

# RESOLUTION NO. 2005-300

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF MAY 03 2005

**RESOLUTION ADOPTING AN INCLUSIONARY HOUSING PLAN FOR THE SHELDON FARMS PROJECT LOCATED ON THE NORTHWEST CORNER AT THE INTERSECTION OF SHELDON AND LEWIS STEIN ROADS, SACRAMENTO, CALIFORNIA.**

(APNs: 117-0212-006 and 007; (P04-118)

**WHEREAS**, 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; and

**WHEREAS**, the Planning Commission conducted a public hearing on February 24, 2005, and the City Council conducted a public hearing on May 3, 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;

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Sacramento that:

The Inclusionary Housing Plan for the Sheldon Farms project is hereby adopted as attached hereto as Exhibit 1.

HEATHER FARGO

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MAYOR

ATTEST:

SHIRLEY CONCOLINO

\_\_\_\_\_  
CITY CLERK

P04-118

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**Inclusionary Housing Plan  
Sheldon Farms  
February 24, 2005**

**Proposed Project**

D.R. Horton, Inc.-Sacramento, is the owner and developer (Developer) of that certain real property in the City of Sacramento in which the Developer proposes to develop and construct the Sheldon Farms residential community (Project). This 20 +/- acre (gross) Project is located on the north side of Sheldon Road, just east of Bruceville Road. The Project consists of 103 single-family units.

**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%) for 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 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.

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 phasing plan 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.

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## 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 10 units for Very Low Income (10%) and 5 units for Low Income (5%).

Total Number of Units within the Project	103
Very Low Income Units (10% of units)	10
Low Income Units (5% of units)	5
Total Number of Inclusionary Units	15

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%) for 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 in the Project.

## Units by Type and Tenure

The Inclusionary Housing Units shall consist of 15 single family residential units. Developer will offer the units as ownership units. An initial owner who purchases a for-sale Inclusionary unit shall occupy that unit as their principal residence and shall certify to the Developer/builder of the unit 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 in accordance with the Guidelines for the sale of Inclusionary Housing, adopted by the City Council on April 29, 2004.

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## Size and Bedroom Count

The Inclusionary Housing units shall consist of single family units. The units will be approximately 1,230 square feet each and include 3 bedrooms.

## Location of Inclusionary Units within the Project

Inclusionary Units shall be located on-site within the proposed Sheldon Farms Project as part of the single-family residential development. Inclusionary Units will be dispersed throughout the Project on designated lots. The Inclusionary units are geographically distributed throughout the Project and located so that the ratio of Inclusionary units to market rate units is consistent among the Project.

Specific lots identified for Inclusionary Units have been identified on the Tentative Map and are indicated in Table 1 below. Table 1 summarizes the locations of the Inclusionary units within the Project.

**Table 1**  
**Location of Inclusionary Units**

Inclusionary Unit	Level of Affordability	Lot Number	Size of Unit
1	<b>Low Income</b>	4	1,230s.f.; 3bed/2ba
2	Very Low Income	9	1,230s.f.; 3bed/2ba
3	Very Low Income	12	1,230s.f.; 3bed/2ba
4	<b>Low Income</b>	17	1,230s.f.; 3bed/2ba
5	Very Low Income	26	1,230s.f.; 3bed/2ba
6	Very Low Income	29	1,230s.f.; 3bed/2ba
7	<b>Low Income</b>	34	1,230s.f.; 3bed/2ba
8	Very Low Income	43	1,230s.f.; 3bed/2ba
9	Very Low Income	44	1,230s.f.; 3bed/2ba
10	<b>Low Income</b>	56	1,230s.f.; 3bed/2ba
11	Very Low Income	60	1,230s.f.; 3bed/2ba
12	Very Low Income	86	1,230s.f.; 3bed/2ba
13	<b>Low Income</b>	93	1,230s.f.; 3bed/2ba
14	Very Low income	98	1,230s.f.; 3bed/2ba
15	Very Low Income	103	1,230s.f.; 3bed/2ba

The location of the Inclusionary units within the Project are subject to Amendment, consistent with Section 17.190.110 B (1) of the Mixed Income Ordinance.

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**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 one hundred twenty (120) 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 and shall be consistent with the Guidelines for the Sale of Inclusionary Housing

**Marketing of the Inclusionary Units**

The Developer will use its typical newspaper, internet, toll free number and signage to market 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 internet advertising for the project.

**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.

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## **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 concurrently with the approval of the Project's tentative map.
- The Inclusionary Housing Agreement shall be executed and recorded prior to the recordation of the Project's final map.
- Up to 65% of the building permits for market rate residential units may be pulled prior to the issuance of building permits for all Inclusionary units in the project.
- 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).

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