the term of the Loan, Borrower must deliver to Agency a monthly rent-roll including household composition information and operating statements with respect to the Property management, as Agency may request.
33. MANAGEMENT AGREEMENT: Prior to execution, Borrower must submit to Agency any agreement providing for the management or operation of the Property or Improvements by a third party which agreement is subject to Agency Approval.
34. RESIDENT SERVICES AGREEMENT: Prior to execution, Borrower must submit to Agency an agreement providing for the resident services by a third party which agreement is subject to Agency Approval. The agreement must include on-site resident services according to the following minimum schedule of twenty (20) hours per week:
- a. Coordinator: Six (6) hours per week (maximum)
  - b. After School Programming: Eight (8) hours per week (two hours per day and four days per week, minimum)
  - c. Additional Programming: Balance of minimum six (6) hours per week shall include, but are not limited to:
    - i. Workforce development support and activities.
    - ii. Education classes such as nutrition, exercise, health resources, health insurance application assistance, Annual onsite health fair and ESL classes.
    - iii. Socialization activities such as bingo, gardening and community building events.
    - iv. Other services such as transportation assistance, counseling assistance and employee readiness and job search assistance.
35. LOW INCOME HOUSING TAX CREDITS (LIHTC): Borrower represents that as a condition of closing this Loan it is applying for an allocation of LIHTC's and agrees to perform all actions and meet all requirements to maintain the LIHTC allocation if granted.
36. SMOKE-FREE ENVIRONMENT: 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.
37. DOCUMENTATION: This letter is not intended to describe all of the requirements, terms, conditions and documents for the Loan, which shall also include customary provisions and documents for an Agency transaction of this type. All documents to be delivered to or approved by Agency must be satisfactory to Agency in all respects. Borrower must promptly deliver to Agency any further documentation that may be required by Agency.
38. CONSISTENCY OF DOCUMENTS: As a material obligation under this commitment letter, Borrower shall assure that the loan documents for the Project are consistent with lender's commitment approved by the Agency and comply with same.





39. CHANGES OR AMENDMENTS: No documents or contracts which are to be delivered to Agency or are subject to Agency's review or approval shall be modified or terminated without the prior written approval of Agency.
40. ACCEPTANCE OF THIS COMMITMENT: Borrower's acceptance of this Commitment shall be evidenced by signing and delivering to Agency the enclosed copy of this letter. Until receipt of such acceptance by Agency, Agency shall have no obligation under this letter. Agency may withdraw this commitment at any time prior to Borrower's acceptance.



Sincerely,

\_\_\_\_\_  
La Shelle Dozier, Executive Director

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

**BORROWER:**

Twin Rivers Phase 4 L.P., a California limited partnership

By: Twin Rivers Phase 4 MBS GP, Inc., a California corporation

By: \_\_\_\_\_  
Daniel Falcon, Managing Director

**Attachment:**

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



## **Exhibit 1: Mirasol Village Block D – Scope of Development**

**Project Summary:** Mirasol Village Block D is composed of four three-story garden-style walk-ups, and one four-story building serviced by elevators. There is a total of 5 buildings in the phase and 58 on-grade parking spaces.

Mirasol Village Block D is the fourth phase of a master plan, mixed-income housing development located at 475 Pipevine Street. The proposed development will replace the existing public housing development in this area, and the final project development will include 427 apartment units, with 116 units in this phase. All off-site infrastructure and the adjacent right-of-way improvements will be constructed under a separate contract. The project will be designed to secure a Green Point Rated Certification. The development will be a vibrant new addition to the neighborhood and help encourage future improvements and development.

Additional master plan site amenities include property management offices for the entire community, resident community space / community room, a fitness center for residents, a business center with Wi-Fi, computers and printers, a swimming pool and a barbeque area. All buildings are slab on grade wood frame construction with entrances and windows overlooking streets. Putting eyes on the street are part of a safe design strategy. Parking spaces are located behind buildings and there is additional open space for resident amenities, including playgrounds and the feeling of private green space. The buildings will be built to the latest TCAC Sustainable Building Methods standards.

### **A.Site:**

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



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

**B. Building Exteriors:**

The exterior building materials will be a combination of stucco and fiber cement siding.

**C. Parking:**

Block D will include a surface parking lot at the interior of the parcel, with approximately 58 spaces. Each lot will have required accessible parking as well as the infrastructure for electrical vehicle charging and outdoor bicycle parking.

**D. Tenant Units:**

BDRM Size	Type	Number of Units
One	Elevator	16
One	Walkup	12
Two	Elevator	44
Three	Elevator	24
Three	Walkup	8
Four	Walkup	12
<b>TOTAL</b>		<b>116</b>

1. **Appliances:** All units will be equipped with a washer/dryer. All kitchens shall have refrigerator/freezer, dishwashers, stove/oven, and micro-hoods in non-accessible units and microwave shelves built into lower cabinets in ADA units. All appliances will be Energy Star, where applicable. Each unit will have garbage disposals.
2. **Electrical:** All units will have smoke/carbon monoxide detectors installed per current



- code.
3. **Doors:** All exterior doors shall have deadbolt locks, keyed latch assemblies and viewers. The tenant units' entry doors shall have single action hardware to release deadbolt and latch assembly.
  4. **Windows:** New dual-paned (at a minimum) window with screens will be installed throughout. Window coverings will be provided on all windows.
  5. **Flooring:** All units will have Luxury Vinyl Plank (LVP) throughout with a minimum wear layer of 12 mils. Bathrooms will be sheet vinyl. All common areas will be LVP.
  6. **Cabinets, Counters:** All kitchen and bathroom cabinets will have plywood boxes with solid face frames, doors, and drawer faces. All kitchens and bathrooms will have solid surface countertops.
  7. **Lighting:** Units will have new LED lighting throughout.
  8. **Finishes:** All unit interiors will have level 4 drywall finish.
  9. **Plumbing Fixtures:** Bathrooms shall have low-flow, water-efficient fixtures.
  10. **Bathrooms:** Bathrooms shall be fully equipped with accessories including towel bars, toilet paper dispensers and mirrors. All countertops shall be solid surface. Tub surrounds will be of fiberglass.
  11. **Hallways:** The hallways on the upper floors of the 4-story building and garden-style buildings will be Luxury Vinyl Tile (LVT).
  12. **Accessible Units:** There will be the TCAC-required number of fully accessible units and audio/visual accessible units.

#### **E. Community Areas:**

1. **On-site Management:** On-site Property Management will be located on Block A.
2. **Community/Management Spaces:** There will be approximately 1,800SF of common area space for residents to enjoy. Additional community space, including club house, multipurpose rooms, gym and swimming pool, will be located on Block A.
3. **Resident Services:** Resident Services will be located on Block A.
4. **Elevators and Stairs:** The four-story buildings will have an elevator and enclosed stairways. Each of the three-story walk-up buildings will have an internal stair serving all three floors. Stairways will include closed risers and non-slip concrete finish or other slip-resistant material on the treads.

**Attachment 1: Rental Property Minimum Construction Standards are on the following page.**



## Attachment 1: Lender's Minimum Construction Standards

This attachment is from Exhibit 2 from the Lender's Multifamily Lending and Mortgage Revenue Bond Policies.

### RENTAL PROPERTY MINIMUM CONSTRUCTION STANDARDS

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

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

#### Useful Life Expectancy – Rehabilitation only

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

#### General Requirements

- A. All materials funded under this loan must be new unless previously approved. Recycled items must be approved in writing by SHRA prior to their use.
- B. All work shall comply with Federal and State ADA accessibility requirements, as well as any other requirements stipulated by the funding source(s). When there are differences the stricter of the two shall apply. The developer is responsible for notifying their architect and/or engineer of all funding sources used on the project. The architect and/or engineer must indicate these funding requirements in the project's plans/scope.
- C. All units shall be approved for occupancy by the local Building Department or any other Agency Having Jurisdiction (AHJ) at the conclusion of the work and prior to occupancy.
- D. Web-based security cameras and the equipment to record events are required for primary ingress/egress points to and from the site and for the principal parking and indoor and outdoor common areas where people will be congregating.
- E. Site lighting is required for all parking and outside public spaces, and shall be of LED or similarly energy efficient type. The lenses on the exterior lights shall be cleaned with all oxidation removed or replaced. Light poles shall be new or painted, and shall be structurally sound and stable.
- F. The developer's architect is responsible for providing an Operating Procedure Outline Sheet (OPOS) for window washing systems where applicable, per Cal-OSHA requirements.
- G. SHRA encourages the use of energy and water-efficient systems wherever they may be incorporated into the project.

#### General Requirements – Rehabilitation only

- A. Any component of the project which does or may present a health or safety hazard to the public or tenants shall be corrected to the satisfaction of the local Building Department or AHJ.
- B. A clear pest inspection report will be required at the conclusion of the construction work for rehabilitation projects.



- C. For all structures where disturbance of any hazardous materials (e.g. lead, asbestos, mold, etc.) will occur, a clearance report from an environmental consultant is required.
- D. Projects deemed historically significant landmark by either the City of Sacramento or the National Register of Historic Places shall consult with the State Historic Preservation Officer (SHPO), and shall conform to the Secretary of the Interior Standards for the Treatment of Historic Properties.

**Site Work**

- A. Trees and large shrubs must be trimmed, grass areas must be mowed, and all planter areas must be weed-free. The landscape design shall incorporate a sustainable design appropriate for the Sacramento Valley. Vegetation that assists in minimizing crime and enhances public safety is preferred. Trees compromising building envelope materials (roofing, siding, windows, etc.) and/or structural integrity (including foundations) must be removed. An arborist shall be consulted for an opinion on trees prior to major branch trimming, root cutting or tree removal. All trees, bushes and other plants that are to be removed shall have the root ball removed by grinding or by mechanical means. A landscape plan describing the above must be provided to SHRA for approval.
- B. All landscaped areas must be served by a programmable automated irrigation system. The irrigation controller shall be a "Smart Controller" that senses rain to reduce water use. Irrigation shall be designed to use bubblers and other water saving measures. Irrigation must not spray on building. Sprinklers should minimize overspray that runs to storm drain drop inlets. Areas that show evidence of erosion of soil shall be landscaped to eliminate problems. The landscape plan must be approved by SHRA and applied.
- C. For gated communities containing swinging vehicle gates, driveways shall be striped to show the area under the gate swings for safety purposes.
- D. All projects shall contain trash enclosures with concrete aprons. Trash enclosures shall be made of cinder block or stucco. Trash enclosures shall be accessible to all tenants. Provisions for tenants with disabilities must be addressed in the project Scope of Development or the project plans.
- E. All projects shall meet the parking requirements of the local Agency Having Jurisdiction (AHJ) over the project. "Grandfathered Projects" will need to show that they are in fact "Grandfathered" or otherwise exempted by the local AHJ. Otherwise, all projects shall meet the governing ADA requirements for parking.
- F. A two percent (2%) slope shall be maintained for a distance of five feet from all structures and no standing water shall remain on the site. Provide an on- site drainage system if necessary.
- G. Stairways in common areas must include closed risers and non-slip concrete finish or other slip-resistant material on the treads.
- H. Exterior mounted electrical, mechanical, and plumbing systems must be protected from vandalism.
- I. For family projects of 50 or more units, a minimum of one school age-appropriate play structure is required. For family projects of 100 or more units, a minimum of one school age and one toddler-appropriate play structure is required.

**Site Work – Rehabilitation only**

- A. All landscaping and irrigation systems must be in a well-maintained condition.
- B. All fencing must be in good and serviceable condition. Existing fencing that is to remain shall be free of flaking paint, rust, or any other signs of failure. If existing fencing shows any signs of failure, it shall be repaired, painted and restored to look new. All chain link fencing must be removed and replaced with fencing of another approved material. All pedestrian gates hardware must be functional and in new or near-new condition. Access Control systems are required at exterior pedestrian gates.
- C. All driveways and sidewalks must be in good condition. All cracked or uplifted areas (more than ¼") shall be repaired or replaced.
- D. The asphalt shall be in good condition, with no alligator cracking, longitudinal cracking, potholes, or standing water. Repairs to portions of parking lots not suitable for new coatings shall be performed by removing and replacing damaged paving. A new seal-coat or slurry-coat shall then be applied to the entire parking lot surface. Parking spaces shall be restriped, including ADA aisles and other applicable striping/painting.
- E. All site accessories (bollards, benches, tables, play equipment, bike racks, mailboxes, shade structures, BBQs, sheds, etc.) shall be replaced or in good repair (cleaned, painted and/or re-coated).



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

- A. All areas exposed to moisture must be sealed and watertight. Buildings showing evidence of water intrusion shall have the areas inspected by a licensed architect/engineer or by a certified water intrusion expert. A water intrusion report shall be submitted to SHRA, and shall include the cause of the issue and a resolution to eradicate the water intrusion. If the inspection cannot be completed until the demolition phase of the project, the report shall describe a procedure to inspect the issue during demolition.
- B. Roofing must have 15 years or more of remaining life with no visible signs of leakage. For roofs containing composition shingles, a maximum of two layers of shingles are allowed (including any proposed new layers). Provide evidence that the roof system has a 15-year life remaining on the manufacturer's warranty.
- C. All siding must have 15 years or more of remaining life. Hairline cracks in stucco must be sealed and painted with elastomeric paint. If requested by SHRA, a statement by a licensed architect and/or engineer that the existing siding contains at least 15 years of useful life remaining shall be provided.
- D. Fireplaces must be clean and meet applicable air quality standards. Chimneys shall be clean and must be inspected by a certified chimney inspector for structural integrity. All recommended structural repairs shall be performed.

### **Doors and Windows**

- A. All dwelling/tenant units must have screens on all windows that are designed to open. Windows designed to open must have functional locks and must operate freely without excessive effort. All windows must be dual-paned (minimum), and shall meet or exceed the State of California's currently applicable efficiency standards, and any other efficiency standards that may be dictated by the funding source or other governing bodies for the project.
- B. All doors must have matching hardware finishes.
- C. All exterior doors must have deadbolt locks, keyed latch assemblies, viewers, and screws in strike plates long enough to penetrate the door jamb framing by at least one inch. The dwelling entry door hardware shall have single action hardware to release deadbolt and latch assembly.
- D. All sliding exterior doors shall have screen doors and shall have functional locks and must operate freely without excessive effort.
- E. All doors and windows must meet current egress standards.

### **Doors and Windows – Rehabilitation only**

- A. Any windows showing signs of condensation or leakage of any kind shall be replaced. SHRA allows window replacement using retrofit windows when those windows are installed by trained professionals following manufacturer's specifications. Retrofit windows must have a similar useful life as "new, construction" (i.e., nail fin) windows.
- B. All doors and doorjamb must be in good condition. No damaged or worn doorjamb or doors are allowed. Doors and/or jamb beyond their useful life shall be replaced.

### **Casework**

- A. New cabinet boxes shall be made of plywood or solid wood. No particle board boxes will be allowed.
- B. All counter tops shall be of solid surface or granite, and in very good condition with no significant scratches, burns or other imperfections.
- C. Face frames, doors and drawer faces shall be solid hardwood. No plastic laminate finishes will be allowed.

### **Casework – Rehabilitation only**

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





### **Finishes**

- A. All dwelling unit kitchens shall contain luxury vinyl plank (LVP) flooring. Bathrooms must be floored with LVP, sheet vinyl or ceramic tile to provide a cleanable, impervious surface. Bedrooms, hallways, and living and dining rooms may be floored with carpeting, LVP or hardwood. Wear layer of LVP shall be at least 12 mils inside dwelling units. Tenant unit entries shall be floored with LVP or ceramic tile.
- B. In common areas, corridors may be floored with LVP, glue-down carpeting, or carpet tiles. Community rooms and kitchens shall be floored with LVP. Wear layer of LVP in common/commercial areas shall be a minimum of 20 mils thick.
- C. Carpet shall meet or exceed the minimum standards as set by HUD's UM-44D bulletin.

### **Finishes – Rehabilitation only**

- A. Floor coverings must be in good, useable condition - no holes, tears, rips, or stains.
- B. All exterior and interior surfaces must be painted. No peeling, cracking, chipping, or otherwise failing paint will be allowed. All painted surfaces must be new, or in near new condition and appearance.
- C. Acoustic (popcorn) ceiling texture must be removed and refinished with new texture to match wall texture.

### **Equipment**

- A. Dishwashers, refrigerator/freezer, oven, stoves and garbage disposals are required in all dwelling unit kitchens. All appliances must be new or in very good operating condition. All appliances must be Energy Star rated, as applicable. Appliances slated for ADA units shall be per code requirements.
- B. SRO projects are encouraged to provide the appliances listed above and will be reviewed and approved on a case-by-case basis.
- C. All kitchens must have adequate cabinet and counter space. Installation of shelving for microwaves is required if over-the-range microwaves are not used, with the exception of ADA units.

### **Furnishings**

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

### **Special Construction**

- A. Non-habitable structures on property must be painted to match primary buildings and must be structurally sound.
- B. Laundry facilities must, at a minimum, be consistent with CTCAC requirements of one washer and dryer for every ten dwelling units for family housing and one for every 15 units for senior and special needs projects. Ten percent of the total number of washer/dryers must be ADA-accessible machines (unless the ADA units contain their own laundry facilities). Solid surface countertops will be required within laundry rooms and countertops shall meet all ADA requirements.
- C. Public pool areas shall have self-closing gate(s). Fences and gates at pool areas shall meet applicable current codes and standards. Joints between coping and concrete deck shall be appropriately caulked. Existing pools shall have no cracks in plaster or tile grout joints. The Developer is responsible for ensuring pool and surroundings meet all applicable current codes and standards. If a project contains two or more pools, at least one must remain following rehabilitation.

### **Mechanical/Plumbing**

- A. Water heaters must be installed per current applicable codes.
- B. All common areas and tenant units must have heating and air conditioning. Wall mount (i.e. PTAC units) or central systems are acceptable. Evaporative coolers are not acceptable. HVAC units should be protected from



- vandalism, pursuant to discretion of SHRA.
- C. Toilets, showerheads, faucets, and mixing valves shall be new and meet current water conservation codes.
  - D. Tub surrounds must be one unbroken piece per wall and must be of solid surfaces (such as “Swanstone” or other solid acrylic materials, quartz composites), or other similar materials. Fiberglass/acrylic surrounds are acceptable.

#### **Mechanical/Plumbing – Rehabilitation only**

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

#### **Electrical**

- A. All units must have smoke/carbon monoxide detectors installed per current code.
- B. Wiring from telephone/data/cable suppliers shall be installed within walls, attic spaces, and/or crawl spaces. No conduits are allowed to be mounted on the exterior of the buildings in new construction.
- C. Broadband infrastructure meeting the requirements of 24 CFR 5.100\* is required in all new construction projects of 4 or more units.

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

#### **Electrical – Rehabilitation only**

- A. All electrical panels shall meet current code.
- B. Any rehabilitation projects with un-grounded electrical systems shall be re-wired with grounded systems to meet current code.
- C. For rehabilitation projects, switches, outlets and light fixtures shall be replaced with devices that meet current applicable codes.
- D. Wiring mounted on the exterior of the surface may be allowed if it is concealed in conduit and conduit is painted to match exterior siding. For projects where exterior siding will be removed, this wiring shall be installed within walls, attic spaces, and/or crawl spaces.

#### **Resident Services Community Space**

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

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

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



## **RESOLUTION NO. 2022 -**

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

on date of

### **MIRASOL VILLAGE BLOCK D (PROJECT): AUTHORIZATION TO AMEND THE HOUSING AUTHORITY BUDGET AND ALLOCATE UP TO \$3 MILLION IN HOUSING AUTHORITY FUNDS TO THE PROJECT; APPROVAL TO EXECUTE LOAN COMMITMENT, FUNDING AGREEMENT AND RELATED DOCUMENTS WITH TWIN RIVERS PHASE 4 L.P. (MCCORMACK BARON SALAZAR) OR RELATED ENTITY; AND ENVIRONMENTAL FINDINGS**

#### **BACKGROUND**

- A. In 2015, the Housing Authority of the County of Sacramento (HACOS) and the City of Sacramento (City) were, as co-grantees, awarded a \$30 million Choice Neighborhoods Implementation Grant from the US Department of Housing and Urban Development (HUD) for the Twin Rivers Transit Oriented Development and Light Rail Station project (Master Development).
- B. On December 12, 2017, HACOS and City Council members approved the Master Development Agreement, which includes the Option to Lease (ground lease loans). SHRA is managing the Master Development and McCormack Baron Salazar is the master developer and Housing Lead (Developer). The Master Development is now known as Mirasol Village. The total project area includes six residential blocks and encompasses approximately 26 acres.
- C. On March 16, 2021, City Council approved SHRA and the Developer to apply to the State of California Strategic Growth Council and Department of Housing and Community Development in funding Round 6 for an Affordable Housing and Sustainable Communities grant for up to \$30 million, including up to \$20 million for the affordable housing development and \$10 million for the housing related infrastructure of the Project. Unfortunately, in January 2022, the Project was not awarded.
- D. On December 7, 2021, HACOS and City Council approved the predevelopment loan agreement and construction/permanent loan commitment of up to \$2 million in CNI funds for the financing of Mirasol Village Block D (Phase 4).
- E. The Developer of the Project applied to SHRA requesting a not to exceed \$38 million bond issuance from the Housing Authority and a \$15 million gap loan from the City and County for the construction and permanent financing of the Project.
- F. In a separate City Council resolution, staff is recommending approval of up to \$7 million comprised of \$3.3 million in Permanent Local Housing Allocation funds, \$1.4 million in Mixed Income Housing Funds, \$1.4 million in Housing Trust Funds and \$900,000 in Housing Opportunities for Persons with AIDS funds for the purpose of construction and permanent financing of the Project.

- G. On November 2, 2021, the Board of Supervisors (Board) adopted the American Rescue Plan Act (ARPA) Phase One Funding Allocation with Housing as a priority, and SHRA staff is recommending an appropriation of \$5 million of ARPA funds for the construction and permanent financing of this Project. On March 8, 2022, it is anticipated the Board will approve a \$5 million loan commitment comprised of ARPA funds for the construction and permanent financing of the Project to fill the \$15 million gap loan required.
- H. On February 11, 2022, the Developer submitted a funding application to California Housing Finance Agency for \$5 million in Mixed Income Program funds to assist with the construction and permanent financing of the Project.
- I. Subject to all governing board approvals, the Housing Authority and Developer will apply to California Debt Limit Allocation Committee (CDLAC) for tax-exempt bonds and to California Tax Credit Allocation Committee (CTCAC) for four percent Low Income Housing Tax Credits (LIHTC) on March 16, 2022, with a goal to close financing in fall 2022 and complete construction by the fall of 2024.
- J. The recommended actions are consistent with a) SHRA's approved Multifamily Lending and Mortgage Revenue Bond Policies, adopted on December 3, 2019 b) the 2021-2029 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2021-0259); c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); d) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by year 2025 (Resolution No. 2015-282); e) the 2007 Asset Repositioning Strategy of the City and County Housing Authorities; f) the 2013-2019 Consolidated Plan; and g) the River District Specific Plan adopted February 15, 2011.
- K. A combined Initial Study/Environmental Assessment (IS/EA) was prepared for the Mirasol Village (formerly Twin Rivers) Transit Oriented Development and Light Rail Station Project pursuant to California Environmental Quality Act (CEQA) requirements under 14 California Code of Regulations (CCR) §15070, and National Environmental Policy Act (NEPA) requirements under 24 Code of Federal Regulations (CFR) §58.36. The Mitigated Negative Declaration (MND) and associated Mitigation Monitoring and Reporting Program (MMRP) were adopted and a Notice of Determination (NOD) was issued pursuant to CEQA and a Finding of No Significant Impact (FONSI) was prepared pursuant to NEPA. The requested action requires no further environmental review.

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

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

- Section 2. The Executive Director, or her designee, is authorized to amend the budget to allocate up to \$3 million in Housing Authority Funds for the purpose of construction and permanent financing of the Project.
- Section 3. The Conditional Loan Commitment attached hereto as Exhibit A for the purpose of construction and permanent financing of the Project with up to \$3 million in Housing Authority Funds (Commitment) is approved, and the Executive Director, or her designee, is authorized to execute and transmit the Commitment to Twin Rivers Phase 4, L.P. (McCormack Baron Salazar) or related entity (Developer) for the Project.
- Section 4. The Executive Director, or her designee, is authorized to negotiate, enter into, execute and amend from time to time a funding agreement comprised of up to \$3 million in Housing Authority Funds and related documents for the construction and permanent financing of the Project with the Developer and execute other documents, as approved to form by its Office of the General Counsel, and perform other actions required by Housing Authority Funds, including without limitation, negotiation, subordination, regulatory agreements, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.
- Section 5. The Executive Director finds that an economically feasible alternative method of financing on substantially comparable terms and conditions, without subordination is not available. Therefore, Executive Director, or her designee, is authorized to subordinate the Housing Authority Funds loan to the senior loans.
- Section 6. This resolution shall take effect immediately upon its adoption.

**Table of Contents:**

Exhibit A: Conditional Loan Commitment (Housing Authority Funds)



March 8, 2022

Dan Falcon, Managing Director  
720 Olive Street, Suite 2500  
St. Louis, Missouri 63101

Re: Conditional Loan Commitment for Mirasol Village Block D (Phase 4)

Dear Mr. Falcon:

On behalf of the Sacramento Housing and Redevelopment Agency (SHRA), Housing Authority of the City of Sacramento (HACS) and Housing Authority of the County of Sacramento (HACOS), collectively "Agency," we are pleased to advise you of its commitment of acquisition, construction and permanent loan funds (Loan) in an amount not to exceed \$17,468,000 in program funds described in the chart below for the purpose of financing the development of that certain real property known as Mirasol Village Block D (Phase 4) (Project) located 1381 Swallowtail Ave, Sacramento, California (Property) (Commitment).

<b>LOAN FUNDING PROGRAMS</b>	<b>NOT TO EXCEED LOAN AMOUNTS</b>
SHRA County American Rescue Plan Act (ARPA) Loan	\$ 5,000,000.00
SHRA City Permanent Local Housing Allocation (PLHA) Loan	\$ 3,300,000.00
HACS Housing Authority Funds (HAF) Loan	\$ 3,000,000.00
HACOS Choice Neighborhoods Implementation (CNI) Loan	\$ 2,000,000.00
SHRA Mixed Income Housing Funds (MIHF) Loan	\$ 1,400,000.00
SHRA City Housing Trust Funds (HTF) Loan	\$ 1,400,000.00
SHRA Housing Opportunities for Persons With AIDS (HOPWA) Loan	\$ 900,000.00
HACOS Ground Lease Loan (90% of the current appraised value of the land)	\$ 468,000.00
<b>TOTAL LOANS</b>	<b>\$ 17,468,000.00</b>

The Agency's decision is based on representations and information supplied by McCormack Baron Salazar, Inc. in its capacity as Housing Lead and Master Developer. If these representations and information change in a material manner without written approval of the Agency, this Commitment is void. Agency's obligation to make the Loan is subject to the satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency. This Commitment supersedes previous loan commitments associated with CNI and ground lease loans.

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

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

This Commitment will expire **September 30, 2023**, or extended upon mutual agreement.

1. **PROJECT DESCRIPTION:** Twin Rivers (Mirasol Village) Phase 4 is a new construction, mixed-income housing development. The Project is the third phase of development for the multi-phased, Twin Rivers public housing redevelopment project. The Project will consist of a total of five residential buildings that will include a minimum of 116 rental housing units. The housing units will be 1-4 bedrooms in size and include a minimum of 47 replacement housing units in accordance with the HUD-approved replacement housing plan for the Project. The Project will also contain several outdoor amenities including tot lots, barbeque areas, and bike or car share.
2. **BORROWER:** The name of the Borrower for the Loan is Twin Rivers Phase 4, L.P., a California limited partnership with McCormack Baron Salazar, Inc., or related entity as the lead development partner.
3. **PURPOSE OF LOAN:** The Loan is to be used by Borrower solely to pay the costs of acquisition, construction and permanent financing of the Project and for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, as well as in such other agreements as may be generally required by the Agency for the use of the funding source for the Loan.
4. **PRINCIPAL AMOUNT:** The principal amount of the Loan will be a maximum of Seventeen Million Four Hundred Sixty-Eight Thousand Dollars and No Cents (\$17,468,000.00) or such lesser amount as may be needed and as determined by Borrower and approved by Agency prior to close of the Loan.
5. **TERM OF LOAN:** The Loan shall mature up to 57 years or 684 months from the date of closing construction financing, at which point any and all unpaid principal and interest on the loan will be due and payable. Final maturity date will be determined by impact of terms and conditions of other sources of financing approved for the Project.
6. **INTEREST RATE:** The Loan will bear simple interest at three percent (3%) per annum. Interest shall be calculated on a 365-day year, actual days elapsed basis. With the exception of the Ground Lease Loan, which will be the Applicable Federal Rate.
7. **ANNUAL REPAYMENT:** Annual principal and interest payments shall be made according to the structured payment schedule contained in the final Loan Agreement and as calculated to achieve a minimum annual debt service coverage ratio of 1.2:1. Payments shall be applied first to outstanding interest accrued and unpaid and then to principal. All outstanding principal and interest is due and payable on the maturity date. Notwithstanding the preceding payment schedule, no payments shall be required on this Loan until the full balance of principal and interest on the proposed capitalized ground lease made by the Housing Authority of the County of Sacramento to Borrower pursuant to the Master Development Agreement is paid in full.
8. **SOURCE OF LOAN FUNDS:**  
Agency is making the Loan from the ARPA, PLHA, HAF, CNI, HTF and HOPWA funding programs and ground lease, and is subject to all of the requirements related to the use of these funds, whether Agency requirements or otherwise. This Loan is conditioned upon Borrower's acceptance of Agency requirements and conditions related to its lending programs and funding sources, including among others the required forms of agreements for the Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.



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

\_\_\_\_\_ (Borrower Initial)

9. ACCELERATION: Agency shall have the right to accelerate repayment of the Loan in the event of a default under any Loan Document or upon sale, transfer or alienation of the Property except as specifically provided for in the Loan documents.
10. SECURITY: The Loan shall be evidenced by promissory note(s) secured by a deed of trust with assignment of rents against the fee and/or leasehold interest in the Property and Improvements, which shall be a lien upon the Property and Improvements subject only to additional liens senior to the Agency's lien securing loans needed for the Project and such other liens or items as the Agency may approve in writing prior to close. The Loan shall also be secured by security agreements where required. The Agency may agree to subordinate said deed of trust in order to accommodate completion of construction of the Project.
11. LEASE AND RENTAL SCHEDULE: All leases of the Property and Improvements shall be subject to Agency review and approval prior to execution. Borrower shall not deviate from the rental schedule presented in Borrower's application for the Loan without Agency's prior written approval provided, however, that such approval shall not be required for annual adjustments to rental rates as permitted by the California Tax Credit Allocation Committee.
12. PROOF OF EQUITY: Borrower shall provide proof of equity for the Property and Improvements in the amount of no less than stated in Borrower's request for the Loan. Proof of equity will generally be in the form of verified low income housing tax credit equity and deferred developer fee. If the final equity contribution is less than that as anticipated, the difference in equity must be offset by an increase in the deferred developer fee.
13. OTHER FINANCING: Borrower, as a requirement of the Loan, shall procure and deliver to Agency evidence satisfactory to Agency that Borrower has obtained the following described financing which may be secured by a lien upon the Property and Improvements superior or subordinate to Agency's liens, and which shall be otherwise on terms and conditions acceptable to Agency:
  - (a) As a condition precedent to disbursement of the Agency loan, construction financing from private lender(s) in an amount(s) sufficient to complete construction of the Project according to a Scope of Work as approved by Agency (Construction Financing). The term of Construction Financing must not be less than that specified in the Schedule of Performances for completion of construction and in any event not less than the time necessary to fulfill all conditions precedent to funding of the permanent financing.
  - (b) Commitments for permanent financing sufficient to "take out" all Construction Financing liens senior to the Agency's lien.
  - (c) Such commitments for construction and permanent financing shall not require modification of Agency loan documents, or any term of this commitment letter.
  - (d) Such commitments shall not be based upon sources and uses of Project funds that are different from those approved by Agency for the project or be subject to conditions which require amendment of Agency documents or other agreements.





14. EVIDENCE OF FUNDS: Prior to the first disbursement of the Loan, Borrower must demonstrate evidence of adequate and assured funding to complete the development of the Project in accordance with the Agency's requirements. Borrower's evidence of available funds must include only one or more of the following: a) Borrower equity; b) firm and binding commitments for the Project from financial institution(s) or from other lender(s) approved by Agency in its absolute discretion; and c) Agency's contribution, provided, however, that Agency is not obligated by this letter to make any contribution not stated in the terms of the letter.
15. SOILS AND TOXIC REPORTS: Borrower will submit to the Agency a hazardous substances report made in accordance with the American Society for Testing and Materials "Standard Practice for Environmental Site Assessments; Phase I Environmental Site Assessment Process" (Designation E1527-13) prepared by a licensed or registered environmental engineer or other qualified party prior to Loan closing. Borrower must, as a condition of disbursement of Loan funds, give assurances satisfactory to the Agency that hazardous materials are not present on the Property or that any hazardous materials on the Property will be remediated and that no further remediation is then required by the environmental agency having responsibility for monitoring such remediation.
16. LOAN IN BALANCE: Borrower will be required to maintain the Loan "in balance" at all times. The Loan is "in balance" whenever the amount of the undisbursed Loan funds, the remaining sums to be provided by the Borrower and the loan funds from other project lenders or the equity investor are sufficient, in the sole judgement of the Agency, to pay for the remainder of the work to be done on the project as required by written agreement with the Agency. Should the Agency determine that the Loan is not "in balance" the Agency may declare the Loan to be in default.
17. PLANS AND SPECIFICATION: Final plans and specifications, if any, for the project must be in accord with the approved proposal. Final plans and specifications will be subject to Agency's final approval prior to the disbursal of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the project. The final plans shall incorporate all related mitigation measures as required in the Mitigation Monitoring and Reporting Program of Twin Rivers (Mirasol Village) Transit Oriented Development and Light Rail Station Project as may applicable to Twin Rivers (Mirasol Village) Phase 4, environmental conditions required, if any, for compliance with approvals under CEQA, and/or NEPA, or the U.S. Department of Housing and Urban Development as conditions of approval of the project.
18. ARCHITECTURAL AGREEMENT: The architectural agreement (Agreement), if any, for the preparation of the plans and specifications and other services shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Agreement as security for the Loan.
19. CONSTRUCTION CONTRACT: The construction contract (Contract), if any, and any change orders issued thereunder, and the contractor (Contractor) to be retained by Borrower to construct the Improvements shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Contract as security for the Loan. Agency may require Contractor to provide a performance and payment bond in a form acceptable to Agency for the amount of the Contract.



20. RETENTION AMOUNT: The Agency shall retain ten percent (10.0%) of each construction disbursement as retention, not to exceed a total of ten percent (10.0%) of the total amount of the Loan.
21. COST BREAKDOWN: Borrower shall deliver to Agency for Agency's approval prior to commencement of work a detailed cost breakdown of the cost of constructing, financing and other costs of developing the Project, which breakdown conforms to the project plans and specification and the approved budget for the Project. Borrower shall also deliver a list of all contractors and subcontractors to be employed in connection with the construction of the Improvements. If required by the Agency, Borrower shall also submit copies of all bids received for each item of work to be performed as well as copies of executed contracts and subcontracts with acceptable bidders.

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

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

22. COST SAVINGS: At completion of construction, Borrower shall submit to Agency a cost certification prepared by a qualified, independent auditor acceptable to Agency which shall indicate the amounts actually spent for each item in the cost breakdown and shall indicate the final sources of funding. If there is an aggregate savings, in the total of all such cost breakdown items from the cost breakdown items in the original budget approved by the Agency, after adjusting for any decrease in any funding source including any loss of any equity investment due to an adjustment in the allowable tax credits, the Agency shall withhold for itself fifty percent (50%) of such savings from the amount of retention then held by the Agency and the Loan balance shall be reduced by the amount so withheld. The Agency, in its sole discretion, shall determine any reduction and/or repayment of the Agency loan based upon this cost certification and the original approved budget for the project.
23. START OF CONSTRUCTION: Borrower shall commence construction at the earliest possible date subject to the conditions of this Agency and other involved lenders, but no later than sixty (60) days following the close of construction financing.
24. COMPLETION OF CONSTRUCTION: Borrower shall complete the construction of the Improvements no later than 24 months following the close of construction financing.
25. SECURITY CAMERAS AND OUTSIDE LIGHTING: Project shall include installation of a security camera system, exterior lighting, and security patrols, all as approved by the Agency.
26. INSURANCE PROVIDER: Each policy of insurance required under the Loan shall be obtained from a provider licensed to do business in California and having a current Best's Insurance Guide rating of A VII, which rating has been substantially the same or increasing for the last five (5) years, or such other equivalent rating, as may reasonably be approved by Lender's legal counsel.



27. HAZARD INSURANCE: Borrower shall procure and maintain fire and extended coverage insurance and during construction Builder's Risk completed value insurance in a form and substance approved by Agency. Coverage shall be for protection against loss of, or damage to the Improvements or materials for their construction to their full insurable value. Borrower shall also procure and maintain insurance against specific hazards affecting Agency's security for the Loan as may be required by Agency, governmental regulations, or any permanent lender. All such policies shall contain a standard mortgagee loss payable clause in favor of Agency. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000.00).
28. PUBLIC LIABILITY AND OTHER INSURANCE: Borrower must procure and maintain public liability and property damage insurance (with Agency named as additional insured) in a form approved by Agency. Coverage must be approved by Agency and must be in at least the following limits of liability: (1) Commercial General Liability insurance in Insurance Services Office (ISO) policy form CG 00 01 Commercial General Liability (Occurrence) or better with limits of liability, which are not less than \$1,000,000, per occurrence limit; \$5,000,000 general aggregate limit, and \$5,000,000 products and completed operations aggregate limit, all per location of the Project; (2) Property damage liability of \$1,000,000 each occurrence, \$1,000,000 single limit and \$1,000,000 aggregate; (3) Contractual liability for Bodily Injury of \$1,000,000 each occurrence, for Property Damage of \$1,000,000 each occurrence and \$1,000,000 aggregate, and Personal Injury with Employment Exclusion Deleted of \$1,000,000 aggregate; and (4) Comprehensive Automobile Liability for any vehicle used for or in connection with the Work of \$1,000,000. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000). Borrower must also procure and maintain workers' compensation and all other insurance required under applicable law, as required by law and as approved by Agency.
29. TITLE INSURANCE: Borrower must procure and deliver to Agency an ALTA Lender's Policy of Title Insurance, together with such endorsements as Agency may require, including but not limited to CLTA endorsement nos. 100, 116, and 102.5/102.7 insuring Agency in an amount equal to the principal amount of the Loan, that Agency's Deed of Trust constitutes a third lien or charge upon the Property and Improvements subject only to such items as shall have been approved by Agency. There must be no exceptions permitted for mechanic's liens. Title insurance for the Loan must be issued by a title insurer approved by Agency.
30. ORGANIZATIONAL AGREEMENTS: Borrower must submit to Agency certified copies of all of Borrower's organizational documents, including all amendments, modifications or terminations: if a corporation, Borrower's Articles of Incorporation and By-Laws; if a partnership, its Partnership Agreement and, as applicable, Certificate of Limited Partnership or Statement of Partnership; if a Limited Liability Company, its Articles of Organization and its Operating Agreement; and in all cases with all exhibits and amendments to such documents, fictitious business name statements, other related filings or recorded documents and such related documents as Agency may request. If it is a corporation, Borrower must submit a corporate borrowing resolution referencing this Loan. If Borrower is other than a corporation, Borrower must submit such proof of authority to enter this Loan as may be required under the organizational documents.
31. PURCHASE OR LEASE OF PROPERTY: Borrower shall provide Agency with copies of all documents relating to Borrower's ownership interest in the Property.



32. FINANCIAL INFORMATION: During the term of the Loan, Borrower shall deliver to Agency within 120 days of the end of each fiscal year an audited income and expense statement, a balance sheet, and a statement of all changes in financial position signed by authorized officers of Borrower. Prior to close of the Loan and during its term, Borrower must deliver to Agency such additional financial information as may be requested by Agency. Agency reserves the right to review and approve financial statements and other credit information and references prior to closing. During the term of the Loan, Borrower must deliver to Agency a monthly rent-roll including household composition information and operating statements with respect to the Property management, as Agency may request.
33. MANAGEMENT AGREEMENT: Prior to execution, Borrower must submit to Agency any agreement providing for the management or operation of the Property or Improvements by a third party which agreement is subject to Agency Approval.
34. RESIDENT SERVICES AGREEMENT: Prior to execution, Borrower must submit to Agency an agreement providing for the resident services by a third party which agreement is subject to Agency Approval. The agreement must include on-site resident services according to the following minimum schedule of twenty (20) hours per week:
- a. Coordinator: Six (6) hours per week (maximum)
  - b. After School Programming: Eight (8) hours per week (two hours per day and four days per week, minimum)
  - c. Additional Programming: Balance of minimum six (6) hours per week shall include, but are not limited to:
    - i. Workforce development support and activities.
    - ii. Education classes such as nutrition, exercise, health resources, health insurance application assistance, Annual onsite health fair and ESL classes.
    - iii. Socialization activities such as bingo, gardening and community building events.
    - iv. Other services such as transportation assistance, counseling assistance and employee readiness and job search assistance.
35. LOW INCOME HOUSING TAX CREDITS (LIHTC): Borrower represents that as a condition of closing this Loan it is applying for an allocation of LIHTC's and agrees to perform all actions and meet all requirements to maintain the LIHTC allocation if granted.
36. SMOKE-FREE ENVIRONMENT: 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.
37. DOCUMENTATION: This letter is not intended to describe all of the requirements, terms, conditions and documents for the Loan, which shall also include customary provisions and documents for an Agency transaction of this type. All documents to be delivered to or approved by Agency must be satisfactory to Agency in all respects. Borrower must promptly deliver to Agency any further documentation that may be required by Agency.
38. CONSISTENCY OF DOCUMENTS: As a material obligation under this commitment letter, Borrower shall assure that the loan documents for the Project are consistent with lender's commitment approved by the Agency and comply with same.



39. CHANGES OR AMENDMENTS: No documents or contracts which are to be delivered to Agency or are subject to Agency's review or approval shall be modified or terminated without the prior written approval of Agency.
40. ACCEPTANCE OF THIS COMMITMENT: Borrower's acceptance of this Commitment shall be evidenced by signing and delivering to Agency the enclosed copy of this letter. Until receipt of such acceptance by Agency, Agency shall have no obligation under this letter. Agency may withdraw this commitment at any time prior to Borrower's acceptance.



Sincerely,

\_\_\_\_\_  
La Shelle Dozier, Executive Director

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

**BORROWER:**

Twin Rivers Phase 4 L.P., a California limited partnership

By: Twin Rivers Phase 4 MBS GP, Inc., a California corporation

By: \_\_\_\_\_  
Daniel Falcon, Managing Director

**Attachment:**

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



## **Exhibit 1: Mirasol Village Block D – Scope of Development**

**Project Summary:** Mirasol Village Block D is composed of four three-story garden-style walk-ups, and one four-story building serviced by elevators. There is a total of 5 buildings in the phase and 58 on-grade parking spaces.

Mirasol Village Block D is the fourth phase of a master plan, mixed-income housing development located at 475 Pipevine Street. The proposed development will replace the existing public housing development in this area, and the final project development will include 427 apartment units, with 116 units in this phase. All off-site infrastructure and the adjacent right-of-way improvements will be constructed under a separate contract. The project will be designed to secure a Green Point Rated Certification. The development will be a vibrant new addition to the neighborhood and help encourage future improvements and development.

Additional master plan site amenities include property management offices for the entire community, resident community space / community room, a fitness center for residents, a business center with Wi-Fi, computers and printers, a swimming pool and a barbeque area. All buildings are slab on grade wood frame construction with entrances and windows overlooking streets. Putting eyes on the street are part of a safe design strategy. Parking spaces are located behind buildings and there is additional open space for resident amenities, including playgrounds and the feeling of private green space. The buildings will be built to the latest TCAC Sustainable Building Methods standards.

### **A. Site:**

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



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

**B. Building Exteriors:**

The exterior building materials will be a combination of stucco and fiber cement siding.

**C. Parking:**

Block D will include a surface parking lot at the interior of the parcel, with approximately 58 spaces. Each lot will have required accessible parking as well as the infrastructure for electrical vehicle charging and outdoor bicycle parking.

**D. Tenant Units:**

BDRM Size	Type	Number of Units
One	Elevator	16
One	Walkup	12
Two	Elevator	44
Three	Elevator	24
Three	Walkup	8
Four	Walkup	12
<b>TOTAL</b>		<b>116</b>

1. **Appliances:** All units will be equipped with a washer/dryer. All kitchens shall have refrigerator/freezer, dishwashers, stove/oven, and micro-hoods in non-accessible units and microwave shelves built into lower cabinets in ADA units. All appliances will be Energy Star, where applicable. Each unit will have garbage disposals.
2. **Electrical:** All units will have smoke/carbon monoxide detectors installed per current





code.

3. **Doors:** All exterior doors shall have deadbolt locks, keyed latch assemblies and viewers. The tenant units' entry doors shall have single action hardware to release deadbolt and latch assembly.
4. **Windows:** New dual-paned (at a minimum) window with screens will be installed throughout. Window coverings will be provided on all windows.
5. **Flooring:** All units will have Luxury Vinyl Plank (LVP) throughout with a minimum wear layer of 12 mils. Bathrooms will be sheet vinyl. All common areas will be LVP.
6. **Cabinets, Counters:** All kitchen and bathroom cabinets will have plywood boxes with solid face frames, doors, and drawer faces. All kitchens and bathrooms will have solid surface countertops.
7. **Lighting:** Units will have new LED lighting throughout.
8. **Finishes:** All unit interiors will have level 4 drywall finish.
9. **Plumbing Fixtures:** Bathrooms shall have low-flow, water-efficient fixtures.
10. **Bathrooms:** Bathrooms shall be fully equipped with accessories including towel bars, toilet paper dispensers and mirrors. All countertops shall be solid surface. Tub surrounds will be of fiberglass.
11. **Hallways:** The hallways on the upper floors of the 4-story building and garden-style buildings will be Luxury Vinyl Tile (LVT).
12. **Accessible Units:** There will be the TCAC-required number of fully accessible units and audio/visual accessible units.

#### **E. Community Areas:**

1. **On-site Management:** On-site Property Management will be located on Block A.
2. **Community/Management Spaces:** There will be approximately 1,800SF of common area space for residents to enjoy. Additional community space, including club house, multipurpose rooms, gym and swimming pool, will be located on Block A.
3. **Resident Services:** Resident Services will be located on Block A.
4. **Elevators and Stairs:** The four-story buildings will have an elevator and enclosed stairways. Each of the three-story walk-up buildings will have an internal stair serving all three floors. Stairways will include closed risers and non-slip concrete finish or other slip-resistant material on the treads.

**Attachment 1: Rental Property Minimum Construction Standards are on the following page.**



## Attachment 1: Lender's Minimum Construction Standards

This attachment is from Exhibit 2 from the Lender's Multifamily Lending and Mortgage Revenue Bond Policies.

### RENTAL PROPERTY MINIMUM CONSTRUCTION STANDARDS

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

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

#### Useful Life Expectancy – Rehabilitation only

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

#### General Requirements

- A. All materials funded under this loan must be new unless previously approved. Recycled items must be approved in writing by SHRA prior to their use.
- B. All work shall comply with Federal and State ADA accessibility requirements, as well as any other requirements stipulated by the funding source(s). When there are differences the stricter of the two shall apply. The developer is responsible for notifying their architect and/or engineer of all funding sources used on the project. The architect and/or engineer must indicate these funding requirements in the project's plans/scope.
- C. All units shall be approved for occupancy by the local Building Department or any other Agency Having Jurisdiction (AHJ) at the conclusion of the work and prior to occupancy.
- D. Web-based security cameras and the equipment to record events are required for primary ingress/egress points to and from the site and for the principal parking and indoor and outdoor common areas where people will be congregating.
- E. Site lighting is required for all parking and outside public spaces, and shall be of LED or similarly energy efficient type. The lenses on the exterior lights shall be cleaned with all oxidation removed or replaced. Light poles shall be new or painted, and shall be structurally sound and stable.
- F. The developer's architect is responsible for providing an Operating Procedure Outline Sheet (OPOS) for window washing systems where applicable, per Cal-OSHA requirements.
- G. SHRA encourages the use of energy and water-efficient systems wherever they may be incorporated into the project.

#### General Requirements – Rehabilitation only

- A. Any component of the project which does or may present a health or safety hazard to the public or tenants shall be corrected to the satisfaction of the local Building Department or AHJ.
- B. A clear pest inspection report will be required at the conclusion of the construction work for rehabilitation projects.



- C. For all structures where disturbance of any hazardous materials (e.g. lead, asbestos, mold, etc.) will occur, a clearance report from an environmental consultant is required.
- D. Projects deemed historically significant landmark by either the City of Sacramento or the National Register of Historic Places shall consult with the State Historic Preservation Officer (SHPO), and shall conform to the Secretary of the Interior Standards for the Treatment of Historic Properties.

### Site Work

- A. Trees and large shrubs must be trimmed, grass areas must be mowed, and all planter areas must be weed-free. The landscape design shall incorporate a sustainable design appropriate for the Sacramento Valley. Vegetation that assists in minimizing crime and enhances public safety is preferred. Trees compromising building envelope materials (roofing, siding, windows, etc.) and/or structural integrity (including foundations) must be removed. An arborist shall be consulted for an opinion on trees prior to major branch trimming, root cutting or tree removal. All trees, bushes and other plants that are to be removed shall have the root ball removed by grinding or by mechanical means. A landscape plan describing the above must be provided to SHRA for approval.
- B. All landscaped areas must be served by a programmable automated irrigation system. The irrigation controller shall be a "Smart Controller" that senses rain to reduce water use. Irrigation shall be designed to use bubblers and other water saving measures. Irrigation must not spray on building. Sprinklers should minimize overspray that runs to storm drain drop inlets. Areas that show evidence of erosion of soil shall be landscaped to eliminate problems. The landscape plan must be approved by SHRA and applied.
- C. For gated communities containing swinging vehicle gates, driveways shall be striped to show the area under the gate swings for safety purposes.
- D. All projects shall contain trash enclosures with concrete aprons. Trash enclosures shall be made of cinder block or stucco. Trash enclosures shall be accessible to all tenants. Provisions for tenants with disabilities must be addressed in the project Scope of Development or the project plans.
- E. All projects shall meet the parking requirements of the local Agency Having Jurisdiction (AHJ) over the project. "Grandfathered Projects" will need to show that they are in fact "Grandfathered" or otherwise exempted by the local AHJ. Otherwise, all projects shall meet the governing ADA requirements for parking.
- F. A two percent (2%) slope shall be maintained for a distance of five feet from all structures and no standing water shall remain on the site. Provide an on- site drainage system if necessary.
- G. Stairways in common areas must include closed risers and non-slip concrete finish or other slip-resistant material on the treads.
- H. Exterior mounted electrical, mechanical, and plumbing systems must be protected from vandalism.
- I. For family projects of 50 or more units, a minimum of one school age-appropriate play structure is required. For family projects of 100 or more units, a minimum of one school age and one toddler-appropriate play structure is required.

### Site Work – Rehabilitation only

- A. All landscaping and irrigation systems must be in a well-maintained condition.
- B. All fencing must be in good and serviceable condition. Existing fencing that is to remain shall be free of flaking paint, rust, or any other signs of failure. If existing fencing shows any signs of failure, it shall be repaired, painted and restored to look new. All chain link fencing must be removed and replaced with fencing of another approved material. All pedestrian gates hardware must be functional and in new or near-new condition. Access Control systems are required at exterior pedestrian gates.
- C. All driveways and sidewalks must be in good condition. All cracked or uplifted areas (more than ¼") shall be repaired or replaced.
- D. The asphalt shall be in good condition, with no alligator cracking, longitudinal cracking, potholes, or standing water. Repairs to portions of parking lots not suitable for new coatings shall be performed by removing and replacing damaged paving. A new seal-coat or slurry-coat shall then be applied to the entire parking lot surface. Parking spaces shall be restriped, including ADA aisles and other applicable striping/painting.
- E. All site accessories (bollards, benches, tables, play equipment, bike racks, mailboxes, shade structures, BBQs, sheds, etc.) shall be replaced or in good repair (cleaned, painted and/or re-coated).



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

- A. All areas exposed to moisture must be sealed and watertight. Buildings showing evidence of water intrusion shall have the areas inspected by a licensed architect/engineer or by a certified water intrusion expert. A water intrusion report shall be submitted to SHRA, and shall include the cause of the issue and a resolution to eradicate the water intrusion. If the inspection cannot be completed until the demolition phase of the project, the report shall describe a procedure to inspect the issue during demolition.
- B. Roofing must have 15 years or more of remaining life with no visible signs of leakage. For roofs containing composition shingles, a maximum of two layers of shingles are allowed (including any proposed new layers). Provide evidence that the roof system has a 15-year life remaining on the manufacturer's warranty.
- C. All siding must have 15 years or more of remaining life. Hairline cracks in stucco must be sealed and painted with elastomeric paint. If requested by SHRA, a statement by a licensed architect and/or engineer that the existing siding contains at least 15 years of useful life remaining shall be provided.
- D. Fireplaces must be clean and meet applicable air quality standards. Chimneys shall be clean and must be inspected by a certified chimney inspector for structural integrity. All recommended structural repairs shall be performed.

### **Doors and Windows**

- A. All dwelling/tenant units must have screens on all windows that are designed to open. Windows designed to open must have functional locks and must operate freely without excessive effort. All windows must be dual-paned (minimum), and shall meet or exceed the State of California's currently applicable efficiency standards, and any other efficiency standards that may be dictated by the funding source or other governing bodies for the project.
- B. All doors must have matching hardware finishes.
- C. All exterior doors must have deadbolt locks, keyed latch assemblies, viewers, and screws in strike plates long enough to penetrate the door jamb framing by at least one inch. The dwelling entry door hardware shall have single action hardware to release deadbolt and latch assembly.
- D. All sliding exterior doors shall have screen doors and shall have functional locks and must operate freely without excessive effort.
- E. All doors and windows must meet current egress standards.

### **Doors and Windows – Rehabilitation only**

- A. Any windows showing signs of condensation or leakage of any kind shall be replaced. SHRA allows window replacement using retrofit windows when those windows are installed by trained professionals following manufacturer's specifications. Retrofit windows must have a similar useful life as "new, construction" (i.e., nail fin) windows.
- B. All doors and doorjamb must be in good condition. No damaged or worn doorjamb or doors are allowed. Doors and/or jamb beyond their useful life shall be replaced.

### **Casework**

- A. New cabinet boxes shall be made of plywood or solid wood. No particle board boxes will be allowed.
- B. All counter tops shall be of solid surface or granite, and in very good condition with no significant scratches, burns or other imperfections.
- C. Face frames, doors and drawer faces shall be solid hardwood. No plastic laminate finishes will be allowed.

### **Casework – Rehabilitation only**

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



### **Finishes**

- A. All dwelling unit kitchens shall contain luxury vinyl plank (LVP) flooring. Bathrooms must be floored with LVP, sheet vinyl or ceramic tile to provide a cleanable, impervious surface. Bedrooms, hallways, and living and dining rooms may be floored with carpeting, LVP or hardwood. Wear layer of LVP shall be at least 12 mils inside dwelling units. Tenant unit entries shall be floored with LVP or ceramic tile.
- B. In common areas, corridors may be floored with LVP, glue-down carpeting, or carpet tiles. Community rooms and kitchens shall be floored with LVP. Wear layer of LVP in common/commercial areas shall be a minimum of 20 mils thick.
- C. Carpet shall meet or exceed the minimum standards as set by HUD's UM-44D bulletin.

### **Finishes – Rehabilitation only**

- A. Floor coverings must be in good, useable condition - no holes, tears, rips, or stains.
- B. All exterior and interior surfaces must be painted. No peeling, cracking, chipping, or otherwise failing paint will be allowed. All painted surfaces must be new, or in near new condition and appearance.
- C. Acoustic (popcorn) ceiling texture must be removed and refinished with new texture to match wall texture.

### **Equipment**

- A. Dishwashers, refrigerator/freezer, oven, stoves and garbage disposals are required in all dwelling unit kitchens. All appliances must be new or in very good operating condition. All appliances must be Energy Star rated, as applicable. Appliances slated for ADA units shall be per code requirements.
- B. SRO projects are encouraged to provide the appliances listed above and will be reviewed and approved on a case-by-case basis.
- C. All kitchens must have adequate cabinet and counter space. Installation of shelving for microwaves is required if over-the-range microwaves are not used, with the exception of ADA units.

### **Furnishings**

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

### **Special Construction**

- A. Non-habitable structures on property must be painted to match primary buildings and must be structurally sound.
- B. Laundry facilities must, at a minimum, be consistent with CTCAC requirements of one washer and dryer for every ten dwelling units for family housing and one for every 15 units for senior and special needs projects. Ten percent of the total number of washer/dryers must be ADA-accessible machines (unless the ADA units contain their own laundry facilities). Solid surface countertops will be required within laundry rooms and countertops shall meet all ADA requirements.
- C. Public pool areas shall have self-closing gate(s). Fences and gates at pool areas shall meet applicable current codes and standards. Joints between coping and concrete deck shall be appropriately caulked. Existing pools shall have no cracks in plaster or tile grout joints. The Developer is responsible for ensuring pool and surroundings meet all applicable current codes and standards. If a project contains two or more pools, at least one must remain following rehabilitation.

### **Mechanical/Plumbing**

- A. Water heaters must be installed per current applicable codes.
- B. All common areas and tenant units must have heating and air conditioning. Wall mount (i.e. PTAC units) or central systems are acceptable. Evaporative coolers are not acceptable. HVAC units should be protected from



- vandalism, pursuant to discretion of SHRA.
- C. Toilets, showerheads, faucets, and mixing valves shall be new and meet current water conservation codes.
  - D. Tub surrounds must be one unbroken piece per wall and must be of solid surfaces (such as “Swanstone” or other solid acrylic materials, quartz composites), or other similar materials. Fiberglass/acrylic surrounds are acceptable.

#### **Mechanical/Plumbing – Rehabilitation only**

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

#### **Electrical**

- A. All units must have smoke/carbon monoxide detectors installed per current code.
- B. Wiring from telephone/data/cable suppliers shall be installed within walls, attic spaces, and/or crawl spaces. No conduits are allowed to be mounted on the exterior of the buildings in new construction.
- C. Broadband infrastructure meeting the requirements of 24 CFR 5.100\* is required in all new construction projects of 4 or more units.

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

#### **Electrical – Rehabilitation only**

- A. All electrical panels shall meet current code.
- B. Any rehabilitation projects with un-grounded electrical systems shall be re-wired with grounded systems to meet current code.
- C. For rehabilitation projects, switches, outlets and light fixtures shall be replaced with devices that meet current applicable codes.
- D. Wiring mounted on the exterior of the surface may be allowed if it is concealed in conduit and conduit is painted to match exterior siding. For projects where exterior siding will be removed, this wiring shall be installed within walls, attic spaces, and/or crawl spaces.

#### **Resident Services Community Space**

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

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

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



# RESOLUTION NO. 2022-\_\_\_\_\_

Adopted by the Housing Authority of the City of Sacramento

## MIRASOL VILLAGE BLOCK D: A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO DECLARING INTENTION TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS AND DIRECTING CERTAIN ACTIONS

### BACKGROUND

- A. The Housing Authority of the City of Sacramento (the "Authority") intends to issue tax-exempt obligations (the "Obligations") for the purpose, among other things, of making a loan to Twin Rivers Phase 4, L.P., or a limited partnership or a limited liability company related to or formed by McCormack Baron Salazar, Inc. (the "Developer"), the proceeds of which shall be used by the Developer to finance the acquisition, construction and development of a 116-unit multifamily housing residential facility to be located at 475 Pipevine Street, Sacramento, California (the "Project").
- B. United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, among which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer must declare an intention to reimburse such expenditure.
- C. It is in the public interest and for the public benefit that the Authority declare its official intent to reimburse the expenditures referenced herein.

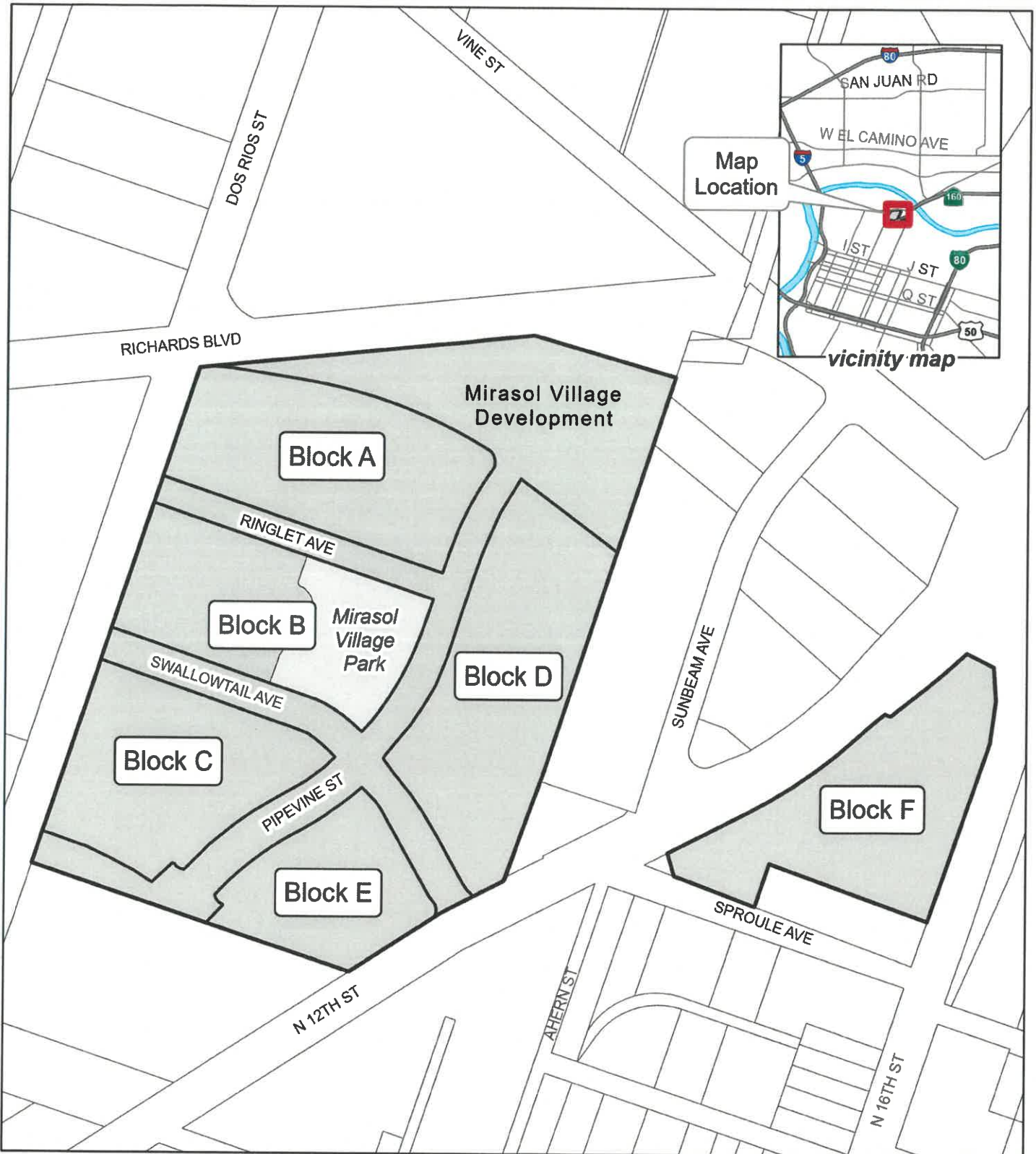
### BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. The Authority intends to issue the Obligations for the purpose of paying the costs of financing the acquisition, construction and development of the Project.
- Section 2. The Authority hereby declares that it reasonably expects that a portion of the proceeds of the Obligations will be used for reimbursement of expenditures for the acquisition, construction and development of the Project that are paid before the date of initial execution and delivery of the Obligations.

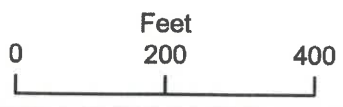
- Section 3. The maximum amount of proceeds of the Obligations to be used for reimbursement of expenditures for the acquisition, construction and development of the Project that are paid before the date of initial execution and delivery of the Obligations is not to exceed \$38,000,000.
- Section 4. The foregoing declaration is consistent with the budgetary and financial circumstances of the Authority in that there are no funds (other than proceeds of the Obligations) that are reasonably expected to be (i) reserved, (ii) allocated or (iii) otherwise set aside, on a long-term basis, by or on behalf of the Authority, or any public entity controlled by the Authority, for the expenditures for the acquisition, construction and development of the Project that are expected to be reimbursed from the proceeds of the Obligations.
- Section 5. The Developer shall be responsible for the payment of all present and future costs in connection with the issuance of the Obligations, including, but not limited to, any fees and expenses incurred by the Authority in anticipation of the issuance of the Obligations, any fees required by the California Debt Limit Allocation Committee ("CDLAC") the cost of printing any official statement, rating agency costs, bond counsel fees and expenses, underwriting discount and costs, trustee fees and expense, and the costs of printing the Obligations. The payment of the principal, redemption premium, if any, and purchase price of and interest on the Obligations shall be solely the responsibility of the Developer. The Obligations shall not constitute a debt or obligation of the Authority.
- Section 6. The appropriate officers or the staff of the Authority are hereby authorized, for and in the name of and on behalf of the Authority, to make an application to CDLAC for an allocation of private activity bonds for the financing of the Project.
- Section 7. The adoption of this Resolution shall not obligate (i) the Authority to provide financing to the Developer for the acquisition, construction and development of the Project or to issue the Obligations for purposes of such financing; or (ii) the Authority, or any department of the Authority or the City of Sacramento to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, construction, development or operation of the Project.
- Section 8. This resolution shall take effect immediately upon its adoption.



# Mirasol Village (Twin Rivers)



 Mirasol Village Development



SHRA GIS  
January 3, 2022

Mirasol Village Block D  
Project Renderings



Mirasol Village Block D  
Residential Project Summary

<b>Address</b>	475 Pipevine Street Sacramento, CA 95811				
<b>Number of Units</b>	116				
<b>Construction Type</b>	New Construction				
<b>Acreage</b>	3.25 acres (141,570 sq. ft.)				
<b>Affordability</b>	47 units at or below 30% of AMI (PBV Public Housing Replacement) 43 LIHTC units at or below 60% of AMI 25 units at or below 80% of AMI				
<b>Unit Mix and Rents<sup>1</sup></b>	30% AMI (PBV)	60% AMI	80% AMI	Exempt Manager	Total
1 Bedroom / 1 Bath	8	7	13		28
2 Bedroom / 1 Bath	23	8	12	1	44
3 Bedroom / 2 Bath	12	20			32
4 Bedroom / 2 Bath	4	8			12
<b>TOTAL</b>	<b>47</b>	<b>43</b>	<b>25</b>	<b>1</b>	<b>116</b>
<b>Square Footage</b>	<i>Per Unit</i>	<i>Total</i>			
1 Bedroom / 1 Bath	619	17,332	sq. ft.		
2 Bedroom / 1 Bath	838	36,872	sq. ft.		
3 Bedroom / 2 Bath	1,248	39,936	sq. ft.		
4 Bedroom / 2 Bath	1,385	16,620	sq. ft.		
Common Areas		1,800	sq. ft.		
<b>TOTAL</b>		112,560	sq. ft.		
<b>Resident Facilities</b>	Residents will have access the facilities on neighborhooding lots which include a community park, management offices, resident community space, a fitness center, swimming pool and BBQ area.				
<b>Permanent Sources</b>	<i>Current Total</i>	<i>Per Unit</i>	<i>Per Sq Ft</i>		
Tax Credit Equity	\$ 28,444,890	\$ 245,215	\$ 252.71		
Permanent Loan	\$ 11,516,945	\$ 99,284	\$ 102.32		
CalHFA MIP	\$ 5,000,000	\$ 43,103	\$ 44.42		
County ARPA Loan	\$ 5,000,000	\$ 60,345	\$ 62.19		
SHRA Loan	\$ 7,000,000	\$ 43,103	\$ 44.42		
HACS Loan	\$ 3,000,000	\$ 25,862	\$ 26.65		
HACOS CNI Loan	\$ 2,000,000	\$ 17,241	\$ 17.77		
HACOS Ground Lease Loan <sup>2</sup>	\$ 468,000	\$ 4,034	\$ 4.16		
Deferred Developer Fee	\$ 2,245,974	\$ 19,362	\$ 19.95		
<b>TOTAL SOURCES</b>	<b>\$ 64,675,809</b>	<b>\$ 557,550</b>	<b>\$ 574.59</b>		
<b>Permanent Uses</b>					
Ground Lease <sup>2</sup>	\$ 520,000	\$ 4,483	\$ 4.62		
Construction	\$ 45,701,526	\$ 393,979	\$ 406.02		
Permits	\$ 1,529,488	\$ 13,185	\$ 13.59		
Architecture and Engineering	\$ 2,177,943	\$ 18,775	\$ 19.35		
Soft Cost Contingency	\$ 511,611	\$ 4,410	\$ 4.55		
Hard Cost Contingency	\$ 2,266,799	\$ 19,541	\$ 20.14		
First Mortgage Interest	\$ 1,672,225	\$ 14,416	\$ 14.86		
Legal	\$ 807,000	\$ 6,957	\$ 7.17		
Financing Costs	\$ 1,600,777	\$ 13,800	\$ 14.22		
Operating Reserve	\$ 860,412	\$ 7,417	\$ 7.64		
Transition Reserve	\$ 658,037	\$ 5,673	\$ 5.85		
Developer Fee	\$ 4,800,993	\$ 41,388	\$ 42.65		
Insurance, Third Party, Marketing, Other	\$ 1,568,998	\$ 13,526	\$ 13.94		
<b>TOTAL USES</b>	<b>\$ 64,675,809</b>	<b>\$ 557,550</b>	<b>\$ 574.59</b>		
<b>Management / Operations</b>					
Proposed Developer:	McCormack Baron Salazar				
Property Management Company:	The John Stewart Company				
Operations Budget:	\$ 725,189	\$ 6,252	\$ 6.44		
Property Management	\$ 98,614	\$ 850	\$ 0.88		
Resident Services:	\$ 53,561	\$ 462	\$ 0.48		
Security:	\$ 74,558	\$ 643	\$ 0.66		
Taxes:	\$ 89,696	\$ 773	\$ 0.80		
Replacement Reserves:	\$ 58,000	\$ 500	\$ 0.52		
<b>TOTAL</b>	<b>\$ 1,099,618</b>	<b>\$ 9,479</b>	<b>\$ 9.77</b>		

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

<sup>2</sup>The Ground Lease Appraised Value is \$520,000; 10% will be paid to HACOS at close of escrow and the remaining loan balance will be \$468,000.



**Mirasol Village Block D  
Maximum Income and Rent Limits 2022**

*Rents at 30%, 60% and 80% of Area Median Income (AMI)  
Low Income Housing Tax Credits, Mortgage Revenue Bonds, County  
American Rescue Plan Act funds, Choice Neighborhoods  
Implementation and Ground Lease Loan, and City Permanent Local  
Housing Allocation funds, Housing Authority Funds,  
Mixed Income Housing Funds, Housing Trust Funds and Housing  
Opportunities for Persons With AIDS*

**Maximum Gross Income Limits**

Family Size	30% AMI	60% AMI	80% AMI
1 person	\$ 19,050	\$ 38,100	\$ 50,750
2 person	\$ 21,750	\$ 43,500	\$ 58,000
3 person	\$ 24,480	\$ 48,960	\$ 65,250
4 person	\$ 27,180	\$ 54,360	\$ 72,500
5 person	\$ 29,370	\$ 58,740	\$ 78,300
6 person	\$ 31,530	\$ 63,060	\$ 84,100
7 person	\$ 33,720	\$ 67,440	\$ 89,900
8 person	\$ 35,880	\$ 71,760	\$ 95,700
9 person	\$ 38,750	\$ 77,500	\$ 103,350

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

Unit Size	30% AMI	60% AMI	80% AMI
1 Bedroom	\$ 510	\$ 1,020	\$ 1,450
2 Bedroom	\$ 612	\$ 1,224	\$ 1,631
3 Bedroom <sup>2</sup>	\$ 706	\$ 1,413	\$ 1,812
4 Bedroom	\$ 788	\$ 1,576	\$ 2,102

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

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

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

ON DATE OF  
**March 2, 2022**

**MIRASOL VILLAGE BLOCK D (PROJECT): AUTHORIZATION TO AMEND THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (SHRA) BUDGET AND ALLOCATE UP TO \$7 MILLION COMPRISED OF \$3.3 MILLION IN PERMANENT LOCAL HOUSING ALLOCATION (PLHA) FUNDS, \$1.4 MILLION IN MIXED INCOME HOUSING FUNDS (MIHF), \$1.4 MILLION IN HOUSING TRUST FUNDS (HTF) AND \$900,000 IN HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) FUNDS TO THE PROJECT; APPROVAL TO EXECUTE LOAN COMMITMENT, FUNDING AGREEMENT AND RELATED DOCUMENTS WITH TWIN RIVERS PHASE 4 L.P. (MCCORMACK BARON SALAZAR) OR RELATED ENTITY; AND ENVIRONMENTAL FINDINGS**

WHEREAS, in 2015, the Housing Authority of the County of Sacramento (HACOS) and the City of Sacramento (City) were, as co-grantees, awarded a \$30 million Choice Neighborhoods Implementation Grant from the US Department of Housing and Urban Development (HUD) for the Twin Rivers Transit Oriented Development and Light Rail Station project (Master Development); and

WHEREAS, on December 12, 2017, HACOS and City Council members approved the Master Development Agreement, which includes the Option to Lease (ground lease loans). SHRA is managing the Master Development and McCormack Baron Salazar is the master developer and Housing Lead (Developer). The Master Development is now known as Mirasol Village. The total project area includes six residential blocks and encompasses approximately 26 acres; and

WHEREAS, on March 16, 2021, City Council approved SHRA and the Developer to apply to the State of California Strategic Growth Council and Department of Housing and Community Development in funding Round 6 for an Affordable Housing and Sustainable Communities grant for up to \$30 million, including up to \$20 million for the affordable housing development and \$10 million for the housing related infrastructure of the Project. Unfortunately, in January 2022, the Project was not awarded; and

**WHEREAS**, on December 7, 2021, HACOS and City Council approved the predevelopment loan agreement and construction/permanent loan commitment of up to \$2 million in CNI funds for the financing of Mirasol Village Block D (Phase 4); and

**WHEREAS**, the Developer of the Project applied to SHRA requesting a not to exceed \$38 million bond issuance from the Housing Authority and a \$15 million gap loan from the City and County for the construction and permanent financing of the Project; and

**WHEREAS**, in a separate Housing Authority resolution, staff is recommending approval of up to \$3 million in Housing Authority Funds for the purpose of construction and permanent financing of the Project; and

**WHEREAS**, on November 2, 2021, the Board of Supervisors (Board) adopted the American Rescue Plan Act (ARPA) Phase One Funding Allocation with Housing as a priority, and SHRA staff is recommending an appropriation of \$5 million of ARPA funds for the construction and permanent financing of this Project. On March 8, 2022, it is anticipated the Board will approve a \$5 million loan commitment comprised of ARPA funds for the construction and permanent financing of the Project to fill the \$15 million gap loan required; and

**WHEREAS**, on February 11, 2022, the Developer submitted a funding application to California Housing Finance Agency for \$5 million in Mixed Income Program funds to assist with the construction and permanent financing of the Project; and

**WHEREAS**, subject to all governing board approvals, the Housing Authority and Developer will apply to California Debt Limit Allocation Committee (CDLAC) for tax-exempt bonds and to California Tax Credit Allocation Committee (CTCAC) for four percent Low Income Housing Tax Credits (LIHTC) on March 16, 2022, with a goal to close financing in fall 2022 and complete construction by the fall of 2024; and

**WHEREAS**, the recommended actions are consistent with a) SHRA's approved Multifamily Lending and Mortgage Revenue Bond Policies, adopted on December 3, 2019 b) the 2021-2029 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2021-0259); c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); d) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by year 2025 (Resolution No. 2015-282); e) the 2007 Asset Repositioning Strategy of the City and County Housing Authorities; f) the 2020-2024 Consolidated Plan (Resolution No.

2019-0408), 2020 Action Plan (Resolution No. 2019-0408), and 2021 Action Plan (Resolution No. 2020-0350); and g) the River District Specific Plan adopted February 15, 2011; and

**WHEREAS**, a combined Initial Study/Environmental Assessment (IS/EA) was prepared for the Mirasol Village (formerly Twin Rivers) Transit Oriented Development and Light Rail Station Project pursuant to California Environmental Quality Act (CEQA) requirements under 14 California Code of Regulations (CCR) §15070, and National Environmental Policy Act (NEPA) requirements under 24 Code of Federal Regulations (CFR) §58.36. The Mitigated Negative Declaration (MND) and associated Mitigation Monitoring and Reporting Program (MMRP) were adopted and a Notice of Determination (NOD) was issued pursuant to CEQA and a Finding of No Significant Impact (FONSI) was prepared pursuant to NEPA. The requested action requires no further environmental review.

**BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:**

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

Section 2. The Executive Director, or her designee, is authorized to amend the budget to allocate up to \$7 million comprised of \$3.3 million in PLHA funds, \$1.4 million in MIHF, \$1.4 million in HTF and \$900,000 in HOPWA funds for the purpose of construction and permanent financing of the Project.

Section 3. The Conditional Loan Commitment attached hereto as Exhibit A for the purpose of construction and permanent financing of the Project with up to \$7 million comprised of PLHA, MIHF, HTF AND HOPWA program funds (Commitment) is approved, and the Executive Director, or her designee, is authorized to execute and transmit the Commitment to Twin Rivers Phase 4, L.P. (McCormack Baron Salazar) or related entity (Developer) for the Project.

Section 4. The Executive Director, or her designee, is authorized to negotiate, enter into, execute and amend from time to time a funding agreement comprised of up to \$7 million in PLHA, MIHF, HTF and HOPWA funds and related documents for the construction and permanent financing of the Project with the Developer and execute other documents, as approved to form by its Office of the General Counsel (Counsel), and perform other actions required for the PLHA, MIHF, HTF and HOPWA program funds, including without limitation, negotiation, subordination, regulatory agreements, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.



Section 5. SHRA finds that an economically feasible alternative method of financing on substantially comparable terms and conditions, without subordination is not available. Therefore, the Executive Director, or her designee, is authorized to subordinate the PLHA, MIHF, HTF AND HOPWA loans to the senior loans.

Section 6. This resolution shall take effect immediately upon its adoption.

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CHAIR

ATTEST:

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CLERK



February 24, 2022

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project

SUMMARY

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

Respectfully submitted,

  
LA SHELLÉ DOZIER  
Executive Director

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
March 8, 2022

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

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

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

Subject: Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project

District(s): Serna

**RECOMMENDED ACTION**

1. Adopt a Board of Supervisors Resolution:
  - A. Authorizing the County Executive, or her designee, to i) amend the County budget and appropriate \$5 million in American Rescue Plan Act (ARPA) funds to the Mirasol Village Block D (Project), ii) negotiate, enter into, execute and amend from time to time a funding agreement comprised of \$5 million in ARPA funds with Sacramento Housing and Redevelopment Agency (SHRA) for the Project, iii) execute other documents, as approved to form by County Counsel, and perform other actions required for the ARPA funds, and iv) transfer \$5 million in ARPA funds to SHRA for the purpose of SHRA providing construction and permanent financing to Twin Rivers Phase 4, L.P. (McCormack Baron Salazar) or related entity (Developer) for the Project.
  - B. Authorizing SHRA to i) negotiate, enter into, execute and amend from time to time a funding agreement comprised of \$5 million in ARPA funds with the County Executive, or her designee, for the Project, ii) accept the County transfer of \$5 million in ARPA funds for the purpose of SHRA

Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project

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providing construction and permanent financing to the Developer for the Project, and iii) execute other documents, as approved to form by its Office of the General Counsel (Counsel), and perform other actions required for the ARPA funds consistent with its adopted policy and with this resolution.

- C. Approving the Conditional Loan Commitment for the purpose of construction and permanent financing of the Project with \$5 million in ARPA funds (Commitment) and authorizing SHRA to execute and transmit the Commitment to the Developer for the Project.
- D. Authorizing SHRA to negotiate, enter into, execute and amend from time to time a funding agreement comprised of \$5 million in ARPA funds and related documents for the construction and permanent financing of the Project with the Developer and execute other documents, as approved to form by its Counsel, and perform other actions required for the ARPA funds consistent with its adopted policy and with this resolution.
- E. Approving SHRA's finding that an economically feasible alternative method of financing on substantially comparable terms and conditions, without subordination is not available. Therefore, SHRA is authorized to subordinate the ARPA loan to senior loans.

2. Adopt a Housing Authority Resolution:

- A. Authorizing the Executive Director, or her designee, to negotiate, enter into, execute and amend from time to time a funding agreement comprised of \$2 million in Choice Neighborhoods Implementation (CNI) funds and related documents for the construction and permanent financing of the Project with the Developer and execute other documents, as approved to form by its Counsel, and perform other actions required for the CNI funds, including without limitation, negotiation, subordination, regulatory agreements, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.
- B. Authorizing the Executive Director, or her designee, to negotiate, enter into, execute and amend from time to time a ground lease funding agreement in an amount justified by an updated fair market value appraisal, and related documents for the acquisition financing of the Project with the Developer and execute other documents, as approved to form by its Counsel, and perform other actions required for the ground lease, including without limitation, negotiation, subordination,

Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project

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regulatory agreements, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.

- C. Approving the Executive Director's finding that an economically feasible alternative method of financing on substantially comparable terms and conditions, without subordination is not available. Therefore, the Executive Director, or her designee, is authorized to subordinate the CNI and ground lease loans to senior loans.

### **BACKGROUND**

In 2015, the Housing Authority of the County of Sacramento (HACOS) and the City of Sacramento (City) were, as co-grantees, awarded a \$30 million Choice Neighborhoods Implementation Grant from the US Department of Housing and Urban Development (HUD) for the Twin Rivers Transit Oriented Development and Light Rail Station project (Master Development). The CNI Grant period ends September 30, 2022, by which time all grant funds must be expended and all units must be financed, otherwise, the \$30 million grant is subject to recapture.

On December 12, 2017, HACOS and City Council members approved the Master Development Agreement, which includes the Option to Lease (ground lease loans). The Sacramento Housing and Redevelopment Agency (SHRA) is managing the Master Development and McCormack Baron Salazar is the master developer and Housing Lead (Developer). The Master Development is now known as Mirasol Village. The total project area includes six residential blocks and encompasses approximately 26 acres. A vicinity map and project renderings of the Mirasol Village are shown in Attachments 1 and 2.

The Master Development is being developed in five phases. The first phase includes Blocks B and E (123 units) and construction will be completed in April 2022. The second phase is Block A (104 units), and construction will be completed in September 2022. The third phase is Block C (84 units) and the Developer plans to start construction on this block by the summer of 2022. The Developer is now actively seeking to secure all funds needed to construct the fourth phase, Block D (116 units) (Project), subject of this report. The fifth phase, Block F, is the block east of 12<sup>th</sup> Street and will be the last block developed.

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On December 7, 2021, HACOS and City Council approved the predevelopment loan agreement and construction/permanent loan commitment of up to \$2 million in CNI funds for the financing of Mirasol Village Block D (Phase 4).

On March 16, 2021, City Council approved SHRA and the Developer to apply to the State of California Strategic Growth Council and Department of Housing and Community Development in funding Round 6 for an Affordable Housing and Sustainable Communities (AHSC) grant for up to \$30 million, including up to \$20 million for the affordable housing development and \$10 million for the housing related infrastructure of the Project. Unfortunately, in January 2022, SHRA was notified that the Project was not awarded AHSC funds.

The Developer applied to SHRA requesting a not to exceed \$38 million bond issuance from the City Housing Authority and a \$15 million gap loan from the City and County for the construction and permanent financing of the Project.

On November 2, 2021, the Board of Supervisors (Board) adopted the American Rescue Plan Act (ARPA) Phase One Funding Allocation with Housing as a priority, and SHRA staff is recommending an appropriation of \$5 million of ARPA funds for the construction and permanent financing of this Project. On March 8, 2022, it is anticipated the City Council and City Housing Authority Board will approve a \$10 million loan commitment for the construction and permanent financing of the Project to fill the \$15 million gap loan required.

On February 11, 2022, the Developer submitted a funding application to California Housing Finance Agency (CalHFA) for \$5 million in Mixed Income Program (MIP) funds to assist with the construction and permanent financing of the Project.

Subject to all governing board approvals, the Housing Authority of the City of Sacramento (HACS) and Developer will apply to California Debt Limit Allocation Committee (CDLAC) for tax-exempt bonds and to California Tax Credit Allocation Committee (CTCAC) for four percent Low Income Housing Tax Credits (LIHTC) on March 16, 2022, with a goal to close financing in fall 2022 and complete construction by the fall of 2024.

Development: Mirasol Village Block D will be a new construction, mixed-income housing development. The Project will include a mixture of multifamily apartment and garden-style walk-up buildings. Block D will consist of a total

Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project

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of five residential buildings that includes 116 rental housing units that range from one to four bedrooms in size and 58 on-grade parking spaces. The unit mix will include 47 replacement units, 43 tax-credit units, 25 units restricted to 80% of Area Median Income (AMI) and one exempt management unit. A separate building at the north end of the site will include an early childhood education center that will be developed by SHRA. Block D residents will also have access to all outdoor community amenities including the park, garden, barbeque areas, and electric car share.

Entitlements: The site plan approval for Block D was received on February 27, 2020, and the building permits are expected to be ready to issue in fall 2022.

Developer: The limited partnership, Twin Rivers Phase 4, L.P. will develop the Project. A McCormack Baron Salazar, Inc. affiliate, Twin Rivers Phase 4, MBS GP, Inc., will serve as administrative general partner of the limited partnership. The Developer is an experienced owner and manager of affordable rental housing projects with more than 40 years of experience in affordable housing and has developed over 21,000 homes in 23 states across the U.S., including 13 communities in California. They have extensive experience in financing projects with tax credits, tax exempt bonds, and other public and private funding sources.

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

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

Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project

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Resident Services: Resident services will be provided by Urban Strategies, which currently provides resident services to 11 affordable housing communities across the country. Urban Strategies will be required to provide at least 20 hours of services per week for Block D residents. Programs will be tailored to resident needs. SHRA staff has reviewed and approved Urban Strategies' resident services plan detailing the scope and schedule of services to be provided. Services will be provided by an on-site services coordinator and will include social services and enrichment programs.

Project Financing: In addition to the capitalized ground lease loans previously approved by the County Housing Authority Board on December 12, 2017 and CNI funds previously approved by the County Housing Authority Board and City Council on December 7, 2021, the proposed financing of the Project includes County ARPA funds, City Permanent Local Housing Allocation funds (PLHA), City Housing Authority Funds (HAF), City Mixed Income Housing Funds (MIHF), City Housing Trust Funds, Housing Opportunities for Persons With AIDS (HOPWA), a Mixed Income Program loan from California Housing Finance Agency, four percent LIHTC, tax-exempt bond financing, a conventional loan, deferred developer fee and development impact fee waivers. The law firm of Orrick, Herrington and Sutcliffe LLP, will serve as Bond Counsel to the Housing Authority. A summary of County and City financing is provided in the following table:

### Mirasol Village Block D

County and City Loan Programs	Amount
SHRA County ARPA Loan	\$ 5,000,000
HACOS CNI Loan (approved December 2021)	\$ 2,000,000
HACOS Ground Lease Loan (approved December 2017)	\$ 468,000
<b>Subtotal of County Loans</b>	<b>\$ 7,468,000</b>
SHRA City PLHA Loan	\$ 3,300,000
HACS HAF Loan	\$ 3,000,000
SHRA MIHF Loan	\$ 1,400,000
SHRA City HTF Loan	\$ 1,400,000
SHRA HOPWA Loan	\$ 900,000
<b>Subtotal of City Loans</b>	<b>\$ 10,000,000</b>
<b>TOTAL COUNTY AND CITY LOANS</b>	<b>\$ 17,468,000</b>



Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project

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

SHRA further requires at least 15 percent of the units have rents that are affordable to households with income up to 50 percent AMI and at least five percent of the units have rents that are affordable to households with income up to 30 percent AMI, based on financial feasibility. HUD approved 47 replacement Project Based Vouchers for the public housing replacement units in the Project which are administered by the County Housing Authority.

Project affordability restrictions will be specified in regulatory agreements as required by the ARPA, CNI, Ground Lease, PLHA, HAF, MIHF, HTF, and HOPWA funding sources with the Developer. The Residential Project Summary and Proforma are included as Attachments 3 and 4, and a schedule of Maximum Income and Rent Limits is included as Attachment 5. These anticipated sources and their affordability requirements are summarized in the following table:

**Mirasol Village Block D**

<b>Affordability Restrictions (55 years)<sup>1</sup></b>	<b>Units</b>	<b>% of Units</b>
Extremely Low Income (30% AMI)	47	40%
Low Income (60% AMI)	43	37%
Low-Moderate Income (80% AMI)	25	22%
Management Unit (Exempt)	1	1%
<b>Total</b>	<b>116</b>	<b>100%</b>

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

**COMMISSION ACTION**

At its meeting of March 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.

Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project

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### POLICY CONSIDERATIONS

The recommended actions are also consistent with: a) SHRA Multifamily Lending and Mortgage Revenue Bond Policies adopted by the Board on September 24, 2019, Subsections 1.1.(1) Preservation and 1.1(2), New Construction; and b) the 2021-2029 Housing Element (HE) Goals, Policies and Programs, Goal HE 4.2.2, in part, the County will assist extremely low-income households through the use of project based housing vouchers; Goal HE 5.2.1, the County will continue to implement its affordable housing program; Goal HE 5.2.3, the County will support programs that provide assistance to developers who construct affordable rental units; and Goal HE 6.1.2, the County will encourage residential developers/builders to maximize energy efficiency through building design and through the use of energy efficient materials, equipment, appliances, strategies and techniques. All affordable housing units in the Project will be regulated for a period of 55 years by CTCAC and CDLAC as a LIHTC and tax exempt bonds funding requirement.

### ENVIRONMENTAL REVIEW

A combined Initial Study/Environmental Assessment (IS/EA) was prepared for the Mirasol Village (formerly Twin Rivers) Transit Oriented Development and Light Rail Station Project pursuant to California Environmental Quality Act (CEQA) requirements under 14 California Code of Regulations (CCR) §15070, and National Environmental Policy Act (NEPA) requirements under 24 Code of Federal Regulations (CFR) §58.36. The Mitigated Negative Declaration (MND) and associated Mitigation Monitoring and Reporting Program (MMRP) were adopted and a Notice of Determination (NOD) was issued pursuant to CEQA and a Finding of No Significant Impact (FONSI) was prepared pursuant to NEPA. The requested action requires no further environmental review.

### 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.

Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project

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### **FINANCIAL ANALYSIS**

SHRA will receive a one-time issuance fee of 0.25 percent of the bond amount, which is payable at bond closing, and annual payment for monitoring the regulatory restrictions and administration of the bonds, in the amount of 0.125 percent of the bond amount. SHRA will also receive a \$100 annual administrative fee for each assisted unit. The total administrative fee will not exceed \$25,000 annually for the affordable units during the regulatory terms. The Developer will be responsible for payment of all costs, fees, and deposits relating to the bond application. Mortgage revenue bonds do not represent a financial obligation of SHRA, HACOS, County of Sacramento, HACS and the City of Sacramento. The SHRA, HACOS and HACS loans will have an interest rate of three percent and a term of 57 years. With the exception of the capitalized ground lease loan that will have an Applicable Federal Rate and a term of 57 years.

Respectfully Submitted,

APPROVED  
ANN EDWARDS  
County Executive



LA SHELLE DOZIER, Executive Director  
Sacramento Housing and  
Redevelopment Agency

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

#### Attachment(s):

- RES – Board Resolution – ARPA Funds
- EXH A – ARPA Funds Loan Commitment
- RES – Housing Resolution – CNI Funds and Ground Lease
- ATT 1 – Vicinity Map
- ATT 2 – Project Renderings
- ATT 3 – Residential Project Summary
- ATT 4 – Cash Flow Proforma
- ATT 5 – Maximum Income and Rent Limits

## RESOLUTION NO.

**MIRASOL VILLAGE BLOCK D (TWIN RIVERS) PROJECT: AUTHORIZATION TO AMEND THE COUNTY AND SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (SHRA) BUDGETS AND ALLOCATE \$5 MILLION IN AMERICAN RESCUE PLAN ACT (ARPA) FUNDS TO THE PROJECT; APPROVAL TO EXECUTE CONSTRUCTION AND PERMANENT LOAN COMMITMENT WITH TWIN RIVERS PHASE 4 L.P. (MCCORMACK BARON SALAZAR) OR RELATED ENTITY (DEVELOPER); APPROVAL TO NEGOTIATE, ENTER INTO AND EXECUTE A FUNDING AGREEMENT COMPRISED OF \$5 MILLION IN ARPA FUNDS AND RELATED DOCUMENTS WITH THE DEVELOPER; APPROVAL TO NEGOTIATE, ENTER INTO AND EXECUTE A FUNDING AGREEMENT COMPRISED OF \$5 MILLION IN ARPA FUNDS AND RELATED DOCUMENTS BETWEEN THE COUNTY AND SHRA FOR THE PURPOSE OF SHRA PROVIDING A LOAN TO THE DEVELOPER FOR THE PROJECT; AND ENVIRONMENTAL FINDINGS**

**WHEREAS**, on September 28, 2015, the US Department of Housing and Urban Development (HUD) awarded the Housing Authority of the County of Sacramento (HACOS), as Lead Grantee, and the City of Sacramento (City), as Co-Grantee, a \$30 million Choice Neighborhoods Implementation (CNI) Grant to implement the Twin Rivers-River District/Railyards Neighborhood Transformation Plan; and

**WHEREAS**, on December 15, 2015, HACOS and the City executed the FYs 2014-2015 CNI Implementation Grant Agreement with HUD; and

**WHEREAS**, on December 12, 2017, the Housing Authority Board and City Council members approved the Master Development Agreement, which includes the Option to Lease (Ground Lease Loans); and

**WHEREAS**, on December 7, 2021, the County Housing Authority Board and City Council approved the predevelopment loan agreement and construction/permanent loan commitment of up to \$2 million in CNI funds for the financing of Mirasol Village Block D (Phase 4) (Project); and

**WHEREAS**, in a separate resolution of even date herewith, it is anticipated the Housing Authority Board will authorize HACOS to enter into a funding agreement comprised of up to \$2 million in CNI funds with the Developer for the construction and permanent financing of the Project; and

Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project

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**WHEREAS**, McCormack Baron Salazar, Inc. (MBS) as Housing Lead and Master Developer of the Project applied to Sacramento Housing and Redevelopment Agency (SHRA) applied for a \$15 million gap loan for the construction and permanent financing of the Project; and

**WHEREAS**, on November 2, 2021, the Board of Supervisors (Board) adopted the American Rescue Plan Act (ARPA) Phase One Funding Allocation with Housing as a priority, and the subject of this resolution is for approval of \$5 million in ARPA funds for the construction and permanent financing of the Project; and

**WHEREAS**, on March 8, 2022, it is anticipated the City Council and City Housing Authority Board will approve a \$10 million loan commitment for the construction and permanent financing of the Project; and

**WHEREAS**, the City Housing Authority and MBS will apply for an award of four percent tax credits and tax exempt mortgage revenue bonds on behalf of the Project on March 16, 2022 application round and other rounds, if needed. If successful, Block D will close on construction financing by fall 2022 and construction would be complete by fall 2024; and

**WHEREAS**, a combined Initial Study/Environmental Assessment (IS/EA) was prepared for the Mirasol Village (formerly Twin Rivers) Transit Oriented Development and Light Rail Station Project pursuant to California Environmental Quality Act (CEQA) requirements under 14 California Code of Regulations (CCR) §15070, and National Environmental Policy Act (NEPA) requirements under 24 Code of Federal Regulations (CFR) §58.36. The Mitigated Negative Declaration (MND) and associated Mitigation Monitoring and Reporting Program (MMRP) were adopted and a Notice of Determination (NOD) was issued pursuant to CEQA and a Finding of No Significant Impact

Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project

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(FONSI) was prepared pursuant to NEPA. The requested action requires no further environmental review.

**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 County Executive, or her designee, is authorized to a) amend the County budget and appropriate \$5 million in ARPA funds to the Project, b) negotiate, enter into, execute and amend from time to time a funding agreement comprised of \$5 million in ARPA funds with SHRA for the Project, c) execute other documents, as approved to form by County Counsel, and perform other actions required for the ARPA funds, including without limitation, negotiation, subordination, regulatory agreements, financial restructuring, and extensions, consistent with its adopted policy and with this resolution, and d) transfer \$5 million in ARPA funds to SHRA for the purpose of SHRA providing construction and permanent financing to Twin Rivers Phase 4, L.P. (McCormack Baron Salazar) or related entity (Developer) for the Project.

Section 3. SHRA is authorized to a) negotiate, enter into, execute and amend from time to time a funding agreement comprised of \$5 million in ARPA funds with the County Executive, or her designee, for the Project, b) accept the County transfer of \$5 million in ARPA funds for the purpose of SHRA providing construction and permanent financing to the Developer for the Project, and c) execute other documents, as approved to form by its Office of

Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project

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the General Counsel (Counsel), and perform other actions required for the ARPA funds, including without limitation, negotiation, subordination, regulatory agreements, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.

Section 4. The Conditional Loan Commitment for the purpose of construction and permanent financing of the Project with \$5 million in ARPA funds (Commitment) accompanying this resolution is approved, and SHRA is authorized to execute and transmit the Commitment to the Developer for the Project.

Section 5. SHRA is authorized to negotiate, enter into, execute and amend from time to time a funding agreement comprised of \$5 million in ARPA funds and related documents for the construction and permanent financing of the Project with the Developer and execute other documents, as approved to form by its Counsel, and perform other actions required for the ARPA funds, including without limitation, negotiation, subordination, regulatory agreements, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.

Section 6. SHRA finds that an economically feasible alternative method of financing on substantially comparable terms and conditions, without subordination is not available. Therefore, SHRA is authorized to subordinate the ARPA loan to senior loans.

Section 7. This resolution shall take effect immediately upon its adoption.

Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project  
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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 8th day of March, 2022, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

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

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Chair of the Board of Supervisors  
of Sacramento County, California

(SEAL)

ATTEST: \_\_\_\_\_  
Clerk, Board of Supervisors





March 8, 2022

Dan Falcon, Managing Director  
720 Olive Street, Suite 2500  
St. Louis, Missouri 63101

Re: Conditional Loan Commitment for Mirasol Village Block D (Phase 4)

Dear Mr. Falcon:

On behalf of the Sacramento Housing and Redevelopment Agency (SHRA), Housing Authority of the City of Sacramento (HACS) and Housing Authority of the County of Sacramento (HACOS), collectively "Agency," we are pleased to advise you of its commitment of acquisition, construction and permanent loan funds (Loan) in an amount not to exceed \$17,468,000 in program funds described in the chart below for the purpose of financing the development of that certain real property known as Mirasol Village Block D (Phase 4) (Project) located 1381 Swallowtail Ave, Sacramento, California (Property) (Commitment).

<b>LOAN FUNDING PROGRAMS</b>	<b>NOT TO EXCEED LOAN AMOUNTS</b>
SHRA County American Rescue Plan Act (ARPA) Loan	\$ 5,000,000.00
SHRA City Permanent Local Housing Allocation (PLHA) Loan	\$ 3,300,000.00
HACS Housing Authority Funds (HAF) Loan	\$ 3,000,000.00
HACOS Choice Neighborhoods Implementation (CNI) Loan	\$ 2,000,000.00
SHRA Mixed Income Housing Funds (MIHF) Loan	\$ 1,400,000.00
SHRA City Housing Trust Funds (HTF) Loan	\$ 1,400,000.00
SHRA Housing Opportunities for Persons With AIDS (HOPWA) Loan	\$ 900,000.00
HACOS Ground Lease Loan (90% of the current appraised value of the land)	\$ 468,000.00
<b>TOTAL LOANS</b>	<b>\$ 17,468,000.00</b>

The Agency's decision is based on representations and information supplied by McCormack Baron Salazar, Inc. in its capacity as Housing Lead and Master Developer. If these representations and information change in a material manner without written approval of the Agency, this Commitment is void. Agency's obligation to make the Loan is subject to the satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency. This Commitment supersedes previous loan commitments associated with CNI and ground lease loans.

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

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

This Commitment will expire **September 30, 2023**, or extended upon mutual agreement.

1. **PROJECT DESCRIPTION:** Twin Rivers (Mirasol Village) Phase 4 is a new construction, mixed-income housing development. The Project is the third phase of development for the multi-phased, Twin Rivers public housing redevelopment project. The Project will consist of a total of five residential buildings that will include a minimum of 116 rental housing units. The housing units will be 1-4 bedrooms in size and include a minimum of 47 replacement housing units in accordance with the HUD-approved replacement housing plan for the Project. The Project will also contain several outdoor amenities including tot lots, barbeque areas, and bike or car share.
2. **BORROWER:** The name of the Borrower for the Loan is Twin Rivers Phase 4, L.P., a California limited partnership with McCormack Baron Salazar, Inc., or related entity as the lead development partner.
3. **PURPOSE OF LOAN:** The Loan is to be used by Borrower solely to pay the costs of acquisition, construction and permanent financing of the Project and for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, as well as in such other agreements as may be generally required by the Agency for the use of the funding source for the Loan.
4. **PRINCIPAL AMOUNT:** The principal amount of the Loan will be a maximum of Seventeen Million Four Hundred Sixty-Eight Thousand Dollars and No Cents (\$17,468,000.00) or such lesser amount as may be needed and as determined by Borrower and approved by Agency prior to close of the Loan.
5. **TERM OF LOAN:** The Loan shall mature up to 57 years or 684 months from the date of closing construction financing, at which point any and all unpaid principal and interest on the loan will be due and payable. Final maturity date will be determined by impact of terms and conditions of other sources of financing approved for the Project.
6. **INTEREST RATE:** The Loan will bear simple interest at three percent (3%) per annum. Interest shall be calculated on a 365-day year, actual days elapsed basis. With the exception of the Ground Lease Loan, which will be the Applicable Federal Rate.
7. **ANNUAL REPAYMENT:** Annual principal and interest payments shall be made according to the structured payment schedule contained in the final Loan Agreement and as calculated to achieve a minimum annual debt service coverage ratio of 1.2:1. Payments shall be applied first to outstanding interest accrued and unpaid and then to principal. All outstanding principal and interest is due and payable on the maturity date. Notwithstanding the preceding payment schedule, no payments shall be required on this Loan until the full balance of principal and interest on the proposed capitalized ground lease made by the Housing Authority of the County of Sacramento to Borrower pursuant to the Master Development Agreement is paid in full.
8. **SOURCE OF LOAN FUNDS:** Agency is making the Loan from the ARPA, PLHA, HAF, CNI, HTF and HOPWA funding programs and ground lease, and is subject to all of the requirements related to the use of these funds, whether Agency requirements or otherwise. This Loan is conditioned upon Borrower's acceptance of Agency requirements and conditions related to its lending programs and funding sources, including among others the required forms of agreements for the Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.



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

\_\_\_\_\_ (Borrower Initial)

9. **ACCELERATION:** Agency shall have the right to accelerate repayment of the Loan in the event of a default under any Loan Document or upon sale, transfer or alienation of the Property except as specifically provided for in the Loan documents.
10. **SECURITY:** The Loan shall be evidenced by promissory note(s) secured by a deed of trust with assignment of rents against the fee and/or leasehold interest in the Property and Improvements, which shall be a lien upon the Property and Improvements subject only to additional liens senior to the Agency's lien securing loans needed for the Project and such other liens or items as the Agency may approve in writing prior to close. The Loan shall also be secured by security agreements where required. The Agency may agree to subordinate said deed of trust in order to accommodate completion of construction of the Project.
11. **LEASE AND RENTAL SCHEDULE:** All leases of the Property and Improvements shall be subject to Agency review and approval prior to execution. Borrower shall not deviate from the rental schedule presented in Borrower's application for the Loan without Agency's prior written approval provided, however, that such approval shall not be required for annual adjustments to rental rates as permitted by the California Tax Credit Allocation Committee.
12. **PROOF OF EQUITY:** Borrower shall provide proof of equity for the Property and Improvements in the amount of no less than stated in Borrower's request for the Loan. Proof of equity will generally be in the form of verified low income housing tax credit equity and deferred developer fee. If the final equity contribution is less than that as anticipated, the difference in equity must be offset by an increase in the deferred developer fee.
13. **OTHER FINANCING:** Borrower, as a requirement of the Loan, shall procure and deliver to Agency evidence satisfactory to Agency that Borrower has obtained the following described financing which may be secured by a lien upon the Property and Improvements superior or subordinate to Agency's liens, and which shall be otherwise on terms and conditions acceptable to Agency:
  - (a) As a condition precedent to disbursement of the Agency loan, construction financing from private lender(s) in an amount(s) sufficient to complete construction of the Project according to a Scope of Work as approved by Agency (Construction Financing). The term of Construction Financing must not be less than that specified in the Schedule of Performances for completion of construction and in any event not less than the time necessary to fulfill all conditions precedent to funding of the permanent financing.
  - (b) Commitments for permanent financing sufficient to "take out" all Construction Financing liens senior to the Agency's lien.
  - (c) Such commitments for construction and permanent financing shall not require modification of Agency loan documents, or any term of this commitment letter.
  - (d) Such commitments shall not be based upon sources and uses of Project funds that are different from those approved by Agency for the project or be subject to conditions which require amendment of Agency documents or other agreements.



14. EVIDENCE OF FUNDS: Prior to the first disbursement of the Loan, Borrower must demonstrate evidence of adequate and assured funding to complete the development of the Project in accordance with the Agency's requirements. Borrower's evidence of available funds must include only one or more of the following: a) Borrower equity; b) firm and binding commitments for the Project from financial institution(s) or from other lender(s) approved by Agency in its absolute discretion; and c) Agency's contribution, provided, however, that Agency is not obligated by this letter to make any contribution not stated in the terms of the letter.
15. SOILS AND TOXIC REPORTS: Borrower will submit to the Agency a hazardous substances report made in accordance with the American Society for Testing and Materials "Standard Practice for Environmental Site Assessments; Phase I Environmental Site Assessment Process" (Designation E1527-13) prepared by a licensed or registered environmental engineer or other qualified party prior to Loan closing. Borrower must, as a condition of disbursement of Loan funds, give assurances satisfactory to the Agency that hazardous materials are not present on the Property or that any hazardous materials on the Property will be remediated and that no further remediation is then required by the environmental agency having responsibility for monitoring such remediation.
16. LOAN IN BALANCE: Borrower will be required to maintain the Loan "in balance" at all times. The Loan is "in balance" whenever the amount of the undisbursed Loan funds, the remaining sums to be provided by the Borrower and the loan funds from other project lenders or the equity investor are sufficient, in the sole judgement of the Agency, to pay for the remainder of the work to be done on the project as required by written agreement with the Agency. Should the Agency determine that the Loan is not "in balance" the Agency may declare the Loan to be in default.
17. PLANS AND SPECIFICATION: Final plans and specifications, if any, for the project must be in accord with the approved proposal. Final plans and specifications will be subject to Agency's final approval prior to the disbursement of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the project. The final plans shall incorporate all related mitigation measures as required in the Mitigation Monitoring and Reporting Program of Twin Rivers (Mirasol Village) Transit Oriented Development and Light Rail Station Project as may be applicable to Twin Rivers (Mirasol Village) Phase 4, environmental conditions required, if any, for compliance with approvals under CEQA, and/or NEPA, or the U.S. Department of Housing and Urban Development as conditions of approval of the project.
18. ARCHITECTURAL AGREEMENT: The architectural agreement (Agreement), if any, for the preparation of the plans and specifications and other services shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Agreement as security for the Loan.
19. CONSTRUCTION CONTRACT: The construction contract (Contract), if any, and any change orders issued thereunder, and the contractor (Contractor) to be retained by Borrower to construct the Improvements shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Contract as security for the Loan. Agency may require Contractor to provide a performance and payment bond in a form acceptable to Agency for the amount of the Contract.



20. **RETENTION AMOUNT:** The Agency shall retain ten percent (10.0%) of each construction disbursement as retention, not to exceed a total of ten percent (10.0%) of the total amount of the Loan.
21. **COST BREAKDOWN:** Borrower shall deliver to Agency for Agency's approval prior to commencement of work a detailed cost breakdown of the cost of constructing, financing and other costs of developing the Project, which breakdown conforms to the project plans and specification and the approved budget for the Project. Borrower shall also deliver a list of all contractors and subcontractors to be employed in connection with the construction of the Improvements. If required by the Agency, Borrower shall also submit copies of all bids received for each item of work to be performed as well as copies of executed contracts and subcontracts with acceptable bidders.
- All contracts, subcontracts, contractors, and subcontractors shall be subject to Agency's approval prior to close of the Loan. Agency also reserves the right to require performance and material payment bonds on any or all contractors, or in lieu of bond a letter of credit acceptable to Agency.
- Agency shall make disbursements of the Loan based on a cost breakdown that lists line items in cost categories. Agency shall require that Borrower provide documentation supporting all requests for disbursement of Loan funds, including proof of work done and actual expenditure. Agency shall conduct inspections of the Property to assure that the work was done before making a disbursement.
22. **COST SAVINGS:** At completion of construction, Borrower shall submit to Agency a cost certification prepared by a qualified, independent auditor acceptable to Agency which shall indicate the amounts actually spent for each item in the cost breakdown and shall indicate the final sources of funding. If there is an aggregate savings, in the total of all such cost breakdown items from the cost breakdown items in the original budget approved by the Agency, after adjusting for any decrease in any funding source including any loss of any equity investment due to an adjustment in the allowable tax credits, the Agency shall withhold for itself fifty percent (50%) of such savings from the amount of retention then held by the Agency and the Loan balance shall be reduced by the amount so withheld. The Agency, in its sole discretion, shall determine any reduction and/or repayment of the Agency loan based upon this cost certification and the original approved budget for the project.
23. **START OF CONSTRUCTION:** Borrower shall commence construction at the earliest possible date subject to the conditions of this Agency and other involved lenders, but no later than sixty (60) days following the close of construction financing.
24. **COMPLETION OF CONSTRUCTION:** Borrower shall complete the construction of the Improvements no later than 24 months following the close of construction financing.
25. **SECURITY CAMERAS AND OUTSIDE LIGHTING:** Project shall include installation of a security camera system, exterior lighting, and security patrols, all as approved by the Agency.
26. **INSURANCE PROVIDER:** Each policy of insurance required under the Loan shall be obtained from a provider licensed to do business in California and having a current Best's Insurance Guide rating of A VII, which rating has been substantially the same or increasing for the last five (5) years, or such other equivalent rating, as may reasonably be approved by Lender's legal counsel.



27. HAZARD INSURANCE: Borrower shall procure and maintain fire and extended coverage insurance and during construction Builder's Risk completed value insurance in a form and substance approved by Agency. Coverage shall be for protection against loss of, or damage to the Improvements or materials for their construction to their full insurable value. Borrower shall also procure and maintain insurance against specific hazards affecting Agency's security for the Loan as may be required by Agency, governmental regulations, or any permanent lender. All such policies shall contain a standard mortgagee loss payable clause in favor of Agency. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000.00).
28. PUBLIC LIABILITY AND OTHER INSURANCE: Borrower must procure and maintain public liability and property damage insurance (with Agency named as additional insured) in a form approved by Agency. Coverage must be approved by Agency and must be in at least the following limits of liability: (1) Commercial General Liability insurance in Insurance Services Office (ISO) policy form CG 00 01 Commercial General Liability (Occurrence) or better with limits of liability, which are not less than \$1,000,000, per occurrence limit; \$5,000,000 general aggregate limit, and \$5,000,000 products and completed operations aggregate limit, all per location of the Project; (2) Property damage liability of \$1,000,000 each occurrence, \$1,000,000 single limit and \$1,000,000 aggregate; (3) Contractual liability for Bodily Injury of \$1,000,000 each occurrence, for Property Damage of \$1,000,000 each occurrence and \$1,000,000 aggregate, and Personal Injury with Employment Exclusion Deleted of \$1,000,000 aggregate; and (4) Comprehensive Automobile Liability for any vehicle used for or in connection with the Work of \$1,000,000. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000). Borrower must also procure and maintain workers' compensation and all other insurance required under applicable law, as required by law and as approved by Agency.
29. TITLE INSURANCE: Borrower must procure and deliver to Agency an ALTA Lender's Policy of Title Insurance, together with such endorsements as Agency may require, including but not limited to CLTA endorsement nos. 100, 116, and 102.5/102.7 insuring Agency in an amount equal to the principal amount of the Loan, that Agency's Deed of Trust constitutes a third lien or charge upon the Property and Improvements subject only to such items as shall have been approved by Agency. There must be no exceptions permitted for mechanic's liens. Title insurance for the Loan must be issued by a title insurer approved by Agency.
30. ORGANIZATIONAL AGREEMENTS: Borrower must submit to Agency certified copies of all of Borrower's organizational documents, including all amendments, modifications or terminations: if a corporation, Borrower's Articles of Incorporation and By-Laws; if a partnership, its Partnership Agreement and, as applicable, Certificate of Limited Partnership or Statement of Partnership; if a Limited Liability Company, its Articles of Organization and its Operating Agreement; and in all cases with all exhibits and amendments to such documents, fictitious business name statements, other related filings or recorded documents and such related documents as Agency may request. If it is a corporation, Borrower must submit a corporate borrowing resolution referencing this Loan. If Borrower is other than a corporation, Borrower must submit such proof of authority to enter this Loan as may be required under the organizational documents.
31. PURCHASE OR LEASE OF PROPERTY: Borrower shall provide Agency with copies of all documents relating to Borrower's ownership interest in the Property.



32. **FINANCIAL INFORMATION:** During the term of the Loan, Borrower shall deliver to Agency within 120 days of the end of each fiscal year an audited income and expense statement, a balance sheet, and a statement of all changes in financial position signed by authorized officers of Borrower. Prior to close of the Loan and during its term, Borrower must deliver to Agency such additional financial information as may be requested by Agency. Agency reserves the right to review and approve financial statements and other credit information and references prior to closing. During the term of the Loan, Borrower must deliver to Agency a monthly rent-roll including household composition information and operating statements with respect to the Property management, as Agency may request.
33. **MANAGEMENT AGREEMENT:** Prior to execution, Borrower must submit to Agency any agreement providing for the management or operation of the Property or Improvements by a third party which agreement is subject to Agency Approval.
34. **RESIDENT SERVICES AGREEMENT:** Prior to execution, Borrower must submit to Agency an agreement providing for the resident services by a third party which agreement is subject to Agency Approval. The agreement must include on-site resident services according to the following minimum schedule of twenty (20) hours per week:
- a. Coordinator: Six (6) hours per week (maximum)
  - b. After School Programming: Eight (8) hours per week (two hours per day and four days per week, minimum)
  - c. Additional Programming: Balance of minimum six (6) hours per week shall include, but are not limited to:
    - i. Workforce development support and activities.
    - ii. Education classes such as nutrition, exercise, health resources, health insurance application assistance, Annual onsite health fair and ESL classes.
    - iii. Socialization activities such as bingo, gardening and community building events.
    - iv. Other services such as transportation assistance, counseling assistance and employee readiness and job search assistance.
35. **LOW INCOME HOUSING TAX CREDITS (LIHTC):** Borrower represents that as a condition of closing this Loan it is applying for an allocation of LIHTC's and agrees to perform all actions and meet all requirements to maintain the LIHTC allocation if granted.
36. **SMOKE-FREE ENVIRONMENT:** 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.
37. **DOCUMENTATION:** This letter is not intended to describe all of the requirements, terms, conditions and documents for the Loan, which shall also include customary provisions and documents for an Agency transaction of this type. All documents to be delivered to or approved by Agency must be satisfactory to Agency in all respects. Borrower must promptly deliver to Agency any further documentation that may be required by Agency.
38. **CONSISTENCY OF DOCUMENTS:** As a material obligation under this commitment letter, Borrower shall assure that the loan documents for the Project are consistent with lender's commitment approved by the Agency and comply with same.



39. CHANGES OR AMENDMENTS: No documents or contracts which are to be delivered to Agency or are subject to Agency's review or approval shall be modified or terminated without the prior written approval of Agency.
40. ACCEPTANCE OF THIS COMMITMENT: Borrower's acceptance of this Commitment shall be evidenced by signing and delivering to Agency the enclosed copy of this letter. Until receipt of such acceptance by Agency, Agency shall have no obligation under this letter. Agency may withdraw this commitment at any time prior to Borrower's acceptance.





Sincerely,

\_\_\_\_\_  
La Shelle Dozier, Executive Director

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

**BORROWER:**

Twin Rivers Phase 4 L.P., a California limited partnership

By: Twin Rivers Phase 4 MBS GP, Inc., a California corporation

By: \_\_\_\_\_  
Daniel Falcon, Managing Director

**Attachment:**

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



## **Exhibit 1: Mirasol Village Block D – Scope of Development**

**Project Summary:** Mirasol Village Block D is composed of four three-story garden-style walk-ups, and one four-story building serviced by elevators. There is a total of 5 buildings in the phase and 58 on-grade parking spaces.

Mirasol Village Block D is the fourth phase of a master plan, mixed-income housing development located at 475 Pipevine Street. The proposed development will replace the existing public housing development in this area, and the final project development will include 427 apartment units, with 116 units in this phase. All off-site infrastructure and the adjacent right-of-way improvements will be constructed under a separate contract. The project will be designed to secure a Green Point Rated Certification. The development will be a vibrant new addition to the neighborhood and help encourage future improvements and development.

Additional master plan site amenities include property management offices for the entire community, resident community space / community room, a fitness center for residents, a business center with Wi-Fi, computers and printers, a swimming pool and a barbeque area. All buildings are slab on grade wood frame construction with entrances and windows overlooking streets. Putting eyes on the street are part of a safe design strategy. Parking spaces are located behind buildings and there is additional open space for resident amenities, including playgrounds and the feeling of private green space. The buildings will be built to the latest TCAC Sustainable Building Methods standards.

### **A.Site:**

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



without the feel of being fenced in.

10. The fence will have several pedestrian and vehicular access points throughout the site with access control. Only residents will have access to parking within the site, all visitors will park on the street.
11. Each building will have controlled access as will each of the common area amenity spaces.
12. Web-based CCTV will be provided with cameras covering primary ingress/egress points to the site; principal parking areas; and indoor/outdoor common areas. Site lighting shall be provided at all parking and outside public spaces and shall be of LED or similarly energy efficient type.
13. A minimum of one trash enclosure will be provided at each Block D. Trash enclosures will be constructed out of concrete block and metal gates with a concrete apron in front. They will include separate recycling and trash receptacles within the same enclosure. The trash enclosure will be completely accessible.
14. There will also be some shading elements on the residential buildings and outdoor amenity areas.
15. There will be mailboxes located on Block D for its respective residents.

**B. Building Exteriors:**

The exterior building materials will be a combination of stucco and fiber cement siding.

**C. Parking:**

Block D will include a surface parking lot at the interior of the parcel, with approximately 58 spaces. Each lot will have required accessible parking as well as the infrastructure for electrical vehicle charging and outdoor bicycle parking.

**D. Tenant Units:**

BDRM Size	Type	Number of Units
One	Elevator	16
One	Walkup	12
Two	Elevator	44
Three	Elevator	24
Three	Walkup	8
Four	Walkup	12
<b>TOTAL</b>		<b>116</b>

1. **Appliances:** All units will be equipped with a washer/dryer. All kitchens shall have refrigerator/freezer, dishwashers, stove/oven, and micro-hoods in non-accessible units and microwave shelves built into lower cabinets in ADA units. All appliances will be Energy Star, where applicable. Each unit will have garbage disposals.
2. **Electrical:** All units will have smoke/carbon monoxide detectors installed per current



code.

3. **Doors:** All exterior doors shall have deadbolt locks, keyed latch assemblies and viewers. The tenant units' entry doors shall have single action hardware to release deadbolt and latch assembly.
4. **Windows:** New dual-paned (at a minimum) window with screens will be installed throughout. Window coverings will be provided on all windows.
5. **Flooring:** All units will have Luxury Vinyl Plank (LVP) throughout with a minimum wear layer of 12 mils. Bathrooms will be sheet vinyl. All common areas will be LVP.
6. **Cabinets, Counters:** All kitchen and bathroom cabinets will have plywood boxes with solid face frames, doors, and drawer faces. All kitchens and bathrooms will have solid surface countertops.
7. **Lighting:** Units will have new LED lighting throughout.
8. **Finishes:** All unit interiors will have level 4 drywall finish.
9. **Plumbing Fixtures:** Bathrooms shall have low-flow, water-efficient fixtures.
10. **Bathrooms:** Bathrooms shall be fully equipped with accessories including towel bars, toilet paper dispensers and mirrors. All countertops shall be solid surface. Tub surrounds will be of fiberglass.
11. **Hallways:** The hallways on the upper floors of the 4-story building and garden-style buildings will be Luxury Vinyl Tile (LVT).
12. **Accessible Units:** There will be the TCAC-required number of fully accessible units and audio/visual accessible units.

#### **E. Community Areas:**

1. **On-site Management:** On-site Property Management will be located on Block A.
2. **Community/Management Spaces:** There will be approximately 1,800SF of common area space for residents to enjoy. Additional community space, including club house, multipurpose rooms, gym and swimming pool, will be located on Block A.
3. **Resident Services:** Resident Services will be located on Block A.
4. **Elevators and Stairs:** The four-story buildings will have an elevator and enclosed stairways. Each of the three-story walk-up buildings will have an internal stair serving all three floors. Stairways will include closed risers and non-slip concrete finish or other slip-resistant material on the treads.

**Attachment 1: Rental Property Minimum Construction Standards are on the following page.**



## Attachment 1: Lender's Minimum Construction Standards

This attachment is from Exhibit 2 from the Lender's Multifamily Lending and Mortgage Revenue Bond Policies.

### RENTAL PROPERTY MINIMUM CONSTRUCTION STANDARDS

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

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

#### Useful Life Expectancy – Rehabilitation only

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

#### General Requirements

- A. All materials funded under this loan must be new unless previously approved. Recycled items must be approved in writing by SHRA prior to their use.
- B. All work shall comply with Federal and State ADA accessibility requirements, as well as any other requirements stipulated by the funding source(s). When there are differences the stricter of the two shall apply. The developer is responsible for notifying their architect and/or engineer of all funding sources used on the project. The architect and/or engineer must indicate these funding requirements in the project's plans/scope.
- C. All units shall be approved for occupancy by the local Building Department or any other Agency Having Jurisdiction (AHJ) at the conclusion of the work and prior to occupancy.
- D. Web-based security cameras and the equipment to record events are required for primary ingress/egress points to and from the site and for the principal parking and indoor and outdoor common areas where people will be congregating.
- E. Site lighting is required for all parking and outside public spaces, and shall be of LED or similarly energy efficient type. The lenses on the exterior lights shall be cleaned with all oxidation removed or replaced. Light poles shall be new or painted, and shall be structurally sound and stable.
- F. The developer's architect is responsible for providing an Operating Procedure Outline Sheet (OPOS) for window washing systems where applicable, per Cal-OSHA requirements.
- G. SHRA encourages the use of energy and water-efficient systems wherever they may be incorporated into the project.

#### General Requirements – Rehabilitation only

- A. Any component of the project which does or may present a health or safety hazard to the public or tenants shall be corrected to the satisfaction of the local Building Department or AHJ.
- B. A clear pest inspection report will be required at the conclusion of the construction work for rehabilitation projects.



- C. For all structures where disturbance of any hazardous materials (e.g. lead, asbestos, mold, etc.) will occur, a clearance report from an environmental consultant is required.
- D. Projects deemed historically significant landmark by either the City of Sacramento or the National Register of Historic Places shall consult with the State Historic Preservation Officer (SHPO), and shall conform to the Secretary of the Interior Standards for the Treatment of Historic Properties.

### **Site Work**

- A. Trees and large shrubs must be trimmed, grass areas must be mowed, and all planter areas must be weed-free. The landscape design shall incorporate a sustainable design appropriate for the Sacramento Valley. Vegetation that assists in minimizing crime and enhances public safety is preferred. Trees compromising building envelope materials (roofing, siding, windows, etc.) and/or structural integrity (including foundations) must be removed. An arborist shall be consulted for an opinion on trees prior to major branch trimming, root cutting or tree removal. All trees, bushes and other plants that are to be removed shall have the root ball removed by grinding or by mechanical means. A landscape plan describing the above must be provided to SHRA for approval.
- B. All landscaped areas must be served by a programmable automated irrigation system. The irrigation controller shall be a "Smart Controller" that senses rain to reduce water use. Irrigation shall be designed to use bubblers and other water saving measures. Irrigation must not spray on building. Sprinklers should minimize overspray that runs to storm drain drop inlets. Areas that show evidence of erosion of soil shall be landscaped to eliminate problems. The landscape plan must be approved by SHRA and applied.
- C. For gated communities containing swinging vehicle gates, driveways shall be striped to show the area under the gate swings for safety purposes.
- D. All projects shall contain trash enclosures with concrete aprons. Trash enclosures shall be made of cinder block or stucco. Trash enclosures shall be accessible to all tenants. Provisions for tenants with disabilities must be addressed in the project Scope of Development or the project plans.
- E. All projects shall meet the parking requirements of the local Agency Having Jurisdiction (AHJ) over the project. "Grandfathered Projects" will need to show that they are in fact "Grandfathered" or otherwise exempted by the local AHJ. Otherwise, all projects shall meet the governing ADA requirements for parking.
- F. A two percent (2%) slope shall be maintained for a distance of five feet from all structures and no standing water shall remain on the site. Provide an on- site drainage system if necessary.
- G. Stairways in common areas must include closed risers and non-slip concrete finish or other slip-resistant material on the treads.
- H. Exterior mounted electrical, mechanical, and plumbing systems must be protected from vandalism.
- I. For family projects of 50 or more units, a minimum of one school age-appropriate play structure is required. For family projects of 100 or more units, a minimum of one school age and one toddler-appropriate play structure is required.

### **Site Work – Rehabilitation only**

- A. All landscaping and irrigation systems must be in a well-maintained condition.
- B. All fencing must be in good and serviceable condition. Existing fencing that is to remain shall be free of flaking paint, rust, or any other signs of failure. If existing fencing shows any signs of failure, it shall be repaired, painted and restored to look new. All chain link fencing must be removed and replaced with fencing of another approved material. All pedestrian gates hardware must be functional and in new or near-new condition. Access Control systems are required at exterior pedestrian gates.
- C. All driveways and sidewalks must be in good condition. All cracked or uplifted areas (more than ¼") shall be repaired or replaced.
- D. The asphalt shall be in good condition, with no alligator cracking, longitudinal cracking, potholes, or standing water. Repairs to portions of parking lots not suitable for new coatings shall be performed by removing and replacing damaged paving. A new seal-coat or slurry-coat shall then be applied to the entire parking lot surface. Parking spaces shall be restriped, including ADA aisles and other applicable striping/painting.
- E. All site accessories (bollards, benches, tables, play equipment, bike racks, mailboxes, shade structures, BBQs, sheds, etc.) shall be replaced or in good repair (cleaned, painted and/or re-coated).



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

- A. All areas exposed to moisture must be sealed and watertight. Buildings showing evidence of water intrusion shall have the areas inspected by a licensed architect/engineer or by a certified water intrusion expert. A water intrusion report shall be submitted to SHRA, and shall include the cause of the issue and a resolution to eradicate the water intrusion. If the inspection cannot be completed until the demolition phase of the project, the report shall describe a procedure to inspect the issue during demolition.
- B. Roofing must have 15 years or more of remaining life with no visible signs of leakage. For roofs containing composition shingles, a maximum of two layers of shingles are allowed (including any proposed new layers). Provide evidence that the roof system has a 15-year life remaining on the manufacturer's warranty.
- C. All siding must have 15 years or more of remaining life. Hairline cracks in stucco must be sealed and painted with elastomeric paint. If requested by SHRA, a statement by a licensed architect and/or engineer that the existing siding contains at least 15 years of useful life remaining shall be provided.
- D. Fireplaces must be clean and meet applicable air quality standards. Chimneys shall be clean and must be inspected by a certified chimney inspector for structural integrity. All recommended structural repairs shall be performed.

### **Doors and Windows**

- A. All dwelling/tenant units must have screens on all windows that are designed to open. Windows designed to open must have functional locks and must operate freely without excessive effort. All windows must be dual-paned (minimum), and shall meet or exceed the State of California's currently applicable efficiency standards, and any other efficiency standards that may be dictated by the funding source or other governing bodies for the project.
- B. All doors must have matching hardware finishes.
- C. All exterior doors must have deadbolt locks, keyed latch assemblies, viewers, and screws in strike plates long enough to penetrate the door jamb framing by at least one inch. The dwelling entry door hardware shall have single action hardware to release deadbolt and latch assembly.
- D. All sliding exterior doors shall have screen doors and shall have functional locks and must operate freely without excessive effort.
- E. All doors and windows must meet current egress standards.

### **Doors and Windows – Rehabilitation only**

- A. Any windows showing signs of condensation or leakage of any kind shall be replaced. SHRA allows window replacement using retrofit windows when those windows are installed by trained professionals following manufacturer's specifications. Retrofit windows must have a similar useful life as "new, construction" (i.e., nail fin) windows.
- B. All doors and doorjamb must be in good condition. No damaged or worn doorjamb or doors are allowed. Doors and/or jamb beyond their useful life shall be replaced.

### **Casework**

- A. New cabinet boxes shall be made of plywood or solid wood. No particle board boxes will be allowed.
- B. All counter tops shall be of solid surface or granite, and in very good condition with no significant scratches, burns or other imperfections.
- C. Face frames, doors and drawer faces shall be solid hardwood. No plastic laminate finishes will be allowed.

### **Casework – Rehabilitation only**

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



### **Finishes**

- A. All dwelling unit kitchens shall contain luxury vinyl plank (LVP) flooring. Bathrooms must be floored with LVP, sheet vinyl or ceramic tile to provide a cleanable, impervious surface. Bedrooms, hallways, and living and dining rooms may be floored with carpeting, LVP or hardwood. Wear layer of LVP shall be at least 12 mils inside dwelling units. Tenant unit entries shall be floored with LVP or ceramic tile.
- B. In common areas, corridors may be floored with LVP, glue-down carpeting, or carpet tiles. Community rooms and kitchens shall be floored with LVP. Wear layer of LVP in common/commercial areas shall be a minimum of 20 mils thick.
- C. Carpet shall meet or exceed the minimum standards as set by HUD's UM-44D bulletin.

### **Finishes – Rehabilitation only**

- A. Floor coverings must be in good, useable condition - no holes, tears, rips, or stains.
- B. All exterior and interior surfaces must be painted. No peeling, cracking, chipping, or otherwise failing paint will be allowed. All painted surfaces must be new, or in near new condition and appearance.
- C. Acoustic (popcorn) ceiling texture must be removed and refinished with new texture to match wall texture.

### **Equipment**

- A. Dishwashers, refrigerator/freezer, oven, stoves and garbage disposals are required in all dwelling unit kitchens. All appliances must be new or in very good operating condition. All appliances must be Energy Star rated, as applicable. Appliances slated for ADA units shall be per code requirements.
- B. SRO projects are encouraged to provide the appliances listed above and will be reviewed and approved on a case-by-case basis.
- C. All kitchens must have adequate cabinet and counter space. Installation of shelving for microwaves is required if over-the-range microwaves are not used, with the exception of ADA units.

### **Furnishings**

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

### **Special Construction**

- A. Non-habitable structures on property must be painted to match primary buildings and must be structurally sound.
- B. Laundry facilities must, at a minimum, be consistent with CTCAC requirements of one washer and dryer for every ten dwelling units for family housing and one for every 15 units for senior and special needs projects. Ten percent of the total number of washer/dryers must be ADA-accessible machines (unless the ADA units contain their own laundry facilities). Solid surface countertops will be required within laundry rooms and countertops shall meet all ADA requirements.
- C. Public pool areas shall have self-closing gate(s). Fences and gates at pool areas shall meet applicable current codes and standards. Joints between coping and concrete deck shall be appropriately caulked. Existing pools shall have no cracks in plaster or tile grout joints. The Developer is responsible for ensuring pool and surroundings meet all applicable current codes and standards. If a project contains two or more pools, at least one must remain following rehabilitation.

### **Mechanical/Plumbing**

- A. Water heaters must be installed per current applicable codes.
- B. All common areas and tenant units must have heating and air conditioning. Wall mount (i.e. PTAC units) or central systems are acceptable. Evaporative coolers are not acceptable. HVAC units should be protected from





- vandalism, pursuant to discretion of SHRA.
- C. Toilets, showerheads, faucets, and mixing valves shall be new and meet current water conservation codes.
- D. Tub surrounds must be one unbroken piece per wall and must be of solid surfaces (such as “Swanstone” or other solid acrylic materials, quartz composites), or other similar materials. Fiberglass/acrylic surrounds are acceptable.

**Mechanical/Plumbing – Rehabilitation only**

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

**Electrical**

- A. All units must have smoke/carbon monoxide detectors installed per current code.
- B. Wiring from telephone/data/cable suppliers shall be installed within walls, attic spaces, and/or crawl spaces. No conduits are allowed to be mounted on the exterior of the buildings in new construction.
- C. Broadband infrastructure meeting the requirements of 24 CFR 5.100\* is required in all new construction projects of 4 or more units.

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

**Electrical – Rehabilitation only**

- A. All electrical panels shall meet current code.
- B. Any rehabilitation projects with un-grounded electrical systems shall be re-wired with grounded systems to meet current code.
- C. For rehabilitation projects, switches, outlets and light fixtures shall be replaced with devices that meet current applicable codes.
- D. Wiring mounted on the exterior of the surface may be allowed if it is concealed in conduit and conduit is painted to match exterior siding. For projects where exterior siding will be removed, this wiring shall be installed within walls, attic spaces, and/or crawl spaces.

**Resident Services Community Space**

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

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

**End of Scope of Development.**



**RESOLUTION NO.**

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

**MIRASOL VILLAGE BLOCK D (TWIN RIVERS) PROJECT: APPROVAL TO  
NEGOTIATE, ENTER INTO AND EXECUTE FUNDING AGREEMENTS  
COMPRISED OF \$2 MILLION CHOICE NEIGHBORHOODS  
IMPLEMENTATION FUNDS AND AN AMOUNT JUSTIFIED BY AN  
UPDATED FAIR MARKET VALUE APPRAISAL AND RELATED  
DOCUMENTS WITH TWIN RIVERS PHASE 4 L.P. (MCCORMACK BARON  
SALAZAR) OR RELATED ENTITY; AND ENVIRONMENTAL FINDINGS**

**WHEREAS**, on September 28, 2015, the US Department of Housing and Urban Development (HUD) awarded the Housing Authority of the County of Sacramento (HACOS), as Lead Grantee, and the City of Sacramento (City), as Co-Grantee, a \$30 million Choice Neighborhoods Implementation (CNI) Grant to implement the Twin Rivers-River District/Railyards Neighborhood Transformation Plan; and

**WHEREAS**, on December 15, 2015, HACOS and the City executed the FYs 2014-2015 CNI Implementation Grant Agreement with HUD; and

**WHEREAS**, on December 12, 2017, the Housing Authority Board and City Council members approved the Master Development Agreement, which includes the Option to Lease (Ground Lease Loans); and

**WHEREAS**, on December 7, 2021, the County Housing Authority Board and City Council approved the predevelopment loan agreement and construction/permanent loan commitment of up to \$2 million in CNI funds for the financing of Mirasol Village Block D (Phase 4) (Project) and is subject of this resolution; and

**WHEREAS**, McCormack Baron Salazar, Inc. (MBS) as Housing Lead and Master Developer of the Project applied to Sacramento Housing and Redevelopment Agency (SHRA) applied for a \$15 million gap loan for the construction and permanent financing of the Project; and

**WHEREAS**, on March 8, 2022, it is anticipated the County Board of Supervisors will approve a \$5 million loan commitment from American Rescue

Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project

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Plan Act Funds for the construction and permanent financing of the Project; and

**WHEREAS**, also on March 8, 2022, it is anticipated the City Council and City Housing Authority Board will approve a \$10 million loan commitment for the construction and permanent financing of the Project; and

**WHEREAS**, the City Housing Authority and MBS will apply for an award of four percent tax credits and tax exempt mortgage revenue bonds on behalf of the Project on March 16, 2022 application round and other rounds, if needed. If successful, Block D will close on construction financing by fall 2022 and construction would be complete by fall 2024; and

**WHEREAS**, a combined Initial Study/Environmental Assessment (IS/EA) was prepared for the Mirasol Village (formerly Twin Rivers) Transit Oriented Development and Light Rail Station Project pursuant to California Environmental Quality Act (CEQA) requirements under 14 California Code of Regulations (CCR) §15070, and National Environmental Policy Act (NEPA) requirements under 24 Code of Federal Regulations (CFR) §58.36. The Mitigated Negative Declaration (MND) and associated Mitigation Monitoring and Reporting Program (MMRP) were adopted and a Notice of Determination (NOD) was issued pursuant to CEQA and a Finding of No Significant Impact (FONSI) was prepared pursuant to NEPA. The requested action requires no further environmental review.

Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project

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**NOW, THEREFORE, BE IT RESOLVED** BY THE HOUSING AUTHORITY 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 Executive Director, or her designee, is authorized to negotiate, enter into, execute and amend from time to time a funding agreement comprised of \$2 million in CNI funds and related documents for the construction and permanent financing of the Project with the Developer and execute other documents, as approved to form by its Office of the General Counsel (Counsel), and perform other actions required for the CNI funds, including without limitation, negotiation, subordination, regulatory agreements, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.

Section 3. The Executive Director, or her designee, is authorized to negotiate, enter into, execute and amend from time to time a ground lease funding agreement in an amount justified by an updated fair market value appraisal, and related documents for the construction and permanent financing of the Project with the Developer and execute other documents, as approved to form by its Counsel, and perform other actions required for the ground lease, including without limitation, negotiation, subordination, regulatory agreements, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.

Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project  
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Section 4. The Executive Director finds that an economically feasible alternative method of financing on substantially comparable terms and conditions, without subordination is not available. Therefore, the Executive Director, or her designee, is authorized to subordinate the CNI and ground lease loans to senior loans.

Section 5. This resolution shall take effect immediately upon its adoption.

Approval To Negotiate And Execute Agreements Utilizing \$5 Million In American Rescue Plan Act Funds Between Sacramento Housing And Redevelopment Agency And Twin Rivers Phase 4, L.P., And To Negotiate And Execute An Agreement Utilizing \$2 Million In Choice Neighborhoods Implementation Funds Between The Housing Authority Of The County Of Sacramento And Twin Rivers Phase 4, L.P., Each With A 57-Year Term And To Amend The County Budget To Allocate \$5 Million In American Rescue Plan Act Funds For The Mirasol Village Block D Project

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On a motion by Member \_\_\_\_\_, seconded by Member \_\_\_\_\_, the foregoing Resolution was passed and adopted by the Board of the Housing Authority of the County of Sacramento this 8th day of March, 2022, by the following vote, to wit:

AYES: Members,

NOES: Members,

ABSENT: Members,

ABSTAIN: Members,

RECUSAL: Members,

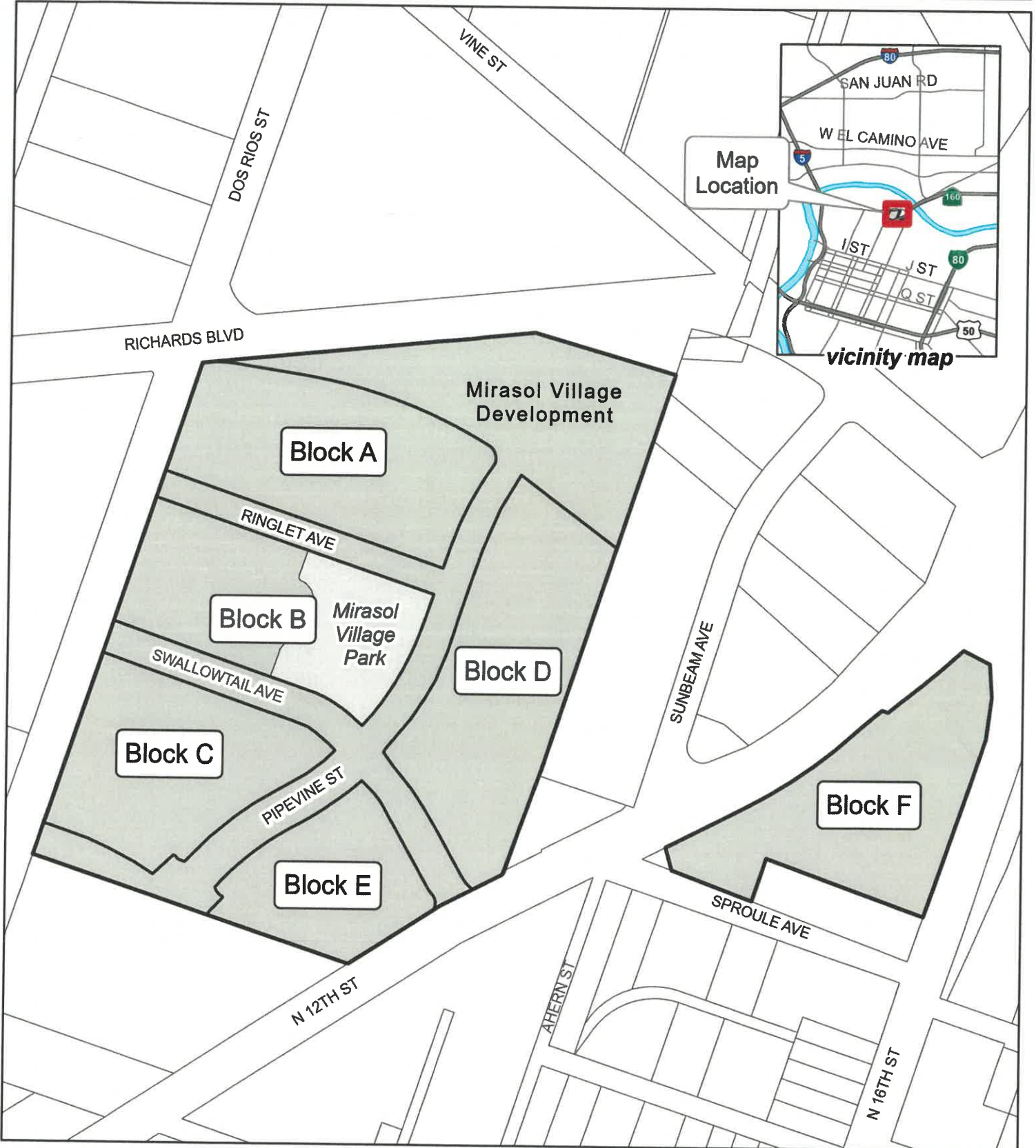
(PER POLITICAL REFORM ACT (§ 18702.5.))

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

(SEAL)

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

# Mirasol Village (Twin Rivers)



 Mirasol Village Development



SHRA GIS  
January 3, 2022

Mirasol Village Block D  
Project Renderings





Mirasol Village Block D  
Residential Project Summary

<b>Address</b>	475 Pipevine Street Sacramento, CA 95811				
<b>Number of Units</b>	116				
<b>Construction Type</b>	New Construction				
<b>Acreage</b>	3.25 acres (141,570 sq. ft.)				
<b>Affordability</b>	47 units at or below 30% of AMI (PBV Public Housing Replacement) 43 LIHTC units at or below 60% of AMI 25 units at or below 80% of AMI				
<b>Unit Mix and Rents<sup>1</sup></b>	30% AMI (PBV)	60% AMI	80% AMI	Exempt Manager	Total
1 Bedroom / 1 Bath	8	7	13		28
2 Bedroom / 1 Bath	23	8	12	1	44
3 Bedroom / 2 Bath	12	20			32
4 Bedroom / 2 Bath	4	8			12
<b>TOTAL</b>	<b>47</b>	<b>43</b>	<b>25</b>	<b>1</b>	<b>116</b>
<b>Square Footage</b>	<i>Per Unit</i>	<i>Total</i>			
1 Bedroom / 1 Bath	619	17,332	sq. ft.		
2 Bedroom / 1 Bath	838	36,872	sq. ft.		
3 Bedroom / 2 Bath	1,248	39,936	sq. ft.		
4 Bedroom / 2 Bath	1,385	16,620	sq. ft.		
Common Areas		1,800	sq. ft.		
<b>TOTAL</b>		112,560	sq. ft.		
<b>Resident Facilities</b>	Residents will have access the facilities on neighborhooding lots which include a community park, management offices, resident community space, a fitness center, swimming pool and BBQ area.				
<b>Permanent Sources</b>	<i>Current Total</i>	<i>Per Unit</i>	<i>Per Sq Ft</i>		
Tax Credit Equity	\$ 28,444,890	\$ 245,215	\$ 252.71		
Permanent Loan	\$ 11,516,945	\$ 99,284	\$ 102.32		
CalHFA MIP	\$ 5,000,000	\$ 43,103	\$ 44.42		
County ARPA Loan	\$ 5,000,000	\$ 43,103	\$ 44.42		
SHRA Loan	\$ 7,000,000	\$ 60,345	\$ 62.19		
HACS Loan	\$ 3,000,000	\$ 25,862	\$ 26.65		
HACOS CNI Loan	\$ 2,000,000	\$ 17,241	\$ 17.77		
HACOS Ground Lease Loan <sup>2</sup>	\$ 468,000	\$ 4,034	\$ 4.16		
Deferred Developer Fee	\$ 2,245,974	\$ 19,362	\$ 19.95		
<b>TOTAL SOURCES</b>	<b>\$ 64,675,809</b>	<b>\$ 557,550</b>	<b>\$ 574.59</b>		
<b>Permanent Uses</b>					
Ground Lease <sup>2</sup>	\$ 520,000	\$ 4,483	\$ 4.62		
Construction	\$ 45,701,526	\$ 393,979	\$ 406.02		
Permits	\$ 1,529,488	\$ 13,185	\$ 13.59		
Architecture and Engineering	\$ 2,177,943	\$ 18,775	\$ 19.35		
Soft Cost Contingency	\$ 511,611	\$ 4,410	\$ 4.55		
Hard Cost Contingency	\$ 2,266,799	\$ 19,541	\$ 20.14		
First Mortgage Interest	\$ 1,672,225	\$ 14,416	\$ 14.86		
Legal	\$ 807,000	\$ 6,957	\$ 7.17		
Financing Costs	\$ 1,600,777	\$ 13,800	\$ 14.22		
Operating Reserve	\$ 860,412	\$ 7,417	\$ 7.64		
Transition Reserve	\$ 658,037	\$ 5,673	\$ 5.85		
Developer Fee	\$ 4,800,993	\$ 41,388	\$ 42.65		
Insurance, Third Party, Marketing, Other	\$ 1,568,998	\$ 13,526	\$ 13.94		
<b>TOTAL USES</b>	<b>\$ 64,675,809</b>	<b>\$ 557,550</b>	<b>\$ 574.59</b>		
<b>Management / Operations</b>					
Proposed Developer:	McCormack Baron Salazar				
Property Management Company:	The John Stewart Company				
Operations Budget:	\$ 725,189	\$ 6,252	\$ 6.44		
Property Management	\$ 98,614	\$ 850	\$ 0.88		
Resident Services:	\$ 53,561	\$ 462	\$ 0.48		
Security:	\$ 74,558	\$ 643	\$ 0.66		
Taxes:	\$ 89,696	\$ 773	\$ 0.80		
Replacement Reserves:	\$ 58,000	\$ 500	\$ 0.52		
<b>TOTAL</b>	<b>\$ 1,099,618</b>	<b>\$ 9,479</b>	<b>\$ 9.77</b>		

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

<sup>2</sup>The Ground Lease Appraised Value is \$520,000; 10% will be paid to HACOS at close of escrow and the remaining loan balance will be \$468,000.



**Mirasol Village Block D**  
**Maximum Income and Rent Limits 2022**

*Rents at 30%, 60% and 80% of Area Median Income (AMI)*  
*Low Income Housing Tax Credits, Mortgage Revenue Bonds, County*  
*American Rescue Plan Act funds, Choice Neighborhoods*  
*Implementation and Ground Lease Loan, and City Permanent Local*  
*Housing Allocation funds, Housing Authority Funds,*  
*Mixed Income Housing Funds, Housing Trust Funds and Housing*  
*Opportunities for Persons With AIDS*

**Maximum Gross Income Limits**

Family Size	30% AMI	60% AMI	80% AMI
1 person	\$ 19,050	\$ 38,100	\$ 50,750
2 person	\$ 21,750	\$ 43,500	\$ 58,000
3 person	\$ 24,480	\$ 48,960	\$ 65,250
4 person	\$ 27,180	\$ 54,360	\$ 72,500
5 person	\$ 29,370	\$ 58,740	\$ 78,300
6 person	\$ 31,530	\$ 63,060	\$ 84,100
7 person	\$ 33,720	\$ 67,440	\$ 89,900
8 person	\$ 35,880	\$ 71,760	\$ 95,700
9 person	\$ 38,750	\$ 77,500	\$ 103,350

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

Unit Size	30% AMI	60% AMI	80% AMI
1 Bedroom	\$ 510	\$ 1,020	\$ 1,450
2 Bedroom	\$ 612	\$ 1,224	\$ 1,631
3 Bedroom <sup>2</sup>	\$ 706	\$ 1,413	\$ 1,812
4 Bedroom	\$ 788	\$ 1,576	\$ 2,102

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

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

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

ON DATE OF

**March 2, 2022**

**MIRASOL VILLAGE BLOCK D (TWIN RIVERS) PROJECT:  
AUTHORIZATION TO AMEND THE BUDGET AND ALLOCATE \$5 MILLION IN AMERICAN RESCUE PLAN ACT (ARPA) FUNDS TO THE PROJECT; APPROVAL TO EXECUTE CONSTRUCTION AND PERMANENT LOAN COMMITMENT WITH TWIN RIVERS PHASE 4 L.P. (MCCORMACK BARON SALAZAR) OR RELATED ENTITY (DEVELOPER); APPROVAL TO NEGOTIATE, ENTER INTO AND EXECUTE A FUNDING AGREEMENT COMPRISED OF \$5 MILLION IN ARPA FUNDS AND RELATED DOCUMENTS WITH THE DEVELOPER; APPROVAL TO NEGOTIATE, ENTER INTO AND EXECUTE A FUNDING AGREEMENT COMPRISED OF \$5 MILLION IN ARPA AND RELATED DOCUMENTS WITH THE COUNTY FOR THE PURPOSE OF SHRA PROVIDING A LOAN TO THE DEVELOPER FOR THE PROJECT; AND ENVIRONMENTAL FINDINGS**

WHEREAS, on September 28, 2015, the US Department of Housing and Urban Development (HUD) awarded the Housing Authority of the County of Sacramento (HACOS), as Lead Grantee, and the City of Sacramento (City), as Co-Grantee, a \$30 million Choice Neighborhoods Implementation (CNI) Grant to implement the Twin Rivers-River District/Railyards Neighborhood Transformation Plan; and

WHEREAS, on December 15, 2015, HACOS and the City executed the FYs 2014-2015 CNI Implementation Grant Agreement with HUD; and

WHEREAS, on December 12, 2017, the Housing Authority Board and City Council members approved the Master Development Agreement, which includes the Option to Lease (Ground Lease Loans); and

WHEREAS, on December 7, 2021, the County Housing Authority Board and City Council approved the predevelopment loan agreement and construction/permanent loan commitment of up to \$2 million in CNI funds for the financing of Mirasol Village Block D (Phase 4) (Project); and

WHEREAS, McCormack Baron Salazar, Inc. (MBS) as Housing Lead and Master Developer of the Project applied to Sacramento Housing and Redevelopment Agency (SHRA) applied for a \$15 million gap loan for the construction and permanent financing of the Project; and

**WHEREAS**, on November 2, 2021, the Board of Supervisors (Board) adopted the American Rescue Plan Act (ARPA) Phase One Funding Allocation with Housing as a priority, and the subject of this resolution is for approval of \$5 million in ARPA funds for the construction and permanent financing of the Project; and

**WHEREAS**, the City Housing Authority and MBS will apply for an award of four percent tax credits and tax exempt mortgage revenue bonds on behalf of the Project on March 16, 2022 application round and other rounds, if needed. If successful, Block D will close on construction financing by fall 2022 and construction would be complete by fall 2024; and

**WHEREAS**, a combined Initial Study/Environmental Assessment (IS/EA) was prepared for the Mirasol Village (formerly Twin Rivers) Transit Oriented Development and Light Rail Station Project pursuant to California Environmental Quality Act (CEQA) requirements under 14 California Code of Regulations (CCR) §15070, and National Environmental Policy Act (NEPA) requirements under 24 Code of Federal Regulations (CFR) §58.36. The Mitigated Negative Declaration (MND) and associated Mitigation Monitoring and Reporting Program (MMRP) were adopted and a Notice of Determination (NOD) was issued pursuant to CEQA and a Finding of No Significant Impact (FONSI) was prepared pursuant to NEPA. The requested action requires no further environmental review.

**BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:**

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

Section 2. The Executive Director, or her designee, is authorized to a) negotiate, enter into, execute and amend from time to time a funding agreement comprised of \$5 million in ARPA funds with the County Executive, or her designee, for the Project, b) accept the County transfer of \$5 million in ARPA funds for the purpose of SHRA providing construction and permanent financing to the Developer for the Project, and c) execute other documents, as approved to form by its Office of the General Counsel (Counsel), and perform other actions required for the ARPA funds, including without limitation, negotiation, subordination, regulatory agreements, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.

Section 3. The Conditional Loan Commitment for the purpose of construction and permanent financing of the Project with \$5 million in ARPA funds (Commitment) accompanying

this resolution is approved, and the Executive Director, or her designee, is authorized to execute and transmit the Commitment to the Developer for the Project.

Section 4. The Executive Director, or her designee, is authorized to negotiate, enter into, execute and amend from time to time a funding agreement comprised of \$5 million in ARPA funds and related documents for the construction and permanent financing of the Project with the Developer and execute other documents, as approved to form by its Counsel, and perform other actions required for the ARPA funds, including without limitation, negotiation, subordination, regulatory agreements, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.

Section 5. The Executive Director finds that an economically feasible alternative method of financing on substantially comparable terms and conditions, without subordination is not available. Therefore, the Executive Director, or her designee, is authorized to subordinate the ARPA loan to senior loans.

Section 6. This resolution shall take effect immediately upon its adoption.

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CHAIR

ATTEST:

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CLERK



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

**Presentation  
March 8, 2022**

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

**Title: Rental Assistance Demonstration (RAD) Program Update**

**Location/Council District: Citywide**

**Recommendation: Oral Presentation - no specific recommendation**

**Contact:** Mark Hamilton, Director of Maintenance and RAD, (916) 449-6248, [mhamilton@shra.org](mailto:mhamilton@shra.org); Cecette Hawkins, RAD Project Manager, (916) 449-6218, [chawkinis@shra.org](mailto:chawkinis@shra.org); Sacramento Housing and Redevelopment Agency

**Presenters:** Mark Hamilton, Director of Maintenance and RAD, (916) 449-6248, [mhamilton@shra.org](mailto:mhamilton@shra.org) Sacramento Housing and Redevelopment Agency

**Department:** Sacramento Housing and Redevelopment Agency (SHRA)

**Description/Analysis**

**Issue Detail:** In 2018 SHRA Staff requested and received authority from the Housing Authority Board to submit an application to the United States Department of Housing and Urban Development (HUD) to allow for the conversion of its Public Housing inventory to the RAD program. The application was approved by HUD and the Housing Authority, as staffed by SHRA, was granted an allocation of units in HUD's RAD appropriation balance. Since that time staff has completed three RAD projects and has plans to undertake several more in 2022. This presentation will update the Board on the Housing Authority's progress with conversions to RAD.

**Background:** Congress authorized the Rental Assistance Demonstration (RAD) Program in fiscal year 2012 to preserve and improve public housing properties and address a \$26 billion nationwide backlog of deferred maintenance needs on these properties. RAD allows public housing agencies (PHAs) to convert public housing and other HUD assisted developments to long-term, project-based Section 8 rental

assistance developments. Converting properties to RAD gives the PHAs access to private debt and equity to address immediate and long-term capital needs.

RAD has two components. The first component allows the conversion of public housing and moderate rehabilitation properties to long-term, project-based Section 8 rental assistance contracts. The second component allows rent supplement, rental assistance payment, and moderate rehabilitation properties to convert tenant protection vouchers into project-based assistance at the end of the contract.

Due to the growing backlog of capital improvement needs and federal government's new emphasis on eliminating public housing, HUD has implemented an aggressive campaign to urge PHAs to expedite efforts to convert their public housing inventories.

Since 2018 Sacramento's City Housing Authority has converted 316 units to RAD and has plans to convert 59 additional units (packaged with 123 non-RAD units) by the end of 2023. Further detail on these conversions and other issues related to RAD will be provided in the presentation.

**Commission Action:** *Sacramento Housing and Redevelopment Commission:* At its March 2, 2022 meeting, the Sacramento Housing and Redevelopment Commission was presented with information on the status of the RAD program in Sacramento.

**Financial Considerations:** Not applicable.

**LBE - M/WBE and Section 3 requirements:** Not applicable.

Respectfully Submitted by:



LA SHELLÉ DOZIER  
Executive Director

**Attachments**

1-Description/Analysis