

## **RESOLUTION NO. 2008-052**

Adopted by the Sacramento City Council

January 29, 2008

**ADOPTING THE INCLUSIONARY HOUSING PLAN FOR LEISURE VISTAS  
LOCATED AT 5423 RIO LINDA BOULEVARD, SACRAMENTO, CALIFORNIA.  
(P99-094) (APN: 226-0061-020, 028)**

### **BACKGROUND**

- A. The Mixed Income Housing Policy, adopted in the City of Sacramento Housing Element and required by the City's Mixed Income Housing Ordinance, requires that ten percent of the units in a residential project be affordable to very low income households and five percent to low income households;
- B. The City Council conducted a public hearing on December 11, 2007 concerning the above Inclusionary Housing Plan, and based on documentary and oral evidence submitted at the public hearing, the Council hereby finds:

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 City Council adopts the Inclusionary Housing Plan for the Leisure Vistas, attached hereto as Exhibit A.

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

Exhibit A: Inclusionary Housing Plan

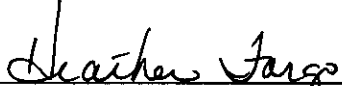
Adopted by the City of Sacramento City Council on January 29, 2008 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: None.

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

Attest:

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

## Exhibit A – Inclusionary Housing

### Inclusionary Housing Plan Leisure Vistas

Approved: \_\_\_\_\_

#### Proposed Project

Kenneth Carmical is the owner and Capital Eagle Investors developer (“Developer”) of certain real property in the City of Sacramento known as the Leisure Vistas Project on which it proposes to develop and construct the Leisure Vistas residential community (“Project”). The 58.0 ± acre (gross) project is located at 5423 Rio Linda Boulevard. The Project will contain a maximum of 888 residential units for seniors, including attached and detached for-sale and rental units.

#### Mixed Income Housing Policy

The Project site 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 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 entitlements for the Project. City code section 17.190.110(A) sets forth the requirement to include the number, unit mix, location, structure type, affordability and phasing of the inclusionary Units in the Project within the Plan. 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.

At this time, the Developer is seeking entitlements only to adopt the Planned Unit Development (“PUD”) Guidelines and the project’s Tentative Map. This Inclusionary Housing Plan, therefore, contemplates maximum possible build-out allowed in the various zoning designations, and cannot reach the level of specificity in regards to unit types, sizes and locations. Upon request for the first special permit to develop in the PUD, the Developer (or subsequent owner or developer of the property) must submit an Amended Inclusionary Housing Plan as part of the project application for approval, providing such detail.

The Inclusionary Requirement for the Project will be set forth in more detail in the Inclusionary Housing Agreement executed by Developer and the Sacramento Housing and Redevelopment Agency (“SHRA”) and recorded against all the residential lots. The Inclusionary Housing Agreement shall be executed and recorded no later than the approval of the first final map for the subdivision. The Inclusionary Housing Agreement will describe with particularity the site and building schematics and phasing

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 and/or the Amended Inclusionary Housing 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 maximum Project capacity of 888 residential units, the Inclusionary Requirement for the Project is 89 Very Low Income Units (10%) and 44 Low Income Units (5%) as follows:

<b>Maximum Total Number of Residential Units in Project:</b>		<b>724</b>
Very Low Income Requirement	10%	89
Low Income Requirement	5%	44
<b>Total Inclusionary Requirement</b>		<b>133</b>

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 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 number 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 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.

**Units by Type and Tenure**

The Inclusionary Housing Units shall consist of 133 residential units in proportion to the overall unit mix of the Residential Project, both in unit size and tenure. For example, if 20% of the total Residential Project is for-sale, 20% of the inclusionary housing units shall be for sale. Likewise, if 35% of the total Residential Project is two bedroom units, 35% of the inclusionary housing units shall be two bedroom units. The Amended Inclusionary Housing Plan shall provide detail as to the actual unit build out by type and tenure and the corresponding inclusionary requirements.

### **Location of Inclusionary Units within Project**

Inclusionary units shall be located on-site within the proposed development area of the Leisure Vistas Project as part of the overall residential development.

Inclusionary Units will be dispersed throughout the project. The inclusionary units are to be geographically distributed throughout the Project and located so that the ratio of inclusionary units to market rate units is consistent among phases of the Project.

Schematic plan amendments will be required to add the residential site plans to the PUD. At the time of the schematic plan amendments, this plan shall be amended to designate specific locations for inclusionary unit types. The location of the inclusionary units within the Project is subject to Amendment, consistent with Section 17.190.110 B (1) of the Mixed Income Ordinance.

### **Marketing of Units**

The Developer will use typical newspaper, internet, and signage as well as other project specific marketing methods to market the low income for sale units to this community. Information will be available in the on-site sales office regarding the availability of Inclusionary Housing and this will also be incorporated into advertising for the project.

### **Affordability Requirements**

The inclusionary housing units may be both for-rent and for-sale, in proportion to the overall Residential Project. The for-rent units will meet the requirements of Section 17.190.030 regarding number and affordability of units, their location, timing of development, unit sizes, exterior appearance and development standards. The for-rent units may be available to low and very low income households. Monthly Affordable Rents (including utility allowances) of the Inclusionary Units shall be restricted to Low Income Households and Very Low Income Households. A unit whose occupancy is restricted to a Low Income Household has a monthly rent that does not exceed one-twelfth of thirty percent (30%) of eighty percent (80%) of the Sacramento area median income, adjusted for family size. A unit whose occupancy is restricted to a Very Low Income Household has a monthly rent that does not exceed one-twelfth of thirty percent (30%) of fifty percent (50%) of the Sacramento area median income, adjusted for family size. Median income figures are those published annually by the United States Department of Housing and Urban Development. With respect to each Inclusionary Unit, the affordability requirements of this Section shall continue for no less than thirty (30) years from the recordation of the Inclusionary Housing Agreement.

The for-sale Inclusionary Units shall be restricted to occupancy by Very Low Income and Low Income Households. Very Low Income Households shall have gross incomes, at the time of initial occupancy that does not exceed fifty percent (50%) of the Sacramento area median income, adjusted for family size. Low Income Households shall have gross

incomes, at the time of initial occupancy that does not exceed eighty percent (80%) of the Sacramento area median income, adjusted for family size. The sale price of the units will be set so that very low and low income households can qualify for the purchase of the for-sale 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 income household with a first time home buyer. An SHRA 30-year note will govern the home's resale, allowing SHRA one hundred twenty days to refer an income-eligible buyer after notification of the owners, 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 market units in the Project. 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. 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 concurrent with the approval of the Project's PUD Guidelines.
- The Amended Inclusionary Housing Plan shall be approved concurrent with the first special permit to develop in the PUD.
- The Inclusionary Housing Agreement shall be executed and recorded prior to recordation of the Project's first final map for the project.

- Up to 65% of the building permits for residential units in any phase of the Project may be issued prior to issuance of building permits for all for-sale inclusionary units in the Project. The remaining 35% of for-sale residential units may be issued after issuance of all building permits for the for-sale inclusionary units
- 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).