

RESOLUTION NO. 2004-706

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF AUG 31 2004

RESOLUTION ADOPTING AN INCLUSIONARY HOUSING PLAN FOR THE NATOMAS PARK COTTAGES DEVELOPMENT PROJECT FOR PROPERTY LOCATED IN NORTH NATOMAS, SOUTHEAST OF THE INTERSECTION OF CLUB CENTER DRIVE AND DUNLAY DRIVE, SACRAMENTO, CALIFORNIA.

(APN: 201-0340-003) (P03-063)

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 City Council conducted a public hearing on August 31, 2004 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 Natomas Park Cottages Project is hereby adopted as attached hereto as Exhibit 1.

HEATHER FARGO

MAYOR

FOR CITY CLERK USE ONLY

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ATTEST:

SHIRLEY CONCOLINO

CITY CLERK

P03-063

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EXHIBIT 1 – INCLUSIONARY HOUSING PLAN

**INCLUSIONARY HOUSING PLAN
THE NATOMAS PARK COTTAGES**

May 13, 2004

Introduction

Lennar Winncrest, LLC is the owner and developer (the “Developer”) of certain real property in the City of Sacramento known as The Natomas Park Cottages property on which it proposes to construct an exclusively single family development (the "Development Project”) including 97 single family homesites (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 Natomas Park Cottages property and the Regulatory Agreement for Inclusionary Residential Rental Property executed by the off-site developer and SHRA and recorded against Northpointe Park Phase 2 Parcel 20 (“offsite location”). 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 to Section 17.190.110 C. The Inclusionary Housing Agreement and the Regulatory Agreement shall be consistent with this Plan.

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Residential Numbers

The Residential Project proposed by the Developer includes 97 single family homesites. Based on this submission, the inclusionary requirement is 10 units affordable to very low-income households and 5 units affordable to low income households. However, because the off-site affordable housing development that contains the Natomas Park Cottages’ inclusionary housing obligation is advancing through the planning approval process ahead of the Natomas Park Cottages’ legislative entitlements, the number of inclusionary housing units required will be based on the actual number of units approved for the Natomas Park Cottages site. The maximum potential inclusionary requirement for the Natomas Park Cottages property is therefore 10 units affordable to very low-income households and 5 units affordable to low income households. This obligation will be met on an off-site location, Northpointe Park Phase 2 Parcel 20.

If the legislative entitlements and project approvals for the Natomas Park Cottages 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 Natomas Park Cottages’ entitlements; provided, however, that after a building permit has been issued for the multifamily housing on Northpointe Park Phase 2 Parcel 20, which contains inclusionary units, the number of required inclusionary units shall not exceed the maximum potential inclusionary requirement of 10 units affordable to very low income households and 5 units affordable to low income households.

Inclusionary Units by Type and Tenure

The 15 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 affordable and market-rate units. The Inclusionary Housing Units will be a mixture of two, three and four bedroom units to accommodate diverse family sizes. The Inclusionary Housing Agreement will set forth the precise bedroom mix and unit size.

The 10 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.

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The 5 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 Regulatory Agreement for Inclusionary Rental Property.

Location of Off-Site Inclusionary Units

The Inclusionary Units will be included in a mixed-income rental apartment community to be constructed on Northpointe Park Phase 2 Parcel 20, located near the northeast intersection of Natomas Boulevard and Bridgecross Drive in the Northpointe Park Phase 2 subdivision (see attached map.) The parcel is owned by Northpointe North LLC – of which Lennar Winncrest, LLC is in partnership and 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 Northpointe Park Phase 2 - Parcel 20 is superior to an affordable development on the Natomas Park Cottages site because it is directly adjacent to a shopping center, elementary school, and a community park. The Natomas Park Cottages 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 Natomas Park Cottages development, a figure derived from the actual number of units for the site, is 15 units, including 10 units affordable to very low-income households and 5 units affordable to low-income households, all of which can be accommodated on the Northpointe Park Phase 2 – Parcel 20. The number of required inclusionary units will be calculated based upon the number of units approved for the Natomas Park Cottages site. The Northpointe Park Phase 2 – Parcel 20 development is proposed for 180 apartments in a mixed-income community. The site is zoned R-3 (PUD), is graded, and is improved with streets and utility services. It is not encumbered by Habitat Conservation Plan issues.

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Site Suitability: The site is suitable and zoned for apartments, is located adjacent to parks, schools, and transit, and is graded and improved with streets and utility services, as described previously. The development of Parcel 20 as a mixed-income housing development does not trigger the over-concentration provisions of Section 17.190.110 because the site is surrounded by current and proposed 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, Northpointe Park Phase 2 - Parcel 20, has been identified. As part of the Northpointe Park PUD, it has received its legislative entitlements. With regard to the phasing requirements of the ordinance, the affordable housing developer has submitted an application for a Planning Director's Special Permit, which will precede the first final map for the single-family Natomas Park Cottages 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 Natomas Park Cottages property.

Implementation: The ordinance's requirement for timely, contemporaneous development has been met in part by Lennar Winncrest LLC's ownership of the off-site location and its having entered into a contract for sale to an affordable housing developer, Ionic Enterprises Inc. 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 2003. At the time of closing of the bond financing, ownership of the land will have been transferred from Northpointe North LLC to Ionic Enterprises Inc. Prior to transfer of title, Northpoint North 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 Northpointe Park Phase 2 - Parcel 20. An Inclusionary Housing Agreement will also be recorded against the site.

Phasing / Linkages

1. Approval of legislative entitlements for the Natomas Park Cottages Residential Project will be contingent upon the approval of the Inclusionary Housing Plan. The Planning Director's approval of the inclusionary housing off-site location (Northpointe Park Phase 2 - Parcel 20) will be contained in the Plan.
2. Approval of the first final map for the Natomas Park Cottages Residential Project will be subject to:

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- a. approval of the Planning Director's Special Permit for the Northpointe Park Phase 2 - Parcel 20 multifamily development,
 - b. execution/recordation of the Inclusionary Housing Agreement, and
 - c. transfer of the Northpointe Park Phase 2 - Parcel 20 to the affordable housing developer.
3. Issuance of building permits for the 0.8 +/- acres South of Club Center Drive along C Street (lots 49-62) will be contingent on the Northpointe Park Phase 2 - Parcel 20 multifamily 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. The 0.8 +/- acre site is intended to provide a back-up location for the inclusionary units until the above conditions are met.

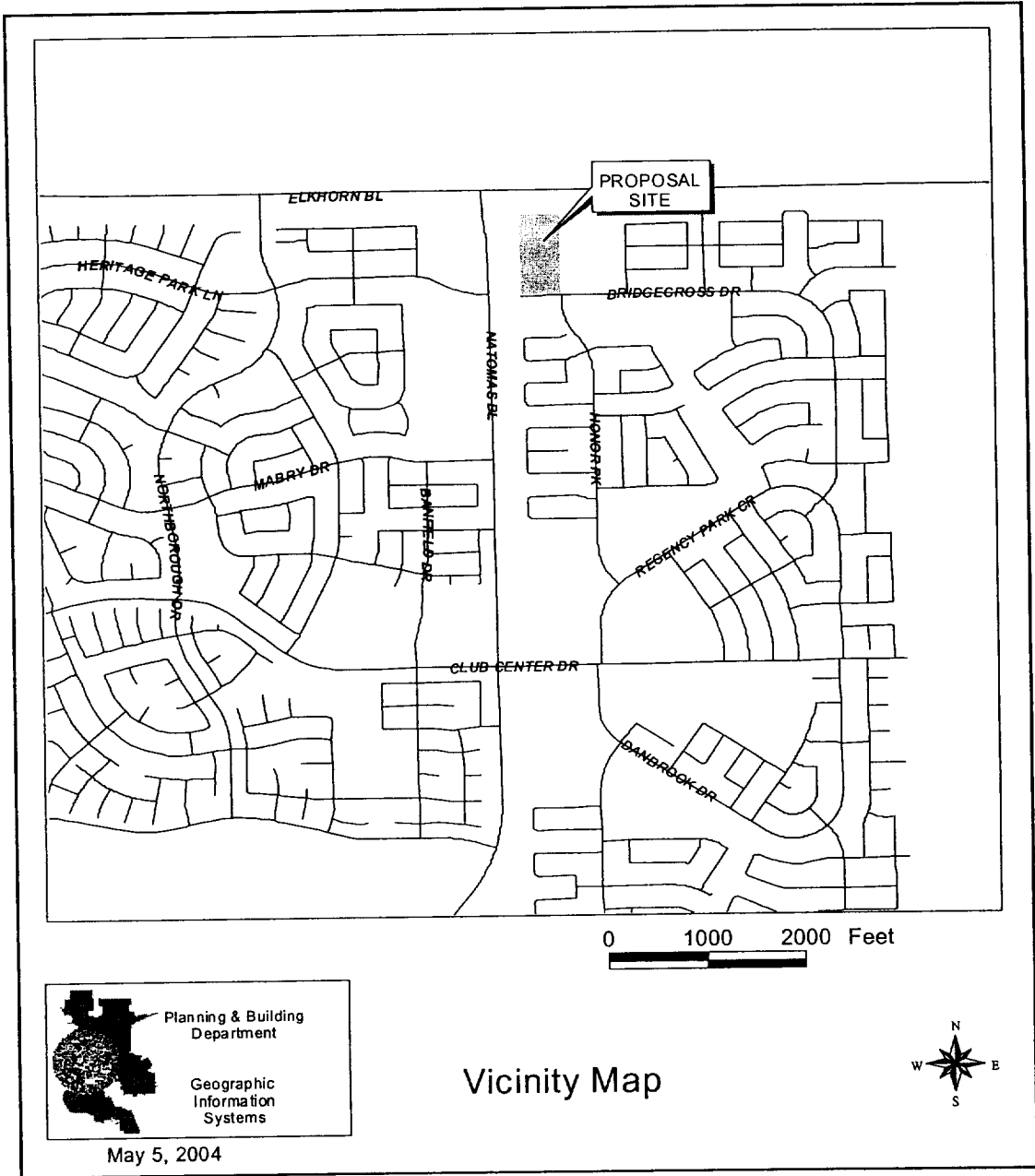
Amendment and Administration of this Housing Plan


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.

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 Planning & Building
 Department
 Geographic
 Information
 Systems

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Vicinity Map

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