

## **RESOLUTION NO. 2007-247**

Adopted by the Sacramento City Council

April 26, 2007

**ADOPTING THE INCLUSIONARY HOUSING PLAN FOR THE TAYLOR STREET COTTAGES PROJECT LOCATED ON THE WEST SIDE OF THE 4000 BLOCK OF TAYLOR STREET IN THE NORTH SACRAMENTO COMMUNITY PLAN AREA, SACRAMENTO, CALIFORNIA.  
(P06-142) (APN: 237-0180-012 AND 237-0180-053)**

### **BACKGROUND**

The City Council conducted a public hearing on Thursday, April 26, 2007 concerning the Inclusionary Housing Plan, and, based on documentary and oral evidence submitted at the public hearing, the City Council hereby finds:

- A. The proposed project is located in a new growth area and is subject to the City's mixed income housing requirements that 15 percent (15%) of the residential units be affordable to "low" and "very low" income households; and
- B. The proposed plan is consistent with Chapter 17.190 of the City Code which requires an Inclusionary Housing Plan setting forth the number, unit mix, location, structure type, affordability and phasing of the inclusionary units in the residential development.

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

Section 1. The Inclusionary Housing Plan for the Taylor Street Cottages Project (P06-142) is hereby adopted as attached hereto as Exhibit A.

#### **Table of Contents:**

Exhibit A: Inclusionary Housing Plan – 6 Pages

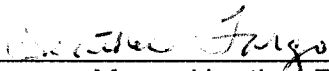
Adopted by the City of Sacramento City Council on April 26, 2007 by the following vote:

Ayes: Councilmembers, Cohn, Fong, McCarty, Sheedy, Tretheway, and Waters.

Noes: Mayor Fargo.

Abstain: Councilmember Hammond.

Absent: Councilmember Pannell.

  
\_\_\_\_\_  
Mayor Heather Fargo

Attest:

  
\_\_\_\_\_  
Shirley Concolino, City Clerk

**INCLUSIONARY HOUSING PLAN  
Taylor Street Cottages  
May 4, 2007**

**Proposed Project**

SMV Sacramento Land, LP is the owner and Syncon Homes of California is the developer (the “Developer”) of that certain real property in the City of Sacramento in which the Developer proposes to develop and construct the Taylor Street Cottages (“Project”). This 6.9 +/- acre (gross) Project is located north of Interstate 80 and south of Jessie Avenue, between Norwood Avenue and Taylor Street. The Project consists of an exclusively single family development including 73 single family home sites.

**Mixed Income Housing Policy**

The Project site is located in a new growth area and the project is subject to the City’s Mixed Income Housing Policy. The Mixed Income Housing Policy adopted in the City of Sacramento Housing Element and required by the City’s Mixed Income Housing Ordinance, City of Sacramento City Code Chapter 17.190, requires that ten percent (10%) of the total units in a Residential Project be affordable to very low income households and five percent (5%) to low income households (the “Inclusionary Requirement” and “Inclusionary Units”).

Pursuant to the City Code Section 17.190.110 (B), an Inclusionary Housing Plan (“Plan”) must be approved prior to or concurrent with the approval of legislative or adjudicative entitlements for the Project. City Code Section 17.190.110 (A) sets forth the number, unit mix, location, structure type, affordability and phasing of the Inclusionary Units in the Project. This document constitutes that Plan, and, as supplemented and amended from time to time, is intended to begin implementation of the Inclusionary Requirement. All future approvals for the Project, including tentative maps, subsequent tentative maps, planned development permits, special permits, site development plans, and plan review shall be consistent with this Inclusionary Housing Plan.

The Inclusionary Requirement for the Residential Project will be set forth in more detail in the Inclusionary Housing Agreement executed by the Developer and the Sacramento Housing and Redevelopment Agency (“SHRA”) and recorded against all the residential land in the Project. The Inclusionary Housing Agreement shall be executed prior to the approval of the final map for the subdivision and recorded concurrently with the recordation of the final map. The Inclusionary Housing Agreement will describe with particularity the site and building schematics of the Inclusionary Units and the phasing requirements linking the affordable and market rate units, pursuant to Section 17.90.110.C. The Inclusionary Housing Agreement shall be consistent with this Plan.

**Number of Inclusionary Units**

The Developer, or its successors and assignees, shall construct or cause to be constructed a number of dwelling units affordable to Very Low Income Households (“Very Low Income Units”) and Low Income Households (“Low Income Units”) as defined in the Sacramento City Code Section 17.190.020, equal to ten percent (10%) and five percent (5%) of the total number of housing units approved for the Residential Project, respectively. Based on the current Project proposal, the Inclusionary Requirement for the Project is seven (7) Very Low Income Units (10%) and four (4) Low Income Units (5%).

**Table 1**

Total Number of Units within the Project	73
Very Low Income Units (10% of units)	7
Low Income Units (5% of units)	4
Total Number of Inclusionary Units	11

If the Project approvals are amended to increase the number of units in the Project, this Plan will be amended to reflect an increase equal to ten percent (10%) of the increased total residential units in the amended entitlements for Very Low Income units and five percent (5%) for Low Income units. If the Project approvals are amended to decrease the number of residential units in the Project, this Plan will be amended to reflect a decrease equal to ten percent (10%) of the decreased total residential units in the amended entitlements for Very Low Income units and five percent (5%) for Low Income units. However, after a building permit has been issued for a structure that contains Inclusionary Units, those Units will be constructed and maintained as Inclusionary Units pursuant to the terms of Chapter 17.190 of the City Code regardless of any subsequent reduction in the number of approved total residential units in the Project.

**Units by Type and Tenure**

The Inclusionary Housing Units shall consist of 11 single family units. Developer will offer the units as ownership units. An initial owner who purchases a for-sale Inclusionary Unit shall occupy that unit as his/her principal residence and shall certify to SHRA that he/she is a first time home buyer. SHRA will record a regulatory agreement against each Inclusionary Unit, detailing the recapture difference between the market sales price and the affordable price (adjusted for inflation) if the home is resold to a non-income qualified buyer in the future.

**Size and Bedroom Count**

The Inclusionary Housing units shall include three-bedroom and four bedrooms units to accommodate diverse family sizes. The precise bedroom mix and unit size are as follows:

**Table 2**

Model (sq ft.)	#of Bedrooms	Units Planned	Inclusionary Units	Type of Unit
1346	3	16	7	Very Low Income
1346	3	4	4	Low Income
1459	3	17	0	
1652	4	17	0	
1764	4	19	0	
Total		73	11	

**Location of Inclusionary Units Within the Project**

The Inclusionary Units shall be located throughout the Development Project consistent with the specific lot designations identified in Table 3 and shown in Attachment 1.

**Table 3**

Size of Unit	Number of Units	Level of Affordability	Lot Number
1346 sq ft	7	Very Low Income	6, 23, 35, 57, 63, 68, 73
1346 sq ft	4	Low Income	11, 17, 29, 39

The locations of the Inclusionary Units within the Project are subject to Amendment, consistent with Section 17.190.110 B(3)(d) of the Mixed Income Ordinance.

**Marketing of Units**

The Developer shall be required to market Inclusionary Units in the same manner as non-Inclusionary Units. Such marketing activities may include newspaper and internet advertisements, toll free project information numbers, and on- or off-site project signage. In addition, the Developer shall make Inclusionary Housing information available in the on-site sales office.

**Affordability Requirements**

Sale and occupancy of the Inclusionary Units shall be restricted to households with incomes, at the time of initial occupancy, that do not exceed fifty percent (50%) of the median income for Sacramento County, adjusted for actual household size, for Very Low Income households and eighty percent (80%) of the median income for Low Income households and shall be consistent with the SHRA guidelines. Median income figures are those published annually by the United States Department of Housing and Urban Development.

The sale price of the units will be set so that low income and very low income households can qualify for the purchase of the Inclusionary Units. The sales price will be set such that no more than thirty-five percent (35%) of the gross annual household income of the given income group will be allocated to housing costs. As part of the Inclusionary Housing Agreement, SHRA will provide the Developer with a schedule of maximum sales prices affordable to income ranges.

Sales prices of units will be outlined in the Inclusionary Housing Agreement. The units will be sold initially at an affordable housing price to a low or very low income household with a first time home buyer. An SHRA 30-year note will govern the home's resale, allowing SHRA ninety days to refer an income-eligible buyer after notification of the owner's intent to sell. If an income-eligible purchaser is not found, the home may be resold, provided that SHRA recaptures the difference between the home's market value and its affordable housing price as well as any other City or SHRA contributions. The owner occupant will receive his or her initial equity in the home and a portion of the home's appreciated value. The terms of this arrangement will be outlined in the Inclusionary Housing Agreement between SHRA and the Developer. The process by which the for-sale units are to be priced, sold and monitored are detailed in the "Guidelines for the Sale of Inclusionary Housing", adopted by the City Council on April 29, 2004.

**Phasing of Development of the Inclusionary Units**

The Inclusionary Units shall be developed concurrently with the development of the remaining units in the Project, as defined in Sacramento City Code Section 17.190.020. The nature of the concurrency is defined by a series of linkages between approvals of the market rate units and the development of the Inclusionary Units.

**Market Rate Housing/Inclusionary Unit Linkages**

The following describes the relationship of market rate development activity to Inclusionary Unit development activity. These milestones are outlined to ensure that the development of affordable units occurs concurrent with development of market rate units:

- The Inclusionary Housing Plan shall be approved concurrently with the approval of the Project's tentative map.
- The Inclusionary Housing Agreement shall be executed prior to approval of the Project's final map.
- The Inclusionary Housing Agreement shall be recorded concurrently with the recordation of the Project's final map.
- Up to 65% of the building permits for market rate residential units may be issued prior to the issuance of building permits for all inclusionary units in the subdivision.

- Marketing of inclusionary units within the Project shall occur concurrently with the marketing of market rate units.

**Amendment and Administration of the Inclusionary Housing Plan**

The Planning Director, with the advice of the Executive Director of SHRA, shall administer this Inclusionary Housing Plan. The Planning Director may make minor administrative amendments to the text of this Plan as provided in Sacramento City Code Section 17.190.110B(3)(d).

EXHIBIT A

