

RESOLUTION NO. 2005-667

Adopted by the Sacramento City Council

September 13, 2005

ADOPTING AN INCLUSIONARY HOUSING PLAN FOR THE VILLAGE GREEN DEVELOPMENT PROJECT FOR PROPERTY LOCATED IN NORTH NATOMAS, SOUTHEAST AND SOUTHWEST OF THE INTERSECTION OF BAYOU ROAD AND CALLISON DRIVE, SACRAMENTO, CALIFORNIA. (P04-121) (APN: 225-1480-055, 225-1740-001, AND 225-1750-001)

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 development project be affordable to very low income households and five percent to low income households;
- B. The City Council conducted a public hearing on September 13, 2005 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 Village Greens project, attached hereto as Exhibit A.

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Exhibit A: Inclusionary Housing Plan – 5 Pages

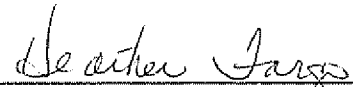
Adopted by the City of Sacramento City Council on September 13, 2005 by the following vote:

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 Plan

DRAFT INCLUSIONARY HOUSING PLAN VILLAGE GREENS

July 5, 2005

Introduction

Winncrest Natomas II is the owner and developer (the "Developer") of certain real property in the City of Sacramento known as the Village Greens property on which it proposes to construct an exclusively single family development (the "Development Project") including 182 single family home sites (the "Residential Project")

The Mixed Income Housing Ordinance, City of Sacramento Municipal Code Chapter Title 17 (Zoning), Chapter 17.190, requires that ten percent (10%) of the units in a residential development project be affordable to very low income households and five percent (5%) to low income households (the "Inclusionary Requirement" and "Inclusionary Units"). The developer proposes that this inclusionary obligation be met off-site, pursuant to Section 17.190.060 of the ordinance.

As part of the legislative entitlements for the Development Project, Chapter 17.190 of the City Code, Section 17.190.110 (A) 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. 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 Development Project, including final maps, subsequent tentative maps, planned development permits, special permits, site development plans, and plan reviews 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 the Village Greens property concurrent with the approval of the first final map approval. The Inclusionary Agreement will specify Parcel # 4 Lot G-JMA North Natomas as the ("Offsite Location") and will describe with particularity the site and building schematics and financial arrangements for the construction and financing of the Inclusionary Units, pursuant to Section 17.190.110 C. The Inclusionary Housing Agreement shall be consistent with this Plan.

Residential Numbers

The Residential Project proposed by the Developer includes 182 single-family home sites. Based on this submission, the inclusionary requirement is 19 units affordable to very low-income households and 9 units affordable to low income households. However, because the off-site affordable housing development that contains the Village Greens inclusionary housing

obligation is advancing through the planning approval process ahead of the Village Greens legislative entitlements, the number of inclusionary housing units required will be based on the actual number of units approved for the Village Greens site. The maximum potential inclusionary requirement for the Village Greens property is therefore 19 units affordable to very low-income households and 9 units affordable to low income households. This obligation will be met on an off-site location, Parcel # 4 Lot G-JMA North Natomas.

If the legislative entitlements and project approvals for the Village Greens property decrease the number of residential units, this Plan will be amended to reflect a number equal to five percent (5%) Low Income Units and ten percent (10%) Very Low Income Units of the total residential units in the Village Greens entitlements; provided, however, that after a building permit has been issued for the multi-family housing on Parcel # 4 Lot G-JMA North Natomas, which contains inclusionary units, the number of required inclusionary units shall not exceed the maximum potential inclusionary requirement of 19 units affordable to very low income households and 9 units affordable to low income households.

Inclusionary Units by Type and Tenure

The 28 Inclusionary Housing units will be rental apartments constructed at a superior nearby off-site location (described below) as part of an apartment project with a mix of low and very low affordable units. The Inclusionary Housing Units will be a mixture of one, two, and three bedroom units to accommodate diverse family sizes. The Inclusionary Housing Agreement will set forth the precise bedroom mix and unit size.

The 19 units affordable to very low income households will be restricted to occupancy by households with incomes that, at the time of occupancy, do not exceed fifty percent (50%) of the Sacramento area median income, adjusted for family size. Rents for these units shall not exceed one twelfth of thirty percent (30%) of fifty percent (50%) of the Sacramento area median income, adjusted for family size.

The 9 units affordable to low income households will be restricted to occupancy by households with incomes that, at the time of occupancy, do not exceed eighty percent (80%) of the Sacramento area median income, adjusted for family size. Rents for these units shall not exceed one twelfth of thirty percent (30%) of eighty percent (80%) of the Sacramento area median income, adjusted for family size.

The term of affordability for the Inclusionary Housing Units will be a minimum of 30 years from the date of recordation of the Inclusionary Housing Agreement for Inclusionary Rental Property.

Location of Off-Site Inclusionary Units

The Inclusionary Units will be included in an affordable rental apartment community to be constructed on Parcel # 4 Lot G-JMA North Natomas, located near the southeast intersection of East Commerce Way and Macon Way in the JMA North Natomas subdivision (see attached map). The parcel is owned by Reynen and Bardis Development, LLC. Reynen and Bardis Development LLC and Winncrest Natomas II have an agreement to provide 28 affordable units

on the JMA North Natomas property. The site will be transferred to an affordable housing developer

Planning Director's Findings

The Planning Director has made the following findings with regard to this off-site location, and has determined that the proposal is in conformity with Section 17.190.060 of the Sacramento City Code.

Standard for Approval: More cost-effective solution or superior location. The location of Parcel # 4 Lot G-JMA North Natomas is superior to an affordable development on the Village Greens site because it is near a planned commercial center, planned elementary school, planned parks and future transit facilities. The Village Greens property does not have this complement of features. The primary financing sources for the affordable development – the California Debt Limit Allocation Committee and the California Tax Credit Allocation Committee - also give priority to these location features.

Number of Inclusionary Units: The maximum potential inclusionary housing units to be required from the Village Greens development, a figure derived from the actual number of units for the site, is 28 units, including 19 units affordable to very low-income households and 9 units affordable to low-income households, all of which can be accommodated on the Parcel # 4 Lot G-JMA North Natomas parcel. The number of required inclusionary units will be calculated based upon the number of units approved for the Village Greens site. The Parcel # 4 Lot G-JMA North Natomas development is proposed for 126 apartments with a mix of approximately 2/3 very low income and 1/3 low income units. The site is zoned R-3 (PUD). Grading and construction of site improvements will commence in the summer of 2005. The site has been rough graded and is in compliance with the provisions of the Habitat Conservation Plan.

Site Suitability: The site is suitable and zoned for apartments, is located near to parks, schools, and transit, and will be graded and improved with streets and utility services, as described previously. The development of Parcel # 4 Lot G- JMA North Natomas as an affordable housing development does not trigger the over-concentration provisions of Section 17.190.110 because the site is adjacent to current development that is exempt from the inclusionary housing, requirements and there are no existing nearby income-restricted projects.

Site Identification and Regulatory Status: The off-site location, Parcel # 4 Lot G-JMA North Natomas, has been identified. As part of the JMA Property PUD, it has received its legislative entitlements. With regard to the phasing requirements of the ordinance, the affordable housing developer will submit an application for a Planning Director's Special Permit, which will precede the recording of a final map for the last 28 lots in the Village Greens site. The inclusionary component is proceeding in advance of the linkage requirements of the ordinance.

Planning Director Action: The Inclusionary Housing Plan will become a condition of approval of the applicable legislative entitlements for the Village Greens property.

Implementation: The ordinance's requirement for timely, contemporaneous development has been met in part by Winncrest Natomas II's agreement with the owner of the off-site location and its having entered into a contract for sale to an affordable housing developer, St. Anton. The

off-site developer is proposing that SHRA approve the issuance of tax-exempt mortgage revenue bonds and an application to the California Debt Limit Allocation Committee in its third round of funding in 2005. At the time of closing of the bond financing, ownership of the land will have been transferred from Reynen and Bardis Development, LLC to St. Anton, or assignee. Prior to transfer of title, Reynen and Bardis Development, LLC will record a covenant running with the land to ensure that no less than the required number of inclusionary housing units will be built and maintained on Parcel # 4 Lot G-JMA North Natomas. At the time building permits are issued for the Parcel #4 Lot G-JMA North Natomas, the Inclusionary Housing Agreement recorded against the Village Greens site will be released and an inclusionary agreement will be recorded against the Parcel #4 Lot G-JMA North Natomas site.

Phasing / Linkages

1. Approval of legislative entitlements for the Village Greens Residential Project will be contingent upon the approval of the Inclusionary Housing Plan. The Planning Director's findings of the inclusionary housing off-site location (Parcel # 4 Lot G-JMA North Natomas) will be contained in the Plan.
2. If building permits for Parcel #4 Lot G-JMA North Natomas, the off-site affordable project, are issued prior to approval of the tentative map for Village Greens, then the developer shall be required to meet its affordable housing obligation on-site.
3. Approval of the first final map for the Village Greens Project will be subject to the: (a) execution/recordation of the Inclusionary Housing Agreement; (b) receipt of the purchase and sales agreement between Reynen and Bardis and St. Anton or assignee regarding lot Parcel #4 Lot G-JMA North Natomas; (c) receipt of agreement between Winncrest Natomas II and Reynen and Bardis Development in which Reynen and Bardis Development agree to produce affordable units to fulfill the Village Greens Inclusionary obligation.
4. Recordation of the final map containing the last 28 lots will be subject to:
 - a. approval of the Planning Director's Special Permit for the Parcel # 4 Lot G-JMA North Natomas multi-family development; and
 - b. transfer of Parcel # 4 Lot G-JMA North Natomas to the affordable housing developer
5. Issuance of building permits for lots 1-14 and 91-104, inclusive, will be contingent on the Parcel # 4 Lot G-JMA North Natomas multi-family development obtaining an allocation from the California Debt Limit Allocation Committee, otherwise obtaining all external financing for its development, or the issuance of building permits for the multi-family development. Lots 1-14 and 91-104 are intended to provide a back-up location for the inclusionary units until the above conditions are met.

- 6 Up to 65% of the building permits for the residential units in the project may be issued prior to the issuance of building permits for all inclusionary units. Building permits for the remaining 35% of the residential units may be issued after issuance of all building permits for the inclusionary units.

Amendment and Administration of this Housing Plan

This Inclusionary Housing Plan shall be administered by the Planning Director with the advice of the Executive Director of SHRA. The Planning Director may make minor administrative amendments to the text of this Plan as provided in Sacramento City Code Section 17.190.030.