



NOTICE OF REGULAR MEETING
**Sacramento Housing and
Redevelopment Commission**
TELECONFERENCE MEETING ONLY
Wednesday, March 16, 2022 – 4:00 pm
801 12th Street Commission Room
Sacramento CA

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

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

YouTube Link: <https://youtu.be/vN335qdysHI>

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

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

Please contact the Agency Clerk’s office at 916-440-1363, if you have questions about the public comment procedure. In compliance with the Americans with Disabilities Act (ADA), SHRA requests that individuals who require special accommodations to access and/or participate in Commission meetings contact the office at (916) 440-1363 at least 24 hours before the scheduled meeting. Agenda materials are available for review online at www.shra.org. If you need assistance with locating reports, contact the Agency Clerk at (916) 440-1363 for assistance.

ROLL CALL

APPROVAL OF AGENDA

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 or be present them verbally by calling (888) 970-1444.

APPROVAL OF MINUTES – March 2, 2022

DISCUSSION/BUSINESS ITEMS

1. Approval Of Application For Up To \$25 Million In Homekey Funds From The State Of California Department Of Housing And Community Development And A Conditional Loan And Grant Commitment Of Up To \$7 Million With Eden Housing For the Fairfield Suites Apartments Located At 8058 Orchard Loop Road

PRESENTATION

2. Housing Authority Site Office Electronic Bulletin Board update

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT



MINUTES
Sacramento Housing and Redevelopment Commission (SHRC)
Special Meeting
March 2, 2022
Meeting noticed on February 25, 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, Starks, Woo

MEMBERS ABSENT: Griffin, Osmany (one vacancy)

STAFF PRESENT: La Shelle Dozier, Brad Nakano, Susana Jackson, Christine Weichert, Sarah O'Daniel, James Shields, Peter Masih, Vickie Smith, Nikoo Heiderzedeh, Teresa Cristobal, Kassie Slater, Mark Hamilton

APPROVAL OF AGENDA

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

CITIZEN COMMENT REPORT

Vickie Smith reported on the three citizen's comments received at the previous meeting. The comments related to how to apply for Mirasol Village, income calculation policies related to receiving a lump sum, and suspected fraud in the Shelter + Care program. She informed the Commission that all the comments had been referred to the appropriate staff and had been followed up on.

CITIZENS COMMENTS

One citizen comment was read into the record. The comment was related to income calculation policies related to receiving a lump sum. The individual requested a written copy of the SHRA policy on this. The Clerk announced that this inquiry would be forwarded to the appropriate staff for follow up.

APPROVAL OF MINUTES – February 2, 2022 minutes were approved as submitted.

CONSENT

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

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

AYES: Amanfor, Morgan, Nunley, Ross, Starks, Woo

NOES: None

ABSENT: Griffin, Osmany

Not present to vote: Boyd, Staajabu

PRESENTATION

2. Family Self Sufficiency Program presentation

Theresa Cristobal from the Housing Choice Voucher department introduced Andrea Newsome who described her experience in the Family Self Sufficiency program. She was congratulated on her accomplishments by members of the Commission.

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

Victoria Johnson presented the items.

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

AYES: Amanfor, Boyd, Morgan, Nunley, Ross, Staajabu, Starks, Woo

NOES: None

ABSENT: Griffin, Osmany

PRESENTATION

5. Rental Assistance Demonstration (RAD) Program Update

Mark Hamilton presented the item.

EXECUTIVE DIRECTOR'S REPORT

La Shelle Dozier announced the following:

- Next meeting is March 16th
- Cornerstone Apartments grand opening on March 15th
- Lira Goff has taken a position in SHRA's SERA Program and Nikoo Heidarzedehe has accepted the position as Agency Clerk.
- Expressed thanks to Mark Hamilton and the other staff working on RAD.

COMMISSION CHAIR REPORT

Chair Morgan requested a report back on the status of the operation of the electronic bulletin boards at each of the area offices.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Commissioner Boyd requested an update on the status of the Capitol Park Hotel which staff provided.

Commissioner Ross asked about the status of returning to in person meetings. La Shelle Dozier indicated that SHRA planned to stay with remote meetings for the foreseeable future at least until May. Commissioner Ross requested advanced notice when in person meetings resumed.

ADJOURNMENT

As there was no further business to be conducted, Chair Morgan adjourned the meeting at 5:00 pm.

Clerk



February 24, 2022

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Approval Of Application For Up To \$25 Million In Homekey Funds From The State Of California Department Of Housing And Community Development And A Conditional Loan And Grant Commitment Of Up To \$7 Million With Eden Housing For the Fairfield Suites Apartments Located At 8058 Orchard Loop Road

SUMMARY

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

Respectfully submitted,


Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
March 22, 2022

To: Board of Supervisors and Housing Authority

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 Of Application For Up To \$25 Million In Homekey
Funds From The State Of California Department Of Housing
And Community Development And A Conditional Loan And
Grant Commitment Of Up To \$7 Million With Eden Housing
For the Fairfield Suites Apartments Located At 8058 Orchard
Loop Road

District(s): Kennedy

RECOMMENDED ACTION

Adopt: 1) a Housing Authority Resolution authorizing the Executive Director or her designee to: a) submit an co-application, along with Eden Housing, or related entity, to the California Department of Housing and Community Development (HCD) in the amount of up to \$25 million in Homekey Program (Homekey) funds for the Fairfield Suites Apartments (Project); b) execute a Standard Agreement for such funding and execute any documents necessary to participate in the Homekey Program, and any amendments thereto; c) amend the Housing Authority budget to receive and expend the Homekey funds for the acquisition of a motel conversion to permanent supportive housing for formerly homeless families/individuals; 2) a Board of Supervisors Resolution: a) approving a Conditional Loan and Grant Commitment of up to \$7 million comprised of Home Investment Partnership Program American Rescue Plan Act (HOME ARP) and Community Development Block Grant (CDBG) funds (Commitment) with the Developer for the acquisition, construction, operation and permanent financing of the Project; b) authorizing Sacramento Housing and Redevelopment Agency (SHRA) to negotiate, enter into, execute and amend from time to time the Commitment, funding agreement, and related documents for the financing of the Project with the Developer, and execute other documents and perform other actions including

Approval Of Application For Up To \$25 Million In Homekey Funds From The State Of California Department Of Housing And Community Development And A Conditional Loan And Grant Commitment Of Up To \$7 Million With Eden Housing For the Fairfield Suites Apartments Located At 8058 Orchard Loop Road
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without limitation, negotiation, subordination, regulatory agreement, financial restructuring, and extensions; c) approving the SHRA budget amendment; d) making related findings.

BACKGROUND

On September 9, 2021 the State of California Department of Housing and Community Development (HCD) announced that it was making \$1.45 billion available through a Notice of Funding Availability (NOFA) for the Homekey Program. The Homekey Program provides funding to cities, counties, and other local entities, including housing authorities to convert motels, hotels, and other non-residential structures into permanent supportive housing and/or transitional housing for the State's homeless population. HCD is accepting applications on an over-the-counter basis until the available funds are exhausted. HCD anticipates to announce awards within 45 days of receipt of a complete application. HCD has added another Homekey funding round and anticipates the NOFA will be available in October 2022.

The Housing Authority and Eden Housing, or related entity (Developer), plan to submit an application for up to \$25 million in Homekey Funds for the Fairfield Suites Apartments Project (Project), and to enter into a loan and grant commitment and funding agreements in the amount of \$7 million for the acquisition, construction, operation and permanent financing of the Project. In the event the Project is awarded Homekey funds, the Developer will acquire the property and begin the minor rehabilitation shortly thereafter. Occupancy is also anticipated to begin approximately six-to-nine months after acquisition.

Project Description: The Housing Authority is proposing a co-application with the Developer that seeks funding to acquire the hotel located at 8058 Orchard Loop Road which is currently operated as the Fairfield Suites in the unincorporated area of Sacramento County. Homekey funds will be used for acquisition and minor rehabilitation necessary to convert the motel rooms for use as permanent housing for formerly homeless families/individuals. A Vicinity Map and Picture of the Project are included as Attachments 1 and 2.

The property will be converted from 76 existing motel rooms to 62 individual studio units and 13 one bedroom units as affordable housing for people exiting homelessness and at-risk of homelessness. Each unit will have a newly installed kitchenette with hood vented microwave, full size refrigerator, sink and an electric stovetop. New exterior ventilation for the kitchenettes and new flooring will also be installed. There will also be one (1) one-bedroom exempt

management unit for the live-in, on site manager, employed by Eden Housing. There will be a total of 14 Americans with Disabilities Act (ADA) accessible units among both the studio and one-bedroom units. The table below provides detail on the unit types and sizes.

Unit Types (Funding Programs)	Studio	One Bedroom	Total
Permanent Supporting Housing (Homekey, HOME ARP and CDBG)	62	13	75
Exempt Management Unit		1	1
Total Units			76

The ground floor currently contains the hotel lobby, front desk reception area, lounge, offices, meeting room, restrooms, exercise room, pool area, and several storage rooms. This area will remain largely the same after the conversion with the exception of the indoor pool which will be decommissioned and reconstructed into a technology computer center for the resident’s use. The commercial laundry center that services the hotel will be converted to a traditional laundry room. Additionally, the front desk reception area will be used for 24-hour desk coverage staff, and Eden will install a security camera system and upgraded common area lighting for enhanced safety and security.

Exterior renovations include the installation of automatic gates for controlled access, the installation of pedestrian gates, a pet area and a covered lounge area for outdoor gatherings.

If the Homekey application is successfully awarded, Eden Housing, as co-applicant, will acquire the former hotel, perform the rehabilitation, and provide resident and supportive services at the property.

Project Based Vouchers: On February 8, 2022, SHRA, on behalf of the Housing Authority, released a Request for Proposals from owners and developers interested in receiving Project-Based Vouchers (PBV) to serve homeless families/individuals. It is anticipated that in March of 2022 the Developer will be awarded 75 PBV for permanent supportive/homeless housing units for the Project from SHRA.

Project Developer: Eden Housing Corporation is an affordable housing developer with 50 years of experience in residential development. They have developed more than 10,000 homes across California and have an asset portfolio of \$2 billion. Eden has successfully completed 228 units in the

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Sacramento area and is currently working on a project in the City of Sacramento, Donner Field, for SHRA.

Property Management: Eden Housing Management, Inc. (EHMI) is the property management, non-profit affiliate of Eden Housing, who will manage the Fairfield Suites Apartments. EHMI was established in 1984 and has over 35 years of experience in the field of affordable housing management, currently managing over 9,000 units in 138 properties.

Resident Selection: As a condition of Homekey funding, the project will be required to select occupants using the Sacramento County Coordinated Entry System (CES), managed locally by Sacramento Steps Forward (SSF). Access will be open to anyone experiencing homelessness in Sacramento County who is on the CES queue, but the County will make concerted efforts to engage with people living unsheltered in proximity to the development to ensure all interested are on the queue 2-3 months prior to the anticipated occupancy of the development.

Resident Services and Case Management: Eden Housing Resident Services, Inc. (EHRSI) will provide resident services at the Project. EHRSI was established in 1995 as a 501(c)(3) nonprofit affiliate of Eden Housing, Inc. to provide resident services programming to properties in the Eden Housing portfolio. EHRSI provides a wide range of services and enrichment programs designed to meet the needs of the resident population. There will be four (4) full time case managers providing the residents with one-on-one and group supportive services. In addition, there will on-site for weekly resident services programs that include adult education, skill building classes, workforce development, and health and wellness services and programs. The final Resident Services Plan is subject to SHRA approval prior to close of escrow.

Security Plan: The security plan will include 24-hour desk coverage, installation of a security camera system, additional exterior and common area lighting and security patrols.

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

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SHRA Funding Programs	Amount
Acquisition, Construction and Permanent Financing Loans	
HOME Investment Partnerships Program (HOME) American Rescue Plan (ARP) Loan	\$ 3,000,000
Community Development Block Grant (CDBG) Loan	\$ 1,500,000
HOME ARP Grant	\$ 2,500,000
Total SHRA Loans and Grant	\$7,000,000

In addition, the Developer has requested a total of 75 PBV to this Project. Project Based Vouchers are awarded in accordance with the SHRA's administration of the Housing Choice Voucher Program as authorized by section 8(o)(13) of the U.S. Housing Act of 1937 (42 U.S.C. 1437f(o)(13)) and is based on the Public Housing Authority's Annual Plan. The Plan is approved annually by the federal Department of Housing and Urban Development (HUD). The residential project summary that details the funding sources and uses is included as Attachment 3. The cash flow proforma is included as Attachment 4.

Proposed funding sources and their affordability requirements are summarized in the table below. See Attachment 5 for maximum income and rent levels.

Unit Type	Units	% of Units	Affordability Restriction
Homekey, HOME ARP and CDBG	75	99%	Fifty-Five (55) Years
Manager's unit	1	1%	Unrestricted
Total	76	100%	

COMMISSION ACTION

Sacramento Housing and Redevelopment Commission: It is anticipated that, at its March 16th, 2022 meeting, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Board in the event this does not occur.

POLICY CONSIDERATIONS

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

permanent supportive housing and homeless housing; and b) the 2021-2029 Housing Element Goals and Strategies, HE 1.1.1 the County will provide an adequate supply of land for housing affordable to all income groups with public services and facilities needed to facilitate the development of housing to accommodate projected housing needs based on the SACOG Regional Housing Needs Plan, and HE 1.2.4 the County will encourage locating multiple-family projects near public transportation, shopping, recreation and other amenities. Given the limited footprint of the building, and real estate and resources, the 1,200 square foot requirement for the community room is waived.

In addition, the Board of Supervisors has prioritized funding for projects and programs that support housing and services for people experiencing homelessness, both through the County American Rescue Plan Act (ARPA) Phase One Housing and Homelessness Allocation and through the Budget Priorities approved on December 8, 2021. Expansion of permanently affordable supportive housing dedicated to those exiting homelessness is a critical need that aligns with this Board priority.

ENVIRONMENTAL REVIEW

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

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

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 possible and as required by federal funding and in accordance with SHRA's Section 3 Economic Opportunity Plan. The Developer and General Contractor will work with SHRA's Section 3 Coordinator, to promote employment opportunities.

FINANCIAL ANALYSIS

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

Respectfully Submitted,

APPROVED
ANN EDWARDS
Interim County Executive


LA SHELLE DOZIER, Executive Director
Sacramento Housing and
Redevelopment Agency

By: _____
BRUCE WAGSTAFF
Deputy County Executive

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Attachment(s):

RES-Housing Authority Resolution – Homekey Funds

RES – Board – Loan and Grant Commitment

EX A- Loan and Grant Commitment

ATT 1-Vicinity Map

ATT 2-Picture of Project

ATT 3-Residential Project Summary

ATT 4-Cash Flow Proforma

ATT 5-Maximum Income and Rent Limits

RESOLUTION NO.

FAIRFIELD SUITES APARTMENTS: APPROVAL OF CONDITIONAL LOAN AND GRANT COMMITMENT COMPRISED OF HOME INVESTMENT PARTNERSHIPS PROGRAM AMERICAN RESCUE PLAN (HOME ARP) AND COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM FUNDS (COMMITMENT); AUTHORIZATION TO EXECUTE THE COMMITMENT, FUNDING AGREEMENT AND RELATED DOCUMENTS WITH EDEN HOUSING COMMUNITIES OR RELATED ENTITY (DEVELOPER) FOR THE PROJECT; AMEND THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY BUDGET; AND ENVIRONMENTAL FINDINGS

WHEREAS, the Housing Authority of the County of Sacramento and their co-applicant, Eden Housing Communities or related entity (Developer), desires to apply for approximately \$25 million in Homekey Program funds from the California Department of Housing and Community Development for the Fairfield Apartments Project (Project). The Project includes the acquisition and conversion of a hotel into 75 permanent supportive housing units for homeless families/individuals located at 8058 Orchard Loop in Sacramento. Authorization to apply for Homekey funds is subject of a separate Housing Authority resolution.

WHEREAS, on February 8, 2022, the Sacramento Housing and Redevelopment Agency (SHRA), on behalf of the Housing Authority, released a Request for Proposals from owners and developers interested in receiving Project-Based Vouchers (PBV) to serve homeless families/individuals. In March of 2022, the Developer applied for and was awarded 75 PBV for permanent supportive/homeless housing units for the Project from SHRA.

WHEREAS, in January of 2022, the Developer requested gap funds to assist in the acquisition, construction, operation and permanent financing of the Project that will serve as permanent supportive housing and transitional housing for families.

WHEREAS, the US Department of Housing and Urban Development published HOME American Rescue Plan (HOME ARP) Notice CPD-21-10, as may be amended from time to time, to assist in financing permanent supportive housing and transitional housing for families.

WHEREAS, On October 19, 2021 the 2021 County Action Plan was amended to accept and allocate \$11,947,731 in HOME ARP to Multi-Family Housing Acquisition and Rehabilitation program by Resolution No. 2021-0691.

WHEREAS, On October 19, 2021 the 2022 County Action Plan was approved allocating \$1,500,000 in Community Development Block Grant (CDBG) funding to the Affordable Housing Rehabilitation Program by Resolution No. 2021-0691.

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

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

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 \$7 million Conditional Loan and Grant Commitment (Commitment) with the Developer comprised of \$5.5 million in Home Investment Partnerships Program American Rescue Plan (HOME ARP) and \$1.5 million in Community Development Block Grant (CDBG) program funds for the acquisition, construction, operation and permanent financing of the Fairfield Suites Apartments Project is approved.

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

Section 4. SHRA's budget is hereby amended to incorporate \$5.5 million in HOME ARP and \$1.5 million in CDBG program funds for the 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 22nd 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.))

Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk, Board of Supervisors

RESOLUTION NO.

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

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

WHEREAS, the Department of Housing and Community Development ("Department") has issued a Notice of Funding Availability dated September 9, 2021, ("NOFA"), for the Homekey Program ("Homekey" or "Program"). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.3 (Assem. Bill No. 140 (2021-22 Reg. Sess.), § 20.).

WHEREAS, the Housing Authority of the County of Sacramento ("Co-Applicant") desires to jointly apply for Homekey grant funds with Eden Housing Communities ("Corporation"). Therefore, Co-Applicant is joining Corporation in the submittal of an application for Homekey funds (Application) to the Department for review and consideration.

WHEREAS, the Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (Standard Agreement), and all other legal requirements of the Homekey Program.

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

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

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

Section 1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, and to jointly apply for Homekey grant funds in a total amount not to exceed \$25 million.

Section 2. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed \$25 million, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the Homekey Documents).

Section 3. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

Section 4. La Shelle Dozier, Executive Director of Co-Applicant, or her designee, is authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.

Section 5. If the Application for funding is approved, the Housing Authority's budget is hereby amended to incorporate any Homekey funding up to \$25 million for the acquisition, rehabilitation, and/or operation of a motel conversion to permanent supportive housing for unhoused individuals and families.

Section 6. All evidence presented having been duly considered, the findings, including environmental findings regarding this action, as stated above, are found to be true and accurate and are hereby approved and adopted.

PASSED AND ADOPTED at a regular meeting of the Board of the Housing Authority of the County of Sacramento this 22nd day of March, 2022 by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

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

SIGNATURE: _____

DATE: _____

NAME: _____

TITLE: _____



Effective Date: April 12, 2022

Eden Housing, Inc.
 Andrea Osgood
 Senior Vice President Real Estate Development
 22645 Grand Street
 Hayward, CA 94541

RE: Conditional Loan and Grant Commitment for Fairfield Suites Apartments

Dear Ms. Osgood:

On behalf of Sacramento Housing and Redevelopment (Agency), we are pleased to advise you of this Conditional Loan and Grant Commitment (Commitment) of acquisition, construction, operation permanent loan ("Loan") and grant funds ("Grant") comprised of the funds listed in the chart below for the purpose of financing the acquisition and rehabilitation of that certain real property known as Fairfield Suites Apartments located in the unincorporated County of Sacramento at 8058 Orchard Loop Road, Elk Grove, California 95624 (Property).

SHRA Loan and Grant	Amount
Acquisition, Construction and Permanent Financing Loan	
HOME Investment Partnerships Program (HOME)	\$ 3,000,000.00
American Rescue Plan (ARP) Loan	
Community Development Block Grant (CDBG) Loan	\$ 1,500,000.00
Operation Grant	
HOME ARP Grant	\$ 2,500,000.00
Total SHRA Loan and Grant	\$ 7,000,000.00

The Agency's decision is based on your application, and all representations and information supplied by you to it. If these representations and information change in a material manner without written approval of the Agency, this Commitment is void. Agency's obligation to make the Loan and Grant are subject to the satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency.

The Loan and Grant shall be made on standard Agency loan and grant documents. Loan and Grant terms not in this Commitment and the attached loan document forms shall not be included in the final loan documents without additional environmental review and governing board approval. In

the event of any discrepancies between terms stated in this Commitment and the loan and grant documents, the terms stated in this Commitment shall be deemed to be terms of this Commitment.

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

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

1. PROJECT DESCRIPTION: The Fairfield Suites Apartments is a permanent supportive housing development with 76 total units, comprised of 62 studios and 14 one-bedroom units (one reserved for an on-site manager). Each unit will have a new kitchenette installed which includes a two burner electric stove-top, hood vented microwave and a full size refrigerator with freezer. New exterior ventilation for the kitchenettes will also be installed. The amenities include 24/7 desk clerk, security patrol, laundry, parking, community room, fitness center and computer lab.
2. BORROWER AND GRANTEE: The name of the Borrower and Grantee for the Loan and Grant is Eden Housing, Inc. or related entity.
3. PURPOSE OF LOAN: The Loan is to be used by Borrower solely to pay the costs of acquisition, construction, operation and permanent financing and for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, and such other agreements as may be generally required by the Agency for the use of the funding source for the Loan.
4. PRINCIPAL AMOUNT OF LOAN: The combined principal amount of the Loan will be the lesser of the following:
 - a. Four Million Five Hundred Thousand Dollars and No Cents (\$4,500,000.00), or
 - b. An amount to be determined prior to close of the Loan based on a project budget approved by Agency.
5. TERM OF LOAN: The Maturity Date of the Loan is 40 years or 480 months from the date of closing, at which point any and all unpaid principal and interest on the loan will be due and payable.
6. INTEREST RATE OF LOAN: The Loan will bear a zero percent (0%) interest rate.
7. ANNUAL REPAYMENT OF LOAN: Annual principal and interest payments shall be made according to the structured payment schedule contained in the final Loan Agreement and as calculated to achieve a minimum annual debt service coverage ratio of 1.2:1. Payments shall be applied first to outstanding interest accrued and unpaid and then to principal. All outstanding principal and interest is due and payable on the Maturity Date.



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

9. PURPOSE, TERM AND SOURCE OF GRANT: The \$2,500,000.00 HOME ARP Grant will be used by the Grantee solely to pay the costs of an operation reserve for 75 permanent supportive housing units and such other purposes as the Agency expressly agrees to in the grant agreement for the Grant, and such other agreements as may be generally required by the Agency for the use of the funding source for the Grant. The regulatory term will be for a minimum of fifteen (15) years. Any unexpended HOME ARP grant funds must be returned to the Agency within thirty (30) days following fifteen (15) years from the effective date of the HOME ARP regulatory agreement.

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

_____ (Borrower/Grantee Initial)

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

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

13. LEASE AND RENTAL SCHEDULE: All leases of the Property and Improvements shall be subject to Agency's review and approval prior to execution. Borrower shall not deviate from the rental schedule presented in Borrower's application for the Loan without Agency's prior written approval.

14. PROOF OF EQUITY: Low Income Housing Tax Credits is not applicable to the project.



15. OTHER FINANCING: Borrower, as a requirement of the Loan, shall procure and deliver to Agency evidence satisfactory to Agency that Borrower has obtained the following described financing which may be secured by a lien upon the Property and Improvements superior or subordinate to Agency's liens, and which shall be otherwise on terms and conditions acceptable to Agency:
 - a. Such commitments for financing shall not require modification of Agency loan documents, or any term of this commitment letter.
 - b. Such commitments shall not be based upon sources and uses of Project funds that are different from those approved by Agency for the project or be subject to conditions which require amendment of other agreements.

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

17. SOILS AND TOXIC REPORTS: Borrower has submitted to the Agency a hazardous substances report made in accordance with the American Society for Testing and Materials "Standard Practice for Environmental Site Assessments; Phase I Environmental Site Assessment Process" (Designation E1527-13) prepared by a licensed or registered environmental engineer or other qualified party prior to Loan closing. Borrower must, as a condition of disbursement of Loan funds, provide assurances satisfactory to the Agency that hazardous materials are not present on the Property or that any hazardous materials on the Property will be remediated and that no further remediation is then required by the environmental agency having responsibility for monitoring such remediation.

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

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



the U.S. Department of Housing and Urban Development as conditions of approval of the project.

20. ARCHITECTURAL AGREEMENT: The architectural agreement (Agreement), if any, for the preparation of the plans and specifications and other services shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Agreement as security for the Loan.
21. CONSTRUCTION CONTRACT: The construction contract (Contract), if any, and any change orders issued thereunder, and the contractor (Contractor) to be retained by Borrower to construct the Improvements shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Contract as security for the Loan. Agency may require Contractor to provide a performance and payment bond in a form acceptable to Agency for the amount of the Contract.
22. ECONOMIC OPPORTUNITY EMPLOYMENT REQUIREMENTS: The Loan will require that to the greatest extent feasible, opportunities for training and employment be given to lower income residents in and around the area of the project. Borrower will instruct its Contractor and its subcontractors to utilize lower income project area residents as employees to the greatest extent feasible.
23. RETENTION AMOUNT: The Agency shall retain ten percent (10.0%) of the total amount of the Loan as retention and shall be released when the Agency determines all conditions to final disbursement of the Loan have been satisfied.
24. COST BREAKDOWN: Borrower shall deliver to Agency for Agency's approval prior to commencement of work a detailed cost breakdown of the cost of constructing, financing and other costs of developing the Improvements, which breakdown conforms to the project plans and specification and the budget approved with this Commitment. Borrower shall also deliver a list of all contractors and subcontractors to be employed in connection with the construction of the Improvements. If required by the Agency, Borrower shall also submit copies of all bids received for each item of work to be performed as well as copies of executed contracts and subcontracts with acceptable bidders.

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

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

25. COST SAVINGS: At completion of construction, Borrower shall submit to Agency a cost certification prepared by a qualified, independent auditor acceptable to Agency, which cost



certification shall indicate the amounts actually spent for each item in the cost breakdown and shall indicate the final sources of funding. If there is an aggregate savings, in the total of all such cost breakdown items from the cost breakdown items in the original budget approved by the Agency, after adjusting for any decrease in any funding source, the Agency shall withhold for itself as loan repayment, one-half of such savings from the amount of retention then held by the Agency, and the Loan balance shall be reduced by the amount so withheld. The Agency, in its sole discretion, shall determine any reduction and/or repayment of the Agency loan based upon this cost certification and the original approved budget for the project.

26. START OF CONSTRUCTION: Borrower shall commence construction at the earliest possible date subject to the conditions of this Agency and other involved lenders, but no later than fourteen (14) days following the close of construction financing.
27. COMPLETION OF CONSTRUCTION: Borrower shall complete the construction of the Improvements no later than twelve (12) months (Constriction Period) following the date of the Homekey award letter from the State Department of Housing and Community Development.
28. SECURITY CAMERAS AND OUTSIDE LIGHTING: Project shall include installation of a security camera system at vehicular driveways and additional exterior lighting, and security patrols, all as approved by the Agency.
29. INSURANCE PROVIDER: Each policy of insurance required under the Loan shall be obtained from a provider licensed to do business in California and having a current Best's Insurance Guide rating of A VII, which rating has been substantially the same or increasing for the last five (5) years, or such other equivalent rating, as may reasonably be approved by Lender's legal counsel.
30. PROPERTY INSURANCE: Borrower shall procure and maintain property insurance and during construction Builder's Risk completed value insurance in a form and substance approved by Agency. Coverage shall be for protection against loss of, or damage to the Improvements or materials for their construction to their full insurable value. Borrower shall also procure and maintain insurance against specific hazards affecting Agency's security for the Loan as may be required by Agency, governmental regulations, or any permanent lender. All such policies shall contain a standard mortgagee loss payable clause in favor of Agency. The insurance required shall be written with a deductible of not more than \$25,000.00.
31. COMMERCIAL GENERAL LIABILITY AND OTHER INSURANCE:
Borrower shall carry insurance as set forth below effective prior to the disbursement of the Loan, and such insurance shall be maintained in full force and effect at all times and work is performed in connection with the project. Such insurance coverage must list the Agency as an additional insured, and must be approved in writing by Agency prior to the disbursement of the Loan.
 - a. Commercial general liability insurance, in Insurance Services Office (ISO) policy form CG 00 01 or equivalent, with limits of liability not less than: \$1,000,000 per



occurrence, and \$5,000,000 general aggregate, all per location of the project, such coverage to include contractual liability to include bodily injury, property damage and personal injury;

- b. Personal injury insurance with the employment exclusion deleted, unless the Agency gives prior written approval for the employment exclusion to remain in the policy;
- c. Commercial automobile liability insurance for any vehicle used for or in connection with the project, in an amount not less than \$1,000,000 and approved in writing by Agency; and
- d. Workers' compensation and all other insurance required under applicable law, in the amount required by applicable law or by Agency, whichever amount is greater.

32. TITLE INSURANCE: Borrower must procure and deliver to Agency an ALTA Lender's Policy of Title Insurance, together with such endorsements as Agency may require, including but not limited to ALTA endorsement nos. 9.06 and 28 insuring Agency in an amount equal to the principal amount of the Loan and covenants, conditions or restrictions of the Loan, that Agency's Deed of Trust constitutes a third lien or charge upon the Property and Improvements subject only to such items as shall have been approved by Agency. There must be no exceptions permitted for mechanics liens. Title insurance for the Loan must be issued by a title insurer approved by Agency.

33. ORGANIZATIONAL AGREEMENTS: Borrower must submit to Agency certified copies of all of Borrower's organizational documents, including all amendments, modifications or terminations: if a corporation, Borrower's Articles of Incorporation and By-Laws; if a partnership, its Partnership Agreement and, as applicable, Certificate of Limited Partnership or Statement of Partnership; if a Limited Liability Company, its Articles of Organization and its Operating Agreement; and in all cases with all exhibits and amendments to such documents, fictitious business name statements, other related filings or recorded documents and such related documents as Agency may request. If it is a corporation, Borrower must submit a corporate borrowing resolution referencing this Loan. If Borrower is other than a corporation, Borrower must submit such proof of authority to enter this Loan as may be required under the organizational documents.

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

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



36. MANAGEMENT AGREEMENT: Prior to execution, Borrower must submit to Agency any agreement providing for the management or operation of the Property or Improvements by a third party which agreement is subject to Agency Approval.
37. AFFIRMATIVE FAIR MARKETING: Borrower agrees to follow the Agency's Affirmative Marketing Policies that require outreach to groups least likely to apply for the housing based on local demographic information, providing sufficient marketing time prior to lease Up (as defined in the Affirmative Marketing Policies), and lotteries or other method for initial Lease Up and initial waiting list creation, as agreed upon by the Agency and Borrower prior to the start of Lease Up.
38. RESIDENT SERVICES AGREEMENT: Prior to execution, Borrower must submit to Agency any agreement providing for the resident services by a third party which agreement is subject to Agency Approval. The agreement must include on-site resident services according to the following minimum schedule of fifteen (15) hours per week:
- a. Coordinator: Four (4) hours per week (maximum)
 - b. Additional Programming: Eleven (11) hours per week shall include, but are not limited to:
 - i. Workforce development support and activities.
 - ii. Education classes such as after school, nutrition, exercise, health resources, health insurance application assistance, annual onsite health fair and ESL classes.
 - iii. Socialization activities such as bingo, gardening and community building events.
 - iv. Other services such as transportation assistance, counseling assistance and employee readiness and job search assistance.
39. SUPPORTIVE SERVICES AGREEMENT: Prior to execution, Borrower must submit to Agency any agreement providing for the supportive services by a third party which agreement is subject to Agency Approval. The agreement must include four (4) case managers providing on-site supportive services for the residents of the Project.
40. LOW INCOME HOUSING TAX CREDITS (LIHTC): LIHTC does not apply to this project.
41. SMOKE-FREE ENVIRONMENT: Fifty percent (50%) of the units must be smoke free (including all forms of smoking that create secondhand smoke that impacts the health of nonsmokers). In addition, all indoor common areas must be smoke-free. Clearly-marked designated smoking areas must be provided.
42. DOCUMENTATION: This letter is not intended to describe all of the requirements, terms, conditions and documents for the Loan, which shall also include customary provisions and documents for an Agency transaction of this type. All documents to be delivered to or approved by Agency must be satisfactory to Agency in all respects. Borrower must promptly deliver to Agency any further documentation that may be required by Agency.



43. CONSISTENCY OF DOCUMENTS: As a material obligation under this Commitment, Borrower shall assure that the loan documents for the Project are consistent with lender's commitment approved by the Agency and comply, in all respects, with this Commitment.
44. CHANGES OR AMENDMENTS: No documents or contracts which are to be delivered to Agency or are subject to Agency's review or approval shall be modified or terminated without the prior written approval of Agency.
45. ACCEPTANCE OF THIS COMMITMENT: Borrower's acceptance of this Commitment shall be evidenced by signing and delivering to Agency the enclosed copy of this letter. Until receipt of such acceptance by Agency, Agency shall have no obligation under this letter. Agency may withdraw this Commitment at any time prior to Borrower's acceptance.

Signatures appear on the following page.



Sincerely,

La Shelle Dozier, Executive Director

The undersigned acknowledges and accepts the terms and conditions of the Commitment and Scope of Development, and has executed this Commitment as of the Effective Date.

BORROWER:
Eden Housing Inc.

By: _____
Andrea Osgood, Senior Vice President Real Estate Development

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



Exhibit 1 Fairfield Suites Apartments

The Fairfield Suites Apartments will acquire and make moderate modifications to an existing Fairfield Inn & Suites to convert it into a housing community for adults experiencing or at risk for experiencing homelessness. Located at 8058 Orchard Loop Lane on a 1.36-acre site, it will provide for 76 units, comprised of 62 studio units and 14 one-bedroom units (one reserved for an on-site manager), this community will be 100% affordable to those at or below 30% AMI.

The existing building is a three-story stucco surface wood-frame construction on a concrete slab-on-grade foundation. In addition to guest rooms, the ground floor contains the hotel lobby, front desk reception area, lounge, offices, meeting rooms, restrooms, exercise room, pool area, and several storage rooms. The hotel room mix consists of 61 standard studio units, 10 larger studio suites, and 5 one-bedroom units. 14 of these units are designated as ADA accessible. The building also contains public restrooms for guests and staff, vending machines, ice machines, and is 100% fire sprinkler protected. The community room will have a kitchen for resident use during events. The property has adequate parking at a ratio of approximately 1 space per room.

The moderate modifications of this project will convert the structures and elements in-place from a hotel use to being appropriate for permanent housing. This entails adding kitchenettes to every unit to make them more suitable for permanent occupancy. Kitchenettes will entail a microwave, refrigerator, stove cooktop, and sink. The 10 suites will have a wall added in between the bedroom and main room areas to make them proper one-bedroom units.

All construction and design components will comply with (ADA) accessibility requirements as necessary to convert the building from its current use to its future use. The Borrower has notified the project architect and/or engineer of all potential funding sources anticipated to be used on the Project. The architect and/or engineer will be directed to indicate these funding requirements in the Project's plans/scope of work.



I. Mitigation Measures:

Environmental- A Phase 1 Environmental Site Assessment was prepared and completed on January 27, 2022. It found no evidence of contaminants and a Phase II report was not recommended.

II. Mitigation Monitoring Plan:

Environmental: The Phase I Environmental Site Assessment report did not recommend any mitigation; therefore, a MMP is not required.

III. Building Exteriors:

1. **Asphalt Pavements:** There are approximately 73 parking spaces currently on-site (4 handicapped) that will not be modified.
2. **Balconies and Patios:** There are no balconies off of any rooms. There is patio-like space surrounding the exterior of the building that will not be modified.
3. **Site Lighting:** The site is currently lit to be compliant with all building codes. Lighting requirements will be reviewed, especially for accessibility standards, but no additional lighting is anticipated at this time.
4. **Non-Smoking:** Smoking will only be permitted under the covered smoking area located roughly in the center of the parking lot. A covered structure will be built to ensure protection from weather elements.
5. **Landscaping and Courtyard:** A pet relief area will be added to the northwest corner of the site. No other modifications to the landscaping are anticipated.
6. **Picnic Area:** There are no picnic areas.
7. **Swimming Pool:** There is a swimming pool inside the building, but this will be back-filled and re-purposed as a technology room.
8. **Play Area:** There are no play areas.
9. **Community Garden:** There is no community garden.
10. **Exercise Path:** There will be no site exercise path.
11. **Mailboxes:** Mailboxes will be installed for each resident on the 1st floor common area.
12. **Site Fencing:** The site currently has black aluminum fencing along the North, South, and East sides of the site and a taller concrete along the West side that fronts the highway. The existing open access points will be replaced with automatic gates that will control both motor vehicle and pedestrian access.



13. **Stormwater:** The development meets storm water requirements through use of on-site storm water detention and/or bioswales along the project perimeter. There are no anticipated modifications necessary for stormwater reasons.
14. **Roof:** The Physical Needs Assessment found the existing clay/concrete tile roof to be in good condition and does not anticipate a replacement at this time.
15. **Siding:** The existing stucco exterior walls are in good condition and there will be no work done to them.
16. **Offsite Improvements:** No offsite improvements will be done.

IV. Building Interiors

1. **Americans with Disabilities Act (ADA) Units:** 15% of the units will be made ADA accessible. Overall, the property will be reviewed to ensure that Accessibility compliance is maintained throughout the change in use and any needed modifications will be made.
2. **Non-Smoking:** The Project will have 50% non-smoking units.
3. **Smoke Detectors:** All units, offices and interior common areas will have a smoke/carbon monoxide detector installed in accordance with current code requirements.
4. **Appliances:** All apartments will have kitchenettes installed in them to make them suitable for permanent occupation. Kitchenettes will include microwaves, refrigerators, stove cooktops, and sinks.
5. **Bathtubs and Toilets:** No modifications will be made to the existing bathtub/showers or toilets.
6. **Doors (Interior, Exterior and Sliding Glass):** All doors will remain in place but hotel key swipe entry handles will be replaced with more traditional locks appropriate for permanent residency.
7. **Cabinets, Counters and Sinks:** Kitchenettes will have modular construction cabinets, solid surface countertops, and stainless steel sink. There will be no modifications made to the existing sinks or countertops.
8. **Ceilings and Walls:** There will be no modifications to existing ceilings or walls. The 10 suites will have a drywall wall added between the main living space and the bedroom space in order to convert them to proper 1-bedroom units.
9. **Windows:** There will be no modifications made to the existing windows.
10. **Blinds:** There will be no modifications made to the existing blinds.



11. **Electrical and Lighting:** Additional panels and circuits will be installed to connect the kitchenettes and accommodate additional usage.
12. **Flooring:** Plank vinyl siding will replace the carpet in all units. Flooring changes will be necessary to convert the pool into a technology space. It will likely be carpeted. No other flooring modifications anticipated.
13. **Plumbing Fixtures:** Due to the installation of kitchenette sinks and the multiple washing machines, existing water lines and water heaters will be upgraded to account for the additional usage. It is not anticipated that we will need to increase the service quantity to the building.
14. **Ventilation:** New exterior ventilation for the kitchenettes will be installed.

V. Community Amenities

1. **Community Building:** There are no designated community buildings. The 1st floor lobby space will remain open to residents and will function as the community space with no modifications anticipated.
2. **Case Management Offices:** There will be four private offices for four case managers providing case management and supportive services to the residents.
3. **Ceilings and Walls:** The area directly across from the front desk will have walls added to enclose it and convert it into office space for case managers.
4. **Community Restrooms:** The 1st floor bathrooms will remain as community restrooms and will be unmodified.
5. **Community Room Kitchen:** There will be a community room kitchen. The kitchen currently used by hotel staff to prepare breakfast will be closed and will not be used.
6. **Elevator:** There is an existing hydraulic elevator that provides access to the 2nd and 3rd floors. It is in good condition and no modifications are anticipated.
7. **Hallways and Stairs (open corridor style):** No modifications anticipated to the Hallways and Stairs.
8. **HVAC & Plumbing Systems:** Existing water lines will be replaced with news that more suitably service the traditional laundry space replacing the existing commercial laundry space.
9. **Laundry Facility:** The existing commercial laundry space will be replaced with a traditional coin or card operated laundry facility. A total of eight (8) washer/dryer sets, which includes one ADA washer/dryer set and will meet all code and funding program requirements.



10. **Signage:** Signage throughout the hotel will be replaced to reflect the new use or designation of the common spaces.
11. **Trash Room:** There are no modifications anticipated to the existing outdoor trash area.
12. **Recycle:** One recycle chute will be located on each floor, emptying into the ground floor trash and recycle “discharge” room.
13. **Bicycle parking:** There are currently no plans for bicycle parking due to a lack of indoor space, but we will continue to look for options in order to increase resident mobility options.
14. **Security Cameras:** Interior and exterior web-based security cameras will be installed throughout the community. The equipment will record events for primary ingress/egress points to and from the site, parking lots and indoor and outdoor common areas where people will be congregating.

Attachment 1: Lender’s Minimum Construction Standards exhibit is on the following page.



RENTAL PROPERTY MINIMUM CONSTRUCTION STANDARDS

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

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

Useful Life Expectancy – Rehabilitation only

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

General Requirements

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



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

General Requirements – Rehabilitation only

- A. Any component of the project which does or may present a health or safety hazard to the public or tenants shall be corrected to the satisfaction of the local Building Department or AHJ.
- B. A clear pest inspection report will be required at the conclusion of the construction work for rehabilitation projects.
- C. For all structures where disturbance of any hazardous materials (e.g. lead, asbestos, mold, etc.) will occur, a clearance report from an environmental consultant is required.
- D. Projects deemed historically significant landmark by either the City of Sacramento or the National Register of Historic Places shall consult with the State Historic Preservation Officer (SHPO), and shall conform to the Secretary of the Interior Standards for the Treatment of Historic Properties.

Site Work

- A. Trees and large shrubs must be trimmed, grass areas must be mowed, and all planter areas must be weed-free. The landscape design shall incorporate a sustainable design appropriate for the Sacramento Valley. Vegetation that assists in minimizing crime and enhances public safety is preferred. Trees compromising building envelope materials (roofing, siding, windows, etc.) and/or structural integrity (including foundations) must be removed. An arborist shall be consulted for an opinion on trees prior to major branch trimming, root cutting or tree removal. All trees, bushes and other plants that are to be removed shall have the root ball removed by grinding or by mechanical means. A landscape plan describing the above must be provided to SHRA for approval.
- B. All landscaped areas must be served by a programmable automated irrigation system. The irrigation controller shall be a "Smart Controller" that senses rain to reduce water use. Irrigation shall be designed to use bubblers and other water saving measures. Irrigation must not spray on building. Sprinklers should minimize overspray that runs to storm drain drop inlets. Areas that show evidence of erosion of soil shall be landscaped to eliminate problems. The landscape plan must be approved by SHRA and applied.
- C. For gated communities containing swinging vehicle gates, driveways shall be striped to show the area under the gate swings for safety purposes.
- D. All projects shall contain trash enclosures with concrete aprons. Trash enclosures shall be made of cinder block or stucco. Trash enclosures shall be accessible to all tenants. Provisions for tenants with disabilities must be addressed in the project Scope of Development or the project plans.
- E. All projects shall meet the parking requirements of the local Agency Having Jurisdiction (AHJ) over the project. "Grandfathered Projects" will need to show that they are in fact "Grandfathered" or otherwise exempted by the local AHJ. Otherwise, all projects shall meet the governing ADA requirements for parking.



- F. A two percent (2%) slope shall be maintained for a distance of five feet from all structures and no standing water shall remain on the site. Provide an on- site drainage system if necessary.
- G. Stairways in common areas must include closed risers and non-slip concrete finish or other slip-resistant material on the treads.
- H. Exterior mounted electrical, mechanical, and plumbing systems must be protected from vandalism.
- I. For family projects of 50 or more units, a minimum of one school age-appropriate play structure is required. For family projects of 100 or more units, a minimum of one school age and one toddler-appropriate play structure is required.

Site Work – Rehabilitation only

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

Building Envelope and Moisture Protection – Rehabilitation only

- A. All areas exposed to moisture must be sealed and watertight. Buildings showing evidence of water intrusion shall have the areas inspected by a licensed architect/engineer or by a certified water intrusion expert. A water intrusion report shall be submitted to SHRA, and shall include the cause of the issue and a resolution to eradicate the water intrusion. If the inspection cannot be completed until the demolition phase of the project, the report shall describe a procedure to inspect the issue during demolition.
- B. Roofing must have 15 years or more of remaining life with no visible signs of leakage. For roofs containing composition shingles, a maximum of two layers of shingles are allowed (including any proposed new layers). Provide evidence that the roof system has a 15-year life remaining on the manufacturer’s warranty.



- C. All siding must have 15 years or more of remaining life. Hairline cracks in stucco must be sealed and painted with elastomeric paint. If requested by SHRA, a statement by a licensed architect and/or engineer that the existing siding contains at least 15 years of useful life remaining shall be provided.
- D. Fireplaces must be clean and meet applicable air quality standards. Chimneys shall be clean and must be inspected by a certified chimney inspector for structural integrity. All recommended structural repairs shall be performed.

Doors and Windows

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

Doors and Windows – Rehabilitation only

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

Casework

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

Casework – Rehabilitation only



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

Finishes

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

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.

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

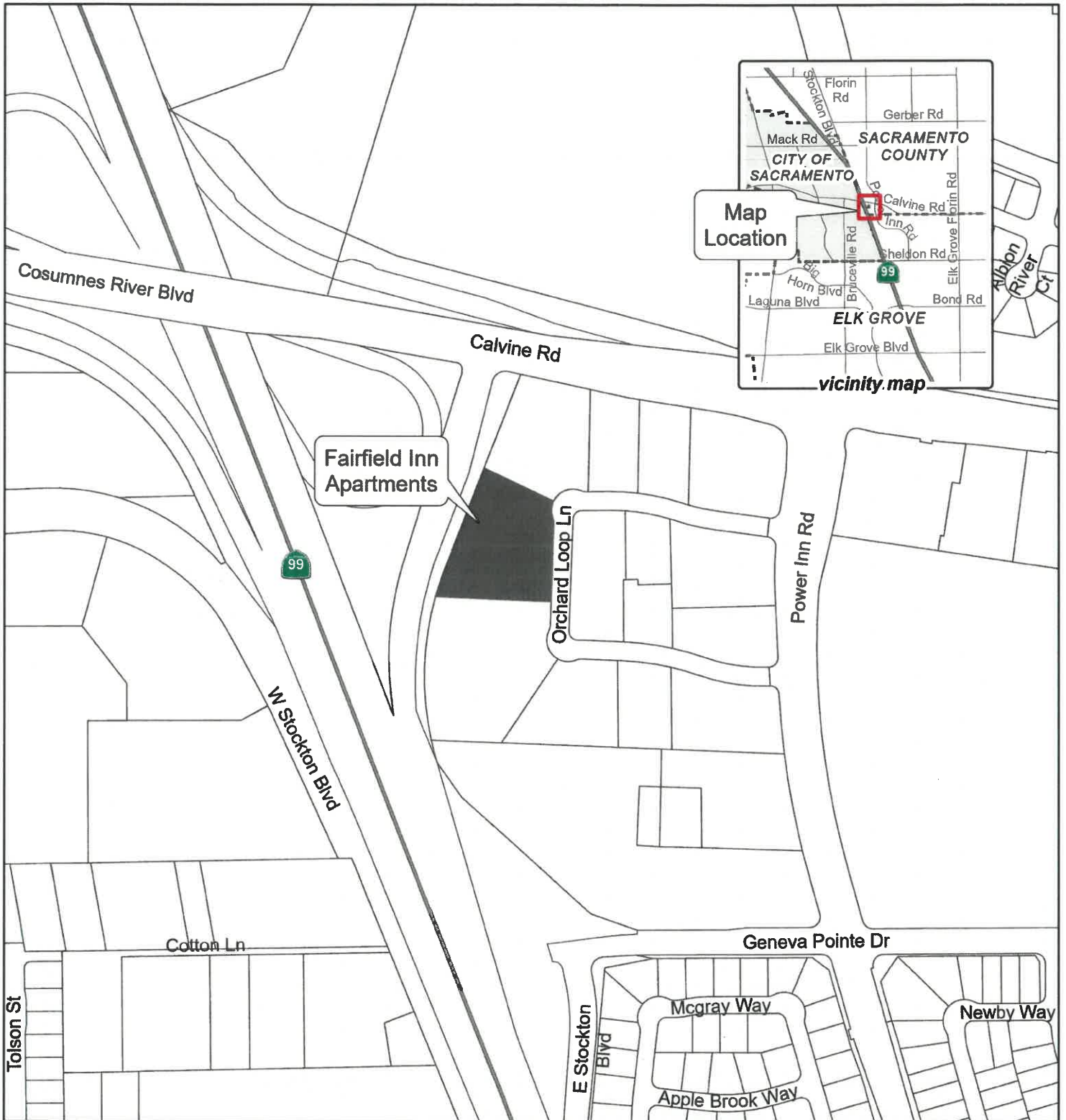
All properties, regardless of project type (i.e. senior, family, or large family), must devote a minimum of 1,200 s.f. to actual resident services/community space. Resident services space includes common kitchens, computer rooms, meeting rooms and general gathering space. It does not include public restrooms,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





Fairfield Suites Apartments



 Fairfield Inn Apartments (8058 Orchard Loop Ln.)



SHRA GIS
February 15, 2022

Fairfield Suites Apartments



**Fairfield Suites Apartments
Residential Project Summary**

Address	8058 Orchard Loop Lane, Elk Grove, Ca 95624		
Year Built	2007		
Acreage	1.36 acres (59,241.6 sq. ft.)		
Unit Mix and Rents	<u>ELI (30% AMI) PBV Anticipated</u>	<u>Total</u>	
Studio/1 Bath	62	62	
1 bedroom/1 Bath	13	13	
Management Unit (1 Bedroom)	0	1	
Total Units	75	76	
Square Footage	<u>Unit Size (sq.ft.)</u>	<u>Total</u>	
Studio/1 Bath	500	31,000	sq. ft.
1 bedroom/1 Bath	600	8,400	sq. ft.
Community Area		719	sq. ft.
Total Gross		40,119	sq. ft.
On-site Amenities	Property management, resident services, supportive services, community room with kitchen and restrooms, pet area, fitness center, laundry, mail and parking.		
Permanent Sources	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>
HCD Homekey Grant	19,760,000	260,000	492.53
HCD Homekey Operating Reserve Grant	707,000	9,303	17.62
SHRA Loan	4,500,000	59,211	112.17
SHRA Operating Reserve Grant	2,500,000	32,895	62.31
TOTAL SOURCES	\$ 27,467,000	\$ 361,408	\$ 684.64
Permanent Uses			
Acquisition	14,637,600	192,600	364.85
Construction Costs	5,223,100	68,725	130.19
Architecture & Engineering	350,000	4,605	8.72
Permits & Fees	165,000	2,171	4.11
Hard Cost Contingency	249,350	3,281	6.22
Soft Cost Contingency	10,188	134	0.25
Financing Fees	306,562	4,034	7.64
Legal Fees	25,000	329	0.62
Capitalized Replacement Reserve	72,800	958	1.81
Transition Operating Reserve	1,430,400	18,821	35.65
Homekey Operating Reserve	707,000	9,303	17.62
SHRA Operating Reserve	2,500,000	32,895	62.31
Developer Fee	1,500,000	19,737	37.39
Third Party Fees, Marketing, Other	290,000	3,816	7.23
TOTAL USES	\$ 27,467,000	\$ 361,408	\$ 684.64
Leverage	<u>SHRA \$ per Unit</u>	<u>Per Unit Cost</u>	<u>Leverage</u>
	\$ 92,105	\$ 361,408	SHRA : Other \$1.00 : \$3.92
Management / Operations	Eden Housing, Inc. Eden Housing Management		
Proposed Developer	Eden Housing, Inc.		
Property Management Company	Eden Housing Management		
Operating Expenses	\$ 488,746	\$ 6,431	
Property Management	\$ 57,000	\$ 750	
Resident Services	\$ 366,830	\$ 4,827	
Replacement Reserves	\$ 38,000	\$ 500	
Taxes and Insurance	\$ 109,800	\$ 1,445	

Fairfield Suites Apartments

Cash Flow Proforma

Fairfield Suites Apartments		Number	Square Feet	Total Sq Feet	Gross Rent	Utility Allowance	Net Rent	Rent per Sq Foot	Total Mo. Rent	Annual Rent
Studio/1 Bath @ 30% AMI (PBV Anticipated)	62	31,000	\$ 476	\$ 476	\$ 0.95	\$ 29,512	\$ 354,144			
1 Bedroom/1 Bath @ 30% AMI (PBV Anticipated)	13	7,800	\$ 545	\$ 545	\$ 0.91	\$ 7,085	\$ 85,020			
1 Bedroom/1 Bath - Exempt Management Unit	1	600	\$ -	\$ -	\$ -	\$ -	\$ -			
Totals	76	39,400	\$ -	\$ 36,597	\$ 439,164					

The tenant rent will not exceed 30% of the household adjusted gross income with PBV.

Income	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 10 2032	Year 11 2033	Year 12 2034	Year 13 2035	Year 14 2036	Year 15 2037
Potential Gross Income	439,164	450,143	461,397	472,932	484,755	548,456	562,167	576,221	590,627	605,392	620,527
Rental Subsidy	576,756	591,175	605,954	621,103	636,631	720,289	738,296	756,754	775,673	795,065	814,941
Other Income	8,208	8,413	8,624	8,839	9,060	10,251	10,507	10,770	11,039	11,315	11,598
Less Vacancy	(51,206)	(52,487)	(53,799)	(55,144)	(56,522)	(63,950)	(65,549)	(67,187)	(68,867)	(70,589)	(72,353)
Effective Gross Income	\$972,922	\$997,245	\$1,022,176	\$1,047,730	\$1,073,923	\$1,215,046	\$1,245,422	\$1,276,557	\$1,308,471	\$1,341,183	\$1,374,713

Operating Expenses	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 10 2032	Year 11 2033	Year 12 2034	Year 13 2035	Year 14 2036	Year 15 2037
Operating Expenses	488,746	505,852	523,557	541,881	560,847	686,111	689,425	713,554	738,529	764,377	791,130
Property Management	57,000	58,995	61,060	63,197	65,409	77,685	80,404	83,218	86,131	89,145	92,266
Resident Services	366,830	379,669	392,957	406,711	420,946	499,952	517,450	535,561	554,305	573,706	593,786
Replacement Reserves	500	46,500	46,500	46,500	46,500	46,500	46,500	46,500	46,500	46,500	46,500
Taxes/Insurance	109,800	111,996	114,236	116,521	118,851	131,221	133,846	136,522	139,253	142,038	144,879
Total Expenses	\$1,060,376	\$1,103,012	\$1,138,310	\$1,174,810	\$1,212,553	\$1,421,469	\$1,467,624	\$1,515,356	\$1,564,718	\$1,615,767	\$1,668,561
Net Operating Income	(\$87,454)	(\$105,768)	(\$116,134)	(\$127,080)	(\$138,630)	(\$206,423)	(\$222,202)	(\$238,798)	(\$256,247)	(\$274,584)	(\$293,848)

Debt Service	Amount	Rate
SHRA Monitoring Fee	\$4,500,000	0.125%
Debt Service Subtotal	\$4,500,000	0.125%

Priority Distributions	Amount	Rate
Asset Management Fee (GP)	\$12,400	3.00%

SHRA Loan	Amount	Rate
Principal Balance	\$4,500,000	0.00%
Payment	0	0
Balance	\$4,500,000	0

Homekey/ Operating Reserve Grant	Amount	Rate
Beginning Balance	\$707,000	0.00%
Deposit (or Withdrawal)	(\$112,979)	(\$131,665)
Ending Balance	\$594,021	\$462,356

SHRA Operating Reserve Grant	Amount	Rate
Beginning Balance	\$2,500,000	\$2,500,000
Deposit (or Withdrawal)	\$0	\$0
Ending Balance	\$2,500,000	\$2,500,000

Fairfield Suites Apartments

MAXIMUM INCOME AND RENT LIMITS 2022

Limits at 30% of Area Median Income (AMI)

Homekey, HOME Investment Partnerships Program (HOME) American Rescue Plan (ARP) and Project Based Vouchers (PBV)

Maximum Gross Income Limits

<u>Family Size</u>	<u>30% AMI</u>
1 person	\$ 19,050
2 person	\$ 21,750
3 person	\$ 24,500

Maximum Gross Rent Limits¹

<u>Unit Size</u>	<u>30% AMI</u>
Studio	\$ 476
One Bedroom	\$ 545

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

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 16, 2022

FAIRFIELD INN APARTMENTS PROJECT: APPROVAL OF CONDITIONAL LOAN AND GRANT COMMITMENT COMPRISED OF HOME INVESTMENT PARTNERSHIPS PROGRAM AMERICAN RESCUE PLAN (HOME ARP) AND COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM FUNDS (COMMITMENT); AUTHORIZATION TO EXECUTE THE COMMITMENT, FUNDING AGREEMENT AND RELATED DOCUMENTS WITH EDEN HOUSING COMMUNITIES OR RELATED ENTITY (DEVELOPER) FOR THE PROJECT; AMEND THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY BUDGET; AND ENVIRONMENTAL FINDINGS

WHEREAS, the Housing Authority of the County of Sacramento and their co-applicant, Eden Housing Communities or related entity (Developer), desires to apply for approximately \$25 million in Homekey Program funds from the California Department of Housing and Community Development for the Fairfield Apartments Project (Project). The Project includes the acquisition and conversion of a hotel into 75 permanent supportive housing units for homeless families/individuals located at 8058 Orchard Loop in Sacramento. Authorization to apply for Homekey funds is subject of a separate Housing Authority resolution.

WHEREAS, on February 8, 2022, the Sacramento Housing and Redevelopment Agency (SHRA), on behalf of the Housing Authority, released a Request for Proposals from owners and developers interested in receiving Project-Based Vouchers (PBV) to serve homeless families/individuals. In March of 2022, the Developer applied for and was awarded 75 PBV for permanent supportive/homeless housing units for the Project from SHRA.

WHEREAS, in January of 2022, the Developer requested gap funds to assist in the acquisition, construction, operation and permanent financing of the Project that will serve as permanent supportive housing and transitional housing for families.

WHEREAS, the US Department of Housing and Urban Development published HOME American Rescue Plan (HOME ARP) Notice CPD-21-10, as may be amended from time to time, to assist in financing permanent supportive housing and transitional housing for families.

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

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

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 \$7 million Conditional Loan and Grant Commitment (Commitment) with the Developer comprised of \$5.5 million in Home Investment Partnerships Program American Rescue Plan (HOME ARP) and \$1.5 million in Community Development Block Grant (CDBG) program funds for the acquisition, construction, operation and permanent financing of the Project is approved

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

Section 4. The Executive Director, or her designee, is authorized to amend the SHRA budget to incorporate \$5.5 million in HOME ARP and \$1.5 million in CDBG program funds for the Project.

CHAIR

ATTEST:

CLERK