

## **RESOLUTION NO. 2011-239**

Adopted by the Sacramento City Council

April 21, 2011

### **ADOPTING THE INCLUSIONARY HOUSING PLAN FOR THE BRUCEVILLE AMERICAN DREAM PROJECT (P06-134)**

#### **BACKGROUND**

- A. The Mixed Income (Inclusionary) Housing Ordinance, Sacramento City Code Chapter 17.190, requires that 15% of the units in new for-sale residential development projects in new growth areas be affordable to low income households when the affordable units are located on the project site.
- B. On February 10, 2011, the City Planning Commission conducted a public hearing on and forwarded to the City Council a recommendation to approve with conditions the Bruceville American Dream Single-Family Residential Housing Project, which includes an Inclusionary Housing Plan.
- C. On April 21, 2011, the City Council conducted a public hearing, for which notice was given pursuant Sacramento City Code Section 17.200.010(C)(2)(a), (b), and (c)(publication, posting, and mail 500'), and received and considered evidence concerning the Bruceville American Dream Single-Family Residential Housing Project, including the Inclusionary Housing Plan.

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

- Section 1. Based on the verbal and documentary evidence received at the hearing on the Bruceville American Dream Project, the City Council finds that the Project's proposed Inclusionary Housing 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.
- Section 2. The City Council adopts the Inclusionary Housing Plan for the Bruceville American Dream Project, attached hereto as Exhibit A.
- Section 3. Exhibit A is a part of this Resolution.

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

Exhibit A: Inclusionary Housing Plan

Adopted by the City of Sacramento City Council on April 21, 2011 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, McCarty, Pannell, Schenirer.

Noes: None.

Abstain: None.

Absent: Councilmember Sheedy, and Mayor Johnson.

  
Bonnie Pannell, Vice-Mayor

Attest:

*for*   
Shirley Concolino, City Clerk

# Exhibit A – Inclusionary Housing Plan

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## **Inclusionary Housing Plan Single Family Ownership Project Residential Project is $\leq$ 5 acres**

**Project Name:** Bruceville American Dream  
**Project Location** Bruceville Road at Damascas Drive  
**Developer Name** John Mourier Construction  
**Developer Address**  
**And Phone Number** 1430 Blue Oaks Boulevard  
Roseville, CA 95747  
**Gross Acreage** 5 acres  
**Number of Units** 49

### Mixed Income Housing Policy

The Project site is located in a new growth area and thus 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 17.190.030 (B)(1) requires that 10 percent (10%) of the total units in a Residential Project be affordable to very low income households and five percent (5%) for low income households (the "Inclusionary Requirement" and "Inclusionary Units").

Because this project consists of fewer than 5.0 gross acres, Section 17.190.030 (B)(2) provides that the entire inclusionary housing component for an exclusively single family development may consist of Inclusionary Units that may be affordable and sold to low income households.

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 as applicable in this case, 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 the Plan, and, as supplemented and amended from time to time, is intended to begin implementation of the Inclusionary Requirement for the Project. All future approvals for the Project shall be consistent with this Inclusionary Housing Plan.

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The Inclusionary Requirement for the 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 and recorded no later than the approval of the final map for the subdivision. The Inclusionary Housing Agreement will describe with particularity the site and building schematics and financial arrangements for the construction and financing of the Inclusionary Units, pursuant Section 17.190.110(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 Low Income Households ("Low Income Units") as defined in the Sacramento City Code Section 17.190.020, equal to 15 percent (15%) of the total number of housing units approved for the Residential Project... Based on the current Project proposal, the Inclusionary Requirement for the Project is presented in the table below.

Table 1: Inclusionary Units

Total Number of Units within the Project	49
Low Income Units (15% of units)	7
Total Number of Inclusionary Units	7

If the Project approvals are amended to increase the number of units in the Project, this Plan will be amended to reflect a number of equal to 15 percent (15%) of the increased total residential units in the amended entitlements. If the Project approvals are amended to decrease the number of residential units in the Project, this Plan will be amended to reflect a number equal to 15 percent (15%) for the decreased total residential units in the amended entitlements. However, after a building permit has been issued for a structure to contain 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.

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**Location of Inclusionary Units within the Project**

The inclusionary units shall be dispersed and geographically distributed throughout the Project. The unit mix by bedroom counts and unit sizes of the inclusionary units will be proportional to the bedroom counts and unit sizes of the non-inclusionary market rate units. The unit mix and sizes for this Project is presented in the table below.

Table 2: Unit mix, lot or unit numbers, and size of inclusionary units

Number of Inclusionary Units	Level of Affordability	Lot or Unit Numbers	Number of Bedrooms	Square Footage
1	Low Income	3	3	1200
2	Low Income	7	3	1200
3	Low Income	11	3	1200
4	Low Income	18	3	1200
5	Low Income	27	3	1200
6	Low Income	31	3	1200
7	Low Income	49	3	1200

**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 80 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 sales prices of the affordable inclusionary units will be set in accordance with the Guidelines for the Sale of Inclusionary Housing, and Section 17.190.090 of the Ordinance. 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 first time home buyer. The affordable price is calculated where the homebuyer provides a five percent (5%) down payment and does not pay more than thirty-five percent (35%) of gross monthly income on mortgage principal and interest, taxes, assessments, and insurance. An SHRA 30-year note will govern the home's resale, allowing SHRA 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 on the open market, 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 may receive his or her initial

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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 in accordance with the Guidelines for the Sale of Inclusionary Housing.

**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 the activity of inclusionary unit development activity. The milestones outlined below are to ensure that the development of affordable units occurs concurrently with the 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 and recorded concurrently with the recordation of the Project's final map.
- No more than 50 percent (50%) of the building permits for market rate residential units may be pulled prior to the issuance of 100 percent (100%) of the building permits for the inclusionary residential units.
- Marketing of the inclusionary units within the Project shall occur concurrently with the marketing of market rate units.

**Fee Reductions**

The City of Sacramento may provide \$1,000 in fee reductions for obligated low income inclusionary housing. Reductions depend on the availability of funding at the time of recordation of the Inclusionary Housing Agreement. The Planning Director shall approve fee reductions and approvals are valid for 18 months after the recordation of the Inclusionary Housing Agreement.

I am requesting for the fee reductions in the amount of \$7,000 as follows:

Units	Income Affordability	Fee Reduction per Unit	Total Fee Reduction
7	Low income	\$1,000	\$7,000

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**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 17.190.110(B) (1).

Minor amendments include modifications in total number and location of units and the unit size and mix necessary to reflect changes in the design of the underlying development project, including changes in unit size, on-site location and other similar changes. Recordation of an amendment will not be required to be recorded against the entire project.

Major amendments must be approved by the Planning Commission and will be recorded against the entire project. These amendments include changing lot numbers of the inclusionary units and modification of the inclusionary units from ownership to rental.

**Developer Acknowledgement**

I attest that I have prepared this Inclusionary Housing Plan to comply with the Mixed Income Housing Ordinance cited above and that all information provided is accurate and complete to the best of my knowledge. Except for project-specific information requested in the template, I have not modified the language provided in the City-provided template.

Developer Signature

Date

9.1.2010