



**Sacramento
Housing &
Redevelopment
Agency**

**REPORT TO COUNCIL
AND HOUSING AUTHORITY
City of Sacramento**

915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Consent
July 29, 2008

**Honorable Mayor and Members of the City Council
Chair and Members of the Housing Authority Board**

Title: Approval of Bond Documents for Copperstone Village 1 Family Apartments

Location/Council District: Southwest of the intersection of Calvine Road and Highway 99, Council District 8

Recommendation: Adopt a **Housing Authority Resolution** 1) approving documents authorizing issuance of up to \$10,500,000 in tax-exempt bonds to finance acquisition and construction of the 103-unit Copperstone Village 1 Apartments and; 2) authorizing the Executive Director or her designee to execute all documents necessary to issue the bonds.

Contact: Lisa Bates, Deputy Executive Director, 440-1316, Christine Weichert, Assistant Director, Housing and Community Development, 440-1353.

Presenters: n/a

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The Housing Authority of the City of Sacramento held an inducement hearing on March 25, 2008, and adopted a resolution authorizing the issuance of up to \$10,500,000 in tax-exempt mortgage revenue bonds for Copperstone Village 1 Family Apartments subject to receipt of private activity bond allocation from the State of California. The Tax Equity and Fiscal Responsibility Act (TEFRA) hearing was held on the same day and the TEFRA resolution was approved. In addition, the City Council approved \$2.695 million of financing at the March 25th meeting. Following the inducement, TEFRA approvals, and loan approval, an application was submitted to the California Debt Limit Allocation Committee (CDLAC) for the bond allocation, which was awarded on May 28, 2008. Housing Authority action is needed to provide final authorization for the issuance of tax-exempt bonds for the project and to approve the bond documents for the issuance.

Copperstone Village Apartments

Description of Development: Copperstone Village 1 Family Apartments is proposed as a newly constructed 103-unit apartment complex located within the Citadel Master Planned Community of College Square. The apartment complex will satisfy the 56-unit mixed income housing requirements of the College Square Planned Unit Development. The project will be located on 3.92 acres of land southwest of the intersection of Calvine Rd. and Highway 99. See Attachment 2 for location and vicinity maps and Attachment 3 for the site map.

Project Financing: The developer has proposed to finance the Copperstone Village 1 Family Apartments through the issuance of tax-exempt mortgage revenue bonds, low income housing tax credits, an Agency loan (previously approved by Council), a City fee reduction, and a developer contribution in the form of a deferred fee note. In addition, the master developer, Citadel Equities, is contributing the land at a cost of \$1. A project summary, including a proposed sources and uses of funds, is included as Attachment 4, and a project cash flow proforma is included as Attachment 5. A schedule of maximum rents and incomes is included as Attachment 6.

Policy Considerations: The recommended actions are consistent with the Agency's previously approved mortgage revenue bond policy and multifamily lending policy. Regulatory restrictions on the property will be specified in a Regulatory Agreement between the Developer and the Housing Authority. Compliance with the Regulatory Agreement will be monitored by the Agency on a regular basis. The recommended actions are also consistent with the City Mixed Income Housing Ordinance.

The inclusionary housing requirements have been detailed in an Inclusionary Housing Regulatory Agreement which has been recorded on the underlying land. Compliance with the Inclusionary Housing Regulatory Agreement will be monitored by the Agency on a regular basis.

Environmental Considerations:

California Environmental Quality Act (CEQA): The potential environmental impacts of the development project were evaluated by the City on January 27, 2004. The City Council certified an Environmental Impact Report (EIR) for the planned unit development that includes this project by Resolution No. 2004-053. The City has determined that the project does not propose substantial changes, no substantial changes have occurred with respect to the circumstances under which the project is undertaken, and that no new information of substantial importance regarding the environmental effects of the project has emerged. Therefore, the proposed actions set out in this staff report are exempt from further California Environmental Quality Act (CEQA) review in reliance upon the City's previous environmental determination pursuant to CEQA Guidelines section 15162.

Copperstone Village Apartments

Sustainability Considerations: The Copperstone Village 1 Apartments project has been reviewed for consistency with the focus areas, goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, the contents of this report will advance the following focus areas as follows: the project supports Focus Area number one – Energy Independence, by exceeding Title 24 standards by 10%, which will decrease peak electrical demand. The project also supports Focus Area number six - Urban Design, Land Use, Green Building and Transportation, due to the fact that the project is located adjacent to a bus stop and a proposed light rail stop, which offer residents of the project transportation options other than private vehicles.

Other: Environmental review pursuant to the National Environmental Policy Act (NEPA) has found no significant impact. The availability of federal funds for use in the Project is contingent upon the Federal Department of Housing and Urban Development's consent to the Agency's request for release of funds.

Rationale for Recommendation: The actions recommended in this report enable the Agency to continue to fulfill its mission to provide a range of affordable housing opportunities in the city. Furthermore, the recommended actions are consistent with the Agency's mortgage revenue bond policy and the City's Mixed Income Housing Ordinance. This is an administrative action which formalizes the approval of the issuance of tax-exempt bonds which was previously authorized on March 13, 2007.

Financial Considerations: The proposed bond issuance will not be an obligation of the City, the Housing Authority, or the Sacramento Housing and Redevelopment Agency. The bonds will be an obligation solely of the project and the owner who will bear all costs associated with issuing the bonds. The Agency will receive a one-time issuance fee of .25 percent of the bond issuance amount, which is payable at bond closing. The Agency will also collect an annual payment of .15 percent of the total bond issuance amount for monitoring of the regulatory restrictions and administration of the bonds. This fee is payable in advance in semi-annual installments for the entire period of the regulatory agreement. The law firm of Jones Hall is acting as bond counsel for the Housing Authority. Copies of the bond documents are on file with the Agency Clerk.

July 29, 2008

Copperstone Village Apartments

M/WBE Considerations: Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding.

Respectfully Submitted by:



LASHELLE DOZIER
Interim Executive Director

Recommendation Approved:



RAY KERRIDGE
City Manager

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Copperstone Village 1 Family Apartments Project Background Information

USA Multifamily Development Inc. a local affordable housing developer, has requested the issuance of tax-exempt mortgage revenue bonds and has received a \$2,695,000 Agency loan for the construction of the 103 unit Copperstone Village 1 Apartments.

Description of Development: Copperstone Village 1 Apartments is proposed as a newly constructed 103 unit apartment complex located within the Citadel Master Planned Community of College Square. The apartment complex will satisfy the 56-unit mixed income housing requirement of the College Square Planned Unit Development. The project will be located on 3.92 net acres of land southwest of the intersection of Calvine Road and Highway 99.

The project will include 37 very low-income and 65 low-income units and one manager's unit in five, three story walk-up garden style buildings. The units will be a mix of one, two and three bedrooms ranging in size from 706 square feet to 1,129 square feet. Buildings will be wood frame construction with stucco siding and clay shingle roof tiles. The site will include a 2,910 square foot club house which will contain a leasing office, kitchen, library with a study and computer area, fitness center, laundry facility, game room, conference room, and mail center. The site will be professionally landscaped and include a swimming pool, social patio area, bicycle parking, and passive social areas on greenbelts. There will be 155 parking spaces, 104 of which are covered carports.

Developer: USA Properties Fund, Inc. (the "Developer"), a privately owned real estate and development organization based in Roseville, has been in operation since 1981. The Developer has developed and constructed or rehabilitated 48 multi-family projects totaling over 6,500 units. Recent projects completed by the Developer in the Sacramento region include Terracina Gold Apartments (280 units), Terracina Meadows Apartments (156 units), Terracina Park Meadows (144 units), Vintage Willow Creek Senior Apartments (184 units), Silverado Creek Apartments (168 units) and Creekside Village Senior Apartments (296 units). USA Properties has a demonstrated knowledge and experience in the delivery of high quality projects.

Property Management: USA Properties Fund, Inc. retains ownership of its developments with the management undertaken by its subsidiary USA Multi-Family Management. USA Multi-Family Management currently manages all of the properties owned by USA Properties Fund, Inc. Agency staff has thoroughly reviewed the management plan, including daily operations, leasing procedures, maintenance, and eviction procedures, and has found that the proposed management company meets all Agency requirements for property management.

Social Service Plan: USA Properties Fund will partner with the non-profit Lifesteps Corporation, based in Orange, California, to provide on-site resident services. Lifesteps is an experienced social service provider, and is already working in several affordable projects in Sacramento. They have 11 employees in Sacramento, one of whom will be assigned to the project. As a condition of this financing, Lifesteps has submitted a complete social services plan for Agency approval detailing the scope and schedule of services provided.

Project Financing: The developer will be responsible for payment of the CDLAC processing fee and posting of a one-half percent performance deposit as required by CDLAC. The City Housing Trust Fund and HOME Loan of \$2,695,000 will be made consistent with standard Agency underwriting guidelines. The loan will be made at a four percent simple interest rate. A draft commitment letter is included as Exhibit A to the City Council Resolution authorizing the Agency loan.

In 2001, the City created an Affordable Housing Fee Reduction Program to encourage the development of affordable housing in new growth areas. Affordable housing projects in these areas are eligible to receive City fee reductions based on the number and affordability of the units constructed. A project is eligible to receive a \$4,000 fee reduction for each very low-income inclusionary unit built and a \$1,000 fee reduction for each low-income inclusionary unit built. Based on this formula, Copperstone Village 1 Apartments is eligible to receive a total reduction of \$158,000 in City fees. These fee reductions are funded by the Affordable Housing Fee Reduction Fund. In addition, the master developer, Citadel, is contributing the land at no cost and providing additional subsidy for the construction of the project in the amount of approximately \$15,000 per inclusionary unit.

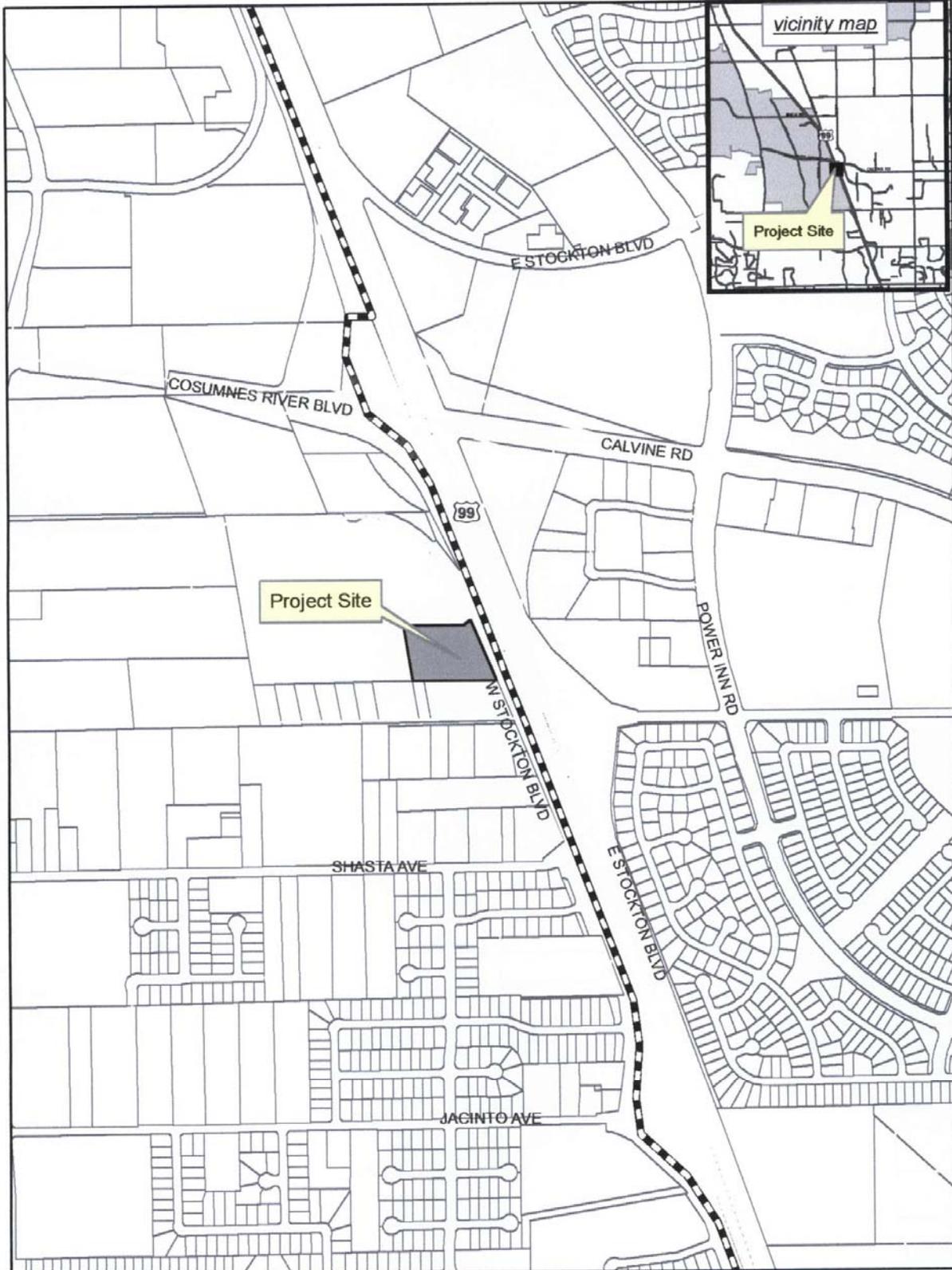
Low-income Set-aside Requirements: As a condition of receiving the tax-exempt bond financing benefits of below-market rates, federal law requires that project units be set aside for targeted income groups. The following chart summarizes the proposed affordability restrictions for the project.

Unit Type	% of Units	Affordability Restrictions	Units	Regulatory Requirements
Agency Loan, Tax-exempt Bonds, LIHTC, Inclusionary	36%	Very Low (50% AMI)	37	55 years
Agency Loan, LIHTC, Inclusionary	63%	Low (60% AMI)	65	55 years
Manager Units	1%	None	1	None
Total	100%		103	

The federal set-aside requirements are that either 20 percent of the project's units are rented to households at or below 50 percent of Area Income (AMI), or 40 percent of project units are rented to households at or below 60 percent of AMI. The Agency requires that the deeper affordability terms be required of projects in Sacramento. For this project, at least 36 percent of the units will be occupied by families at 50 percent or less AMI and 63 percent of the units will be occupied by families at 60 percent AMI. The term of these affordability restrictions is 55 years or the life of the bonds, whichever is longer.



Copperstone Village 1



Project Site
Sac City Boundary

0 0.15 0.3 Miles



SHRA GIS
July 10, 2008

**Copperstone Village 1 Apartments
Project Summary**

Address	8000 West Stockton Blvd., Sacramento, CA		
Number of Units	103		
Year Built	New Construction		
Acreage	3.92 acres		
Affordability	37 units (36%) at or below 50% of Area Median Income (AMI) 65 units (63%) at or below 60% of AMI 1 Manager's Unit		
Unit Mix and Rents	(50% AMI)	(60% AMI)	Manager
1 Bedroom / 1 Bath	16	14	
2 Bedroom / 2 Bath	11	19	
2 Bedroom / 2 Bath	5	7	
3 Bedroom / 2 Bath	5	25	1
Total	37	65	1
Square Footage	<i>Per Unit</i>	<i>Total</i>	
1 BR / 1 BA	706	21,180	square feet
2 BR / 2 BA	964	28,920	square feet
2 BR / 2 BA	1014	12,168	square feet
3 BR / 2 BA	1129	33,870	square feet
Manager's 3 BR / 2 BA	1096	1,096	square feet
Total		97,234	square feet
Resident Facilities	The complex will include a swimming pool, and recreation facility. The recreation facility will include a library, computer lab, full kitchen, fitness center, and laundry facilities.		
Permanent Sources	<i>Total</i>	<i>Per Unit</i>	<i>Per Square Foot</i>
Senior MRB	7,400,000 \$	71,845 \$	76.11
Tax Credit Equity	7,382,000 \$	71,670 \$	75.92
Agency Loan	2,695,000 \$	26,165 \$	27.72
Citadel Subsidy	819,000 \$	7,951 \$	8.42
General Partner Equity	516,000 \$	5,010 \$	5.31
Fee Waivers	356,000 \$	3,456 \$	3.66
Deferred Developer Fee Note	1,100,000 \$	10,680 \$	11.31
TOTAL SOURCES	20,268,000 \$	196,777 \$	208
Permanent Uses			
Land	0 \$	- \$	-
Construction	10,274,000 \$	99,748 \$	105.66
Development Impact Fees/Permits	2,196,000 \$	21,320 \$	22.58
Prepaid CFD	831,000 \$	8,068 \$	8.55
Contractor O&P	1,034,000 \$	10,039 \$	10.63
Architecture, Engineering, Survey	625,000 \$	6,068 \$	6.43
Contingency	989,000 \$	9,602 \$	10.17
Financing Costs	684,000 \$	6,641 \$	7.03
Total Reserves	317,000 \$	3,078 \$	3.26
Legal Fees	90,000 \$	874 \$	0.93
Developer Fee	2,500,000 \$	24,272 \$	25.71
Other	728,000 \$	7,068 \$	7.49
TOTAL USES	20,268,000 \$	196,777 \$	208
Management / Operations	USA Multifamily Development Inc. USA Multifamily Management Inc.		
Proposed Developer:	USA Multifamily Development Inc.		
Property Management Company:	USA Multifamily Management Inc.		
Operations Budget:	\$381,100	\$3,700	
Replacement Reserves:	\$25,750	\$250	

Cash Flow Proforma
Copperstone Village 1 Apartments

Unit Type	Quantity	Square Feet	Total Sq.Feet	Gross Rent	Utility Allowance	Net Rent	Rent per Sq.Foot	Total Monthly Rent	Annual Rent	2010	2011	2012	2013	2014	2015	2019	2024	2025	2029	2039	2044		
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 1	Year 15	Year 16	Year 20	Year 30	Year 35		
1 BD / 1 BA @ 50% AMI	16	708	11,296	\$ 665	\$ 48	\$ 617.00	\$ 0.87	\$ 9,872	\$ 118,464														
1 BD / 1 BA @ 60% AMI	14	708	9,884	\$ 798	\$ 64	\$ 750.00	\$ 1.06	\$ 10,500	\$ 126,000														
2 BD / 2 BA @ 50% AMI	5	1014	5,070	\$ 798	\$ 64	\$ 734.00	\$ 0.72	\$ 3,870	\$ 44,040														
2 BD / 2 BA @ 50% AMI	11	984	10,804	\$ 798	\$ 64	\$ 734.00	\$ 0.76	\$ 8,074	\$ 96,888														
2 BD / 2 BA @ 50% AMI	4	1014	4,056	\$ 957	\$ 64	\$ 893.00	\$ 0.88	\$ 3,572	\$ 42,864														
2 BD / 2 BA @ 60% AMI	19	964	18,316	\$ 957	\$ 64	\$ 893.00	\$ 0.93	\$ 16,967	\$ 203,604														
3 BD / 2 BA @ 50% AMI	5	1129	5,645	\$ 923	\$ 61	\$ 842.00	\$ 0.75	\$ 4,210	\$ 50,520														
3 BD / 2 BA @ 50% AMI	3	1014	3,042	\$ 958	\$ 64	\$ 894.00	\$ 0.88	\$ 2,882	\$ 32,184														
3 BD / 2 BA @ 60% AMI	25	1129	28,225	\$ 1,107	\$ 81	\$ 1,026.00	\$ 0.91	\$ 25,850	\$ 307,800														
3 BD / 2 BA Managers Unit	1	1068	1,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -														
Total / Average	103	944	97,234	\$ 7,961	\$ 578	\$ 7,383	\$ 0.88	\$ 85,197	\$ 1,022,384														
Income	rate	annual increase	per unit	2010	2011	2012	2013	2014	2015	2019	2024	2025	2029	2039	2044								
Potential Gross Income	2.50%			1,022,384	1,047,923	1,074,121	1,100,974	1,128,499	1,156,711	1,278,783	1,444,574	1,480,688	1,634,402	2,092,173	2,367,102								
Other Income				44,801	45,921	47,069	48,246	49,452	50,688	55,950	63,303	64,885	71,621	91,681	103,729								
Less Vacancy	5.00%			53,358	54,692	56,060	57,461	58,898	60,370	66,937	75,384	77,279	85,301	109,193	123,542								
Effective Gross Income				\$1,013,807	\$1,039,152	\$1,065,131	\$1,091,759	\$1,119,053	\$1,147,029	\$1,268,106	\$1,432,462	\$1,468,294	\$1,620,722	\$2,074,662	\$2,347,289								
Operating Expenses																							
Property Assessments	3.50%			332,905	344,557	356,616	369,098	382,016	395,387	453,715	538,872	557,732	640,010	902,788	1,072,241								
Property Management	2.00%			20,738	21,153	21,578	22,009	22,447	22,896	24,784	27,363	27,911	30,211	36,827	40,660								
Social Services	5.00%			48,195	51,958	53,257	54,588	55,953	57,351	63,305	71,824	73,415	81,036	103,733	117,364								
Replacement Reserves	3.00%			21,000	21,630	22,279	22,940	23,636	24,345	27,400	31,764	32,717	36,824	48,488	57,370								
Total Expenses	0.00%			25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750								
Net Operating Income				\$448,688	\$465,047	\$479,477	\$494,390	\$508,802	\$525,729	\$594,955	\$695,373	\$717,525	\$813,831	\$1,118,596	\$1,313,385								
Debt Service																							
Senior Loan	amount	rate	amort	\$7,400,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000
SHRA Monitoring Fee	\$11,000,000	5.40%	35	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500
Debt Service Subtotal				\$491,500	\$491,500	\$491,500	\$491,500	\$491,500	\$491,500	\$491,500	\$491,500	\$491,500	\$491,500	\$491,500	\$491,500	\$491,500	\$491,500	\$491,500	\$491,500	\$491,500	\$491,500	\$491,500	\$491,500
DCR on Senior Bonds				1.15	1.17	1.19	1.22	1.24	1.28	1.37	1.50	1.53	1.64	1.85	2.10								
Modified NOI for DCR Calculation				\$522,454	\$530,275	\$540,730	\$551,324	\$562,056	\$572,925	\$617,740	\$676,626	\$688,760	\$738,360	\$867,926	\$933,860								
Priority Distributions																							
Asset Management Fee (Investor)	3.00%			5,000	5,150	5,305	5,464	5,628	5,798	6,524	7,563	7,780	8,768	11,783	13,660								
Managing General Partner Fee	0.00%			20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000								
PILOT Fee	2.00%			21,765	22,200	22,644	23,097	23,559	24,030	26,011	28,718	29,293	31,707	38,651	42,874								
Priority Distributions Subtotal				46,765	47,350	47,949	48,561	49,187	49,827	52,535	56,281	55,436	60,734	76,367	85,675								
Net Cash after Priority Distributions				\$28,954	\$35,255	\$46,205	\$57,308	\$68,564	\$79,973	\$127,116	\$169,328	\$203,833	\$254,657	\$386,198	\$456,729								
Deferred Developer Fee																							
Principal Balance	\$1,100,000	3.00%		1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	832,113	163,043	0	0	0	0	0	0	0	0	0	0	0	0
Interest for Period				33,000	33,000	33,000	33,000	33,000	33,000	24,893	4,891	0	0	0	0	0	0	0	0	0	0	0	0
Accumulated Interest				33,000	39,048	36,792	33,000	33,000	33,000	24,893	4,891	0	0	0	0	0	0	0	0	0	0	0	0
Payment				26,954	35,255	46,205	57,308	68,564	79,973	127,116	167,935	0	0	0	0	0	0	0	0	0	0	0	0
Balance				\$1,106,046	\$1,103,792	\$1,090,587	\$1,075,692	\$1,064,436	\$1,053,027	\$729,961	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash after Deferred Developer Fee				\$0	\$0	\$0	\$0	\$0	\$0	\$21,393	\$203,833	\$254,657	\$386,198	\$456,729									
SHRA HOME Loan																							
Principal Balance	\$2,665,000	4.00%		2,665,000	2,665,000	2,665,000	2,665,000	2,665,000	2,665,000	2,695,000	2,695,000	2,695,000	2,695,000	2,695,000	2,695,000	2,695,000	2,695,000	2,695,000	2,695,000	2,695,000	2,695,000	2,695,000	2,695,000
Interest for Period				107,800	107,800	107,800	107,800	107,800	107,800	107,800	107,800	107,800	107,800	107,800	107,800	107,800	107,800	107,800	107,800	107,800	107,800	107,800	107,800
Accrued Interest				107,800	215,600	323,400	431,200	539,000	646,800	1,078,000	1,617,000	1,724,800	1,551,177	267,136	67,562								
Payment				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance				\$2,802,800	\$2,910,600	\$3,018,400	\$3,126,200	\$3,234,000	\$3,341,800	\$3,773,000	\$4,312,000	\$4,283,911	\$4,062,970	\$2,658,656	\$1,368,270								
Combined Debt Coverage Ratio				1.15	1.17	1.19	1.22	1.24	1.26	1.37	1.50	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Net Cash After Loan Repayment				\$0	\$0	\$0	\$0	\$0	\$0	\$21,393	\$67,944	\$71,450	\$84,918	\$98,399									

MAXIMUM RENT AND INCOME LEVELS 2008

Mortgage Revenue Bond Program
(Rents @ 50% of AMI)

Maximum Income Limits:	
50% AMI	
Family Size	Max Income
1 person	\$ 24,850
2 person	\$ 28,400
3 person	\$ 31,950
4 person	\$ 35,500
5 person	\$ 38,350
6 person	\$ 41,200

Maximum Rent Limits:	
Unit Size	Gross Rent
1 Bedroom	\$ 710
2 Bedroom	\$ 799
3 Bedroom	\$ 888

4% Low-Income Housing Tax Credit Program
(Rents @ 60% of AMI)

Maximum Income Limits:		
50% AMI 60% AMI		
Family Size	Max Income	Max Income
1 person	\$ 24,850	\$ 29,820
2 person	\$ 28,400	\$ 34,080
3 person	\$ 31,950	\$ 38,340
4 person	\$ 35,500	\$ 42,600
5 person	\$ 46,020	\$ 46,020
6 person	\$ 49,440	\$ 49,440

Maximum Rent Limits:		
Unit Size	Gross Rent	Gross Rent
1 Bedroom	\$ 665	\$ 798
2 Bedroom	\$ 798	\$ 958
3 Bedroom	\$ 923	\$ 1,107

HOME Funds
(Rents @ 50% and 65% of AMI)

Maximum Income Limits:		
Family Size	Low HOME	High HOME
	50% AMI	65% AMI
	Max. Income	Max. Income
1 person	\$ 24,850	\$ 32,305
2 person	\$ 28,400	\$ 36,920
3 person	\$ 31,950	\$ 41,535
4 person	\$ 35,500	\$ 46,150
5 person	\$ 46,020	\$ 59,826
6 person	\$ 49,440	\$ 64,272

Maximum Rent Limits:		
Unit Size	Low HOME	High HOME
	Gross Rent	Gross Rent
1 Bedroom	\$ 665	\$ 798
2 Bedroom	\$ 798	\$ 958
3 Bedroom	\$ 923	\$ 1,107

RESOLUTION NO. 2008 - ____

Adopted by Housing Authority of the City of Sacramento

on date of

AUTHORIZING THE ISSUANCE, EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER PLEDGE AND ASSIGNMENT, A MASTER AGENCY AGREEMENT, A REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS AND OTHER DOCUMENTS RELATING THERETO; AND APPROVING OTHER ACTIONS AND MATTERS RELATING THERETO

BACKGROUND

- A. The Housing Authority of the City of Sacramento (the "Authority") is authorized pursuant to Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code (the "Act") to issue revenue bonds and make loans for the purpose of financing multifamily rental housing projects to be occupied in whole or in part by persons of low and very low income; and
- B. Copperstone I Family Apartments, L.P., a California limited partnership (the "Borrower"), has requested the Authority to issue revenue bonds designated as the Housing Authority of the City of Sacramento Multifamily Housing Revenue Bonds (Copperstone Village I Family Apartments) 2008 Issue E (the "Bonds") and to loan the proceeds from the sale thereof to the Borrower to finance the acquisition, construction and development of a 103-unit multifamily rental housing development to be located in the City of Sacramento, California and to be commonly known as the Copperstone Village I Family Apartments (the "Project"); and
- C. On March 25, 2008, the City Council of the City of Sacramento held public hearings on the proposed issuance of the Bonds, as required under the Internal Revenue Code of 1986, following published notice of such hearings, and, following such public hearings approved the issuance of the Bonds; and
- D. The Authority hereby finds and declares that this resolution is being adopted pursuant to the powers granted by the Act; and
- E. All conditions, things and acts required to exist, to have happened and to have been performed precedent to and in connection with the issuance of the Bonds as contemplated by this resolution and the documents referred to herein will exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act;

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. The Authority hereby finds and declares that the above recitals are true and correct.
- Section 2. Pursuant to the Act and the Pledge and Assignment (as defined below), the issuance of the Bonds, in an aggregate principal amount not to exceed \$10,500,000, is hereby authorized. The Chairperson or Interim Executive Director of the Authority, or their designee (the "Authorized Officer"), each acting alone, are hereby authorized and directed to execute the Bonds for and in behalf of the Authority by manual or facsimile signature, in the form set forth in the Pledge and Assignment (defined below), with such changes, deletions and insertions as may be approved by such Authorized Officers and legal counsel to the Authority, such approvals being conclusively evidenced by the execution and delivery thereof, and the Clerk of the Sacramento Housing and Redevelopment Agency or her designee (the "Clerk") is hereby authorized and directed, if required, to attest the Bonds in said form and otherwise in accordance with the Pledge and Assignment.
- Section 3. The Master Pledge and Assignment by and among the Authority, Union Bank of California, N.A., as Agent, and Union Bank of California, N.A., as Holder (the "Pledge and Assignment"), in the form on file with the Clerk, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized for and in behalf of the Authority to execute and deliver the Pledge and Assignment with such changes, additions or deletions as may be approved by such Authorized Officer and legal counsel to the Authority, such approvals to be conclusively evidenced by the execution and delivery thereof.
- Section 4. The Master Agency Agreement by and among the Authority and Union Bank of California, N.A., as Agent (the "Agency Agreement"), in the form on file with the Clerk, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized for and in behalf of the Authority to execute and deliver the Agency Agreement with such changes, additions and deletions as may be approved by such Authorized Officer and legal counsel to the Authority, such approvals to be conclusively evidenced by the execution and delivery thereof.
- Section 5. The Regulatory Agreement and Declaration of Restrictive Covenants by and between the Authority and the Borrower (the "Regulatory Agreement"), in the form on file with the Clerk, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized for and in behalf of the Authority to execute and deliver the Regulatory Agreement with such changes, additions or deletions as may be approved by such Authorized Officer and legal counsel to the Authority, such approvals to be conclusively evidenced by the execution and delivery thereof.

- Section 6. The Bonds, when executed, shall be delivered to Union Bank of California, N.A., as the initial holder thereof, upon the funding of the Loan (as defined in the Pledge and Assignment) with the purchase price for the Bonds.
- Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the Authority, including the Authorized Officers, are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this Resolution, including but not limited to those certificates, agreements and other documents described in the Pledge and Assignment, the Agency Agreement, the Regulatory Agreement, and other documents herein approved.
- Section 8. This Resolution shall take effect immediately upon its adoption.