

**AMENDED
RESOLUTION NO. 2003-906**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF DEC 16 2003

A RESOLUTION ADOPTING THE NOTICE OF DECISION AND FINDINGS OF FACT GRANTING THE APPEAL OF MEADOWVIEW ESTATES INCLUSIONARY HOUSING PLAN AMENDMENT, LOCATED SOUTH OF MEADOWVIEW ROAD BETWEEN AMHERST WAY AND JOHN STILL DRIVE IN THE SINGLE FAMILY ALTERNATIVE (R-1A) ZONE; SACRAMENTO, CALIFORNIA (P02-170)

(APN: 052-0010-033, 039, 053, 054)

WHEREAS, the City Council conducted a public hearing on the above date, concerning the above project and based on documentary and oral evidence submitted at the public hearing, the Council hereby adopts the Notice of Decision and Findings of Fact, as set forth herein.

NOTICE OF DECISION

At the regular meeting on the above date, the City Council heard and considered evidence in the above-entitled matter. Based on verbal and documentary evidence at said hearing, the Council took the following actions for the location listed above:

- A. Environmental Determination:** Prior Negative Declaration;
- B. Granted the appeal, approving the Inclusionary Housing Plan Amendment** to construct affordable units for low income families on-site and units for very low income families off-site. The off-site location is a 9.83 acre parcel of R-2B-PUD zoned land located at the southeast corner of Bruceville Road and Jacinto Avenue (APN: 117-0204-018).

These actions were made based upon the following findings of fact:

FINDINGS OF FACT

- A. Prior Negative Declaration:** The City Council finds that a prior environmental document has been prepared.
- B. Inclusionary Housing Plan Amendment:** The appeal is granted and the Amended Inclusionary Housing Plan is approved based on the following findings of fact:
 - 1. The proposed amended plan implements the intent of the Housing Element of the General Plan and the Mixed Income Ordinance in that it provides for housing affordable to low income families within the project boundaries and very low income families at an off-site location.

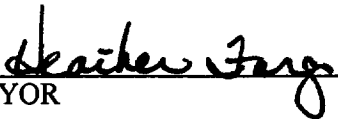
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2. The proposed amended plan's off-site location for very low income housing is superior to on-site construction for very low income housing in that:
 - a. The proposed off-site location will, at build-out, have adequate infrastructure, especially arterial street capacity to handle existing and future traffic, whereas the on-site location is located in a low density residential area without arterial street access, which is inappropriate for higher density housing;
 - b. The proposed off-site location has transit service, with one bus route currently in service on Bruceville Road, while the on-site location has no proximate transit service;
 - c. The proposed off-site location is proximate to existing and planned commercial services.

3. The off-site location provides a more cost-effective solution to the inclusionary housing component for very low income housing than the standard (on-site) approach in that:
 - a. Rental multi-family units utilizing state, federal and local financing programs are more cost effective in producing housing affordable to very low income households. Developed as an affordable and mixed income multi-family community, the off-site location is therefore superior in the context of an effective use of housing dollars in the production of affordable units for very low income households;
 - b. For-sale single-family units are not economically feasible at the very low income level without substantial financial assistance to the developer to write down the cost of the housing unit to a price that a very low income household could afford. These developer subsidies are not widely available; and
 - c. The off-site location is also a preferable location because potential financing sources for the affordable development, the California Debt Limit Allocation and California Tax Credit Allocation Committees, give priority to locations that are proximate to transit, educational and commercial services.


MAYOR

ATTEST:

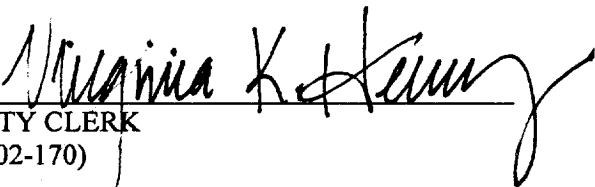

CITY CLERK
(P02-170)

Exhibit 1A

Proposed Inclusionary Housing Plan Amendment

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Exhibit 1A – Amended Inclusionary Housing Plan

**Amended Inclusionary Housing Plan
North Delta Shores (aka) Meadowview Estates
December 5, 2003**

Proposed Project

JTS Communities, Inc., a California Corporation and Bryte Garden Associates, LTD are the owners and developer (the “Developer”) of certain real property in the City of Sacramento on which it proposes to develop and construct the Meadowview Estates residential community (the “Development Project”). The 117.7± acre (gross) Project is located south of Meadowview Road, east of Interstate-5, between Freeport Boulevard and 24th Street. The Development Project consists of two project components totaling 450 single-family residential units (the “Residential Project”), a 3.0-acre park and one 26.5-acre open space lot. The two project components are 58 units of attached half-plex units and 392 units of detached single-family residential units. The two project components may be built by different entities.

Mixed Income Housing Policy

Portions of the Development Project site are located within both designated new growth and infill areas. The area within the new growth area 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 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”). The Developer proposes that this inclusionary obligation be met both on-site and off-site, pursuant to Section 17.19.060.

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.

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 subject to the Mixed Income Ordinance. The Inclusionary Housing Agreement shall be executed and recorded no later than the approval of the first final map for the subdivision or construction phase, or, in the case of an

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amendment, immediately upon execution by SHRA and Developer. 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.

Residential Numbers

The tentative map for the Residential Project proposed by the Developer includes 450 single-family residential units, of which 386 are located within the new growth area. Of the 450 units, 58 units will be half-plex attached units and 392 units will be detached single-family residential units. The Inclusionary Requirement for the Residential Project is 58 units which includes 39 units affordable to very low income households and 19 units affordable to low income households.

If the entitlements and project approvals for the Development Project decrease or increase 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 Development Project entitlements.

Location of Inclusionary Units

The Inclusionary Units will be placed both on and off-site. The 19 low income units will be located on-site as for sale product and the 39 very low income units will be located off-site as rental units as further described below.

On-site Inclusionary Housing Units

Units by Type and Tenure

The on-site Inclusionary Housing Units shall consist of 19 half-plex units affordable to and occupied by low income households. It is the intent of the Developer to market the half-plex units as ownership units to persons that qualify as a "first-time home buyer" as defined in Section 17.190.020. An initial owner who purchases a for sale inclusionary housing unit shall occupy that unit as their principal residence and shall certify to the Developer/Builder of the unit that he/she qualifies as a inclusionary housing "first-time home buyer" as defined in Section 17.190.020. 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.

Size and Bedroom Count

The on-site Inclusionary Housing Units shall consist of 19 half-plex units. The half-plex units will range from 1000 to 1,200 square feet each, include two and/or three bedrooms and be one to two story units, accommodating diverse family sizes.

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Location of Inclusionary Housing Units

The 19 low income Inclusionary Housing Units shall be located on various corners of the residential streets within the single-family residential neighborhood as shown on the project tentative map, Exhibit "A". In the City's R-1 zone, half-plex units are permitted on corner lots.

The Inclusionary Units will be dispersed throughout the Development Project on lots designated for half-plex units. The on-site Inclusionary Housing Units will be geographically distributed throughout the Development Project and located so that the ratio of Inclusionary Housing Units to market rate units is consistent among phases of the Development Project.

It is not possible to distribute the number of Inclusionary Housing Units evenly throughout the entire development. Some phases of the Development Project do not include Inclusionary Housing Units because the phase is located outside of the geographical area subject to the Mixed Income Housing Ordinance or the phase does not include half-plex units (corner lots) that could be designated as Inclusionary Housing Units.

Specific lots identified for Inclusionary Housing Units have been identified on the tentative map shown in Exhibit "A". Table 1 summarizes the locations of the on-site Inclusionary Housing units within the Development Project.

**Table 1
Locations of on-site Inclusionary Units**

Inclusionary Unit Number	Level of Affordability	Lot Number	Size Range of Unit	Phase of Project
1	Low Income	12-A	1,000 to 1,200 sf	
2	Low Income	12-B	1,000 to 1,200 sf	
3	Low Income	54-A	1,000 to 1,200 sf	
4	Low Income	54-B	1,000 to 1,200 sf	
5	Low Income	55-A	1,000 to 1,200 sf	
6	Low Income	55-B	1,000 to 1,200 sf	
7	Low Income	60-A	1,000 to 1,200 sf	
8	Low Income	60-B	1,000 to 1,200 sf	
9	Low Income	67-A	1,000 to 1,200 sf	
10	Low Income	67-B	1,000 to 1,200 sf	
11	Low Income	210-A/B	1,000 to 1,200 sf	
12	Low Income	212-A	1,000 to 1,200 sf	
13	Low Income	212-B	1,000 to 1,200 sf	

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14	Low Income	218-A	1,000 to 1,200 sf	
15	Low Income	218-B	1,000 to 1,200 sf	
16	Low Income	228-A	1,000 to 1,200 sf	
17	Low Income	228-B	1,000 to 1,200 sf	
18	Low Income	237-A	1,000 to 1,200 sf	
19	Low Income	237-B	1,000 to 1,200 sf	

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

Affordability Requirements

Sale and occupancy of the on-site Inclusionary Housing Units shall be restricted to households with incomes at the time of initial occupancy that do not exceed eighty percent (80%) of the median income for low income households. Median income figures are those published annually by the United States Department of Housing and Urban Development.

The sales price of the units will be set so that low income households can qualify for the purchase of the half-plex units. The sales price will be set such that no more than thirty percent (30%) 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 homebuyer as defined by Section 17.190.020. An SHRA 30-year note will govern the home's resale, allowing SHRA ninety days to refer an income-eligible buyer after notification of the owner's intent to sell. If an income-eligible purchaser is not found within ninety days, the home may be resold at market price to a household that is not low income, 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 Developer.

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Off-site Inclusionary Housing Units

Off-site Location

The off-site consists of 9.83± acres (APN 117-0204-018) located at the southeast corner of Bruceville Road and Jacinto Road, as shown on the attached Exhibit "B". This off-site location is zoned R-2B-PUD, which allows for the development of multi-family residential units. The off-site Very Low Income Inclusionary Housing Units will be included in a mixed-income multi-family rental community to be constructed at this off-site location by an affordable housing developer.

This site is located within the same new growth area as the Development Project site. The off-site location is better situated for access to services in the area such as public transit along Bruceville Road and Cosumnes River Parkway, educational institutions (Cosumnes River College and two elementary schools) and commercial services than the Development Project site. The off-site location is also better suited to compete for the major financing sources available for affordable multi-family housing for very low income households. In contrast, fewer resources exist at the state, federal and local levels of government to write down the cost of development to create homeownership affordability for very low income people (a sales price reduction or developer subsidy),

The off-site location is currently owned by Developer. Developer is currently in contract with an affordable housing developer to construct the multi-family complex.

Off-site Inclusionary Units by Type and Tenure

The 39 off-site Inclusionary Housing Units will be rental multi-family units constructed at the off-site location as part of a mixed income multi-family community.

Affordability Requirements

These 39 very low income units will be restricted to occupancy by households with incomes that do not exceed fifty percent (50%) of the Sacramento area median income, adjusted for family size. Monthly 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.

Location of Inclusionary Units within Project

The 39 units shall be dispersed throughout the multi-family development and shall be mixed in size proportional to the sizes available within the multi-family development.

Term of Affordability

The term of affordability for the Inclusionary Housing Units will be a minimum of thirty (30) years from the date of certificate of occupancy.

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Planning Director's Findings for Off-Site Inclusionary Housing Units

The Planning Director has made the following findings with regard to these off-site locations, 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.

Rental multi-family units utilizing state, federal and local financing programs are more cost effective in producing housing affordable to very low income households. Developed as an affordable and mixed income multi-family community, the off-site location is therefore superior in the context of an effective use of housing dollars in the production of affordable units for very low income households. In contrast, for-sale single-family units are not economically feasible at the very low income level without substantial financial assistance to the developer to write down the cost of the housing unit to a price that a very low income household could afford. These developer subsidies are not widely available. The off-site location is also a preferable location because potential financing sources for the affordable development, the California Debt Limit Allocation and California Tax Credit Allocation Committees, give priority to locations that are proximate to transit, educational and commercial services. Although the Meadowview Estates site is located within the same new growth area as the off-site location, public transit, commercial services and Cosumnes River College are much farther away.

Number of Inclusionary Units: The maximum potential Inclusionary Housing Units to be required from the Development Project is 58 units, including 39 units affordable to very low income households and 19 affordable to low income households. The 19 low income units can be accommodated on-site, and the 39 very low income units can be accommodated at the off-site location.

Site Suitability: The off-site location is located at the intersection of Bruceville Road and Jacinto Road and is zoned R-2B-PUD, which allows for development of multi-family residential units. The site is adjacent to transit service and nearby commercial services and Cosumnes River College. Infrastructure necessary to serve development of the off-site location is available.

Site identification: The off-site location at Bruceville Road and Jacinto Road has been identified. The site is zoned R-2B-PUD and has the legislative entitlements necessary for the development of multi-family residential units, including multi-family units on the site. Applications for building permits for multi-family projects on the off-site location have not been filed with the City.

Opportunity for Additional Units at Off-Site Location: The off-site location is 9.83 acres and is capable of accommodating a greater number of multi-family units than is obligated by the Development Project.

Implementation: The requirements of the Mixed Income Housing Ordinance for timely and contemporaneous development will be met by the development of the multi-family units by an

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affordable housing developer. An Inclusionary Housing Agreement will be recorded against the Development Project and the off-site location to ensure implementation of this Inclusionary Housing Plan.

Phasing/Linkages for Development of the On-Site and Off-Site Inclusionary Housing Units

The Inclusionary Housing Units shall be developed concurrently with the development of the remaining units in the Development 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 Housing Units.

The following describes the relationship of market rate development activity to the activity of Inclusionary Housing Unit development. These milestones are outlined to ensure that the development of affordable units occurs concurrent with development of market rate units:

- Within thirty (30) days of City approval of this Amended Inclusionary Housing Plan, Developer shall:
 - Execute/record an Amended Inclusionary Housing Agreement addressing both on-site and off-site Inclusionary Housing Units;
- Transfer ownership by Developer/Builder or execute an enforceable agreement with an affordable housing developer to develop 39 very low income units at the off-site location.
- Approval of the fifth final map for the Residential Development is subject to:
- The affordable housing developer submitting a complete application to City Planning for the necessary project-level discretionary entitlements to develop the mixed-income housing project on the off-site location; AND
- The affordable housing developer obtaining ownership of the off-site location; AND
- Public services being made available to serve the off-site location
- Up to 65% of the building permits for residential units in any phase of the Development Project with Inclusionary Housing Units may be issued prior to issuance of building permits for all Inclusionary Housing Units in that same phase.
- The remaining 35% of residential units in any phase with Inclusionary Housing Units may be issued after issuance of all building permits for the Inclusionary Housing Units in that same phase.

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- Marketing of half-plex Inclusionary Housing Units within the Development Project shall occur concurrently with the marketing of market rate units.
- Release of the Inclusionary Housing Agreement from the first four phases of the Residential Development is subject to:
 - The Affordable Housing Developer submitting an application for entitlements to the City Planning Department that is deemed complete; AND
 - The affordable housing developer obtaining ownership of the off-site location
- Release of the Inclusionary Housing Agreement from the final (fifth) phase of the Residential Development is subject to:
 - Successful completion of all linkages as outlined in the Inclusionary Housing Plan.

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(1).

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Legal Description of Off-Site Location

The land referred to as the Off-Site Location is situated in the State of California, County of Sacramento, City of Sacramento, and is described as Lot 19, as shown on the "Plat of Laguna Meadows", recorded in Book 184 of Maps, Map No. 6, records of said County

The Off-Site Location is known as APN 117-0204-018.

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