

RESOLUTION NO. 2008-729

Adopted by the Sacramento City Council

November 6, 2008

AMENDING AN INCLUSIONARY HOUSING PLAN FOR THE NATOMAS CENTRAL DEVELOPMENT PROJECT FOR THE PROPERTY LOCATED IN NORTH NATOMAS, SOUTHWEST OF THE INTERSECTION OF DEL PASO ROAD AND EL CENTRO ROAD, SACRAMENTO, CALIFORNIA (NATOMAS CENTRAL PLANNED UNIT DEVELOPMENT) ((APNS: 225-2270-019; -027)

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. On September 25, 2008, the City Planning Commission conducted a public hearing and forwarded the Inclusionary Housing Plan Amendment for the Natomas Central Rezone project to the City Council with no recommendation.
- C. The City Council conducted a public hearing on November 6, 2008 concerning the above Inclusionary Housing Plan Amendment and based on documentary and oral evidence submitted at the public hearing, the Council hereby finds:

The proposed Plan Amendment 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 RESOLVED AS FOLLOWS:

Section 1: The City Council adopts the Inclusionary Housing Plan for the Natomas Central Project, attached hereto as Exhibit 10A.

Table of Contents:

Exhibit 10A: Inclusionary Housing Plan

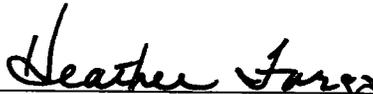
Adopted by the City of Sacramento City Council on November 6, 2008 by the following vote:

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 10A: Inclusionary Housing Plan

NATOMAS CENTRAL INCLUSIONARY HOUSING PLAN

Approved: September 8, 2005

Amended: May 26, 2006

Amended: September 10, 2008

Amendment

The Natomas Central Inclusionary Housing Plan as adopted on May 26, 2006 is hereby amended to reflect a revised site map for the Project.

The obligation to construct Inclusionary units is calculated based on the total number of residential units in the development, and the revised site map reduces the total number of residential units from 2,484 to 2,469 units. The obligation to construct Inclusionary units at Natomas Central was previously fulfilled for the higher number of original planned units (2,484) through the construction of 372 affordable multifamily units at Hurley Creek Apartments and Valencia Point Apartments. Accordingly, no new Inclusionary Housing Agreement will be recorded against the Project.

Proposed Project

K. Hovnanian Forecast Homes, (the "Developer") is the owner and developer of certain real property in the City of Sacramento on which it proposes to develop and construct the Natomas Central Project (the "Project"), a low, medium, and high-density residential community. The approximately 397.9 ± gross acre project is generally located on the southwest corner of Del Paso and El Centro Roads, at the western edge of the City of Sacramento's North Natomas Community Plan area. The Project consists of a total of 2,469 residential dwelling units.

Mixed Income Housing Policy

The Project site 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 units in a Residential Project be affordable to very low income households and five percent (5%) to low income households (collectively 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 or adjudicative entitlements for the Project. City Code Section 17.190.030 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

Exhibit 10A: Inclusionary Housing Plan

Requirement for the Project. All future approvals for the Project shall be consistent with this Inclusionary Housing Plan.

The Inclusionary Requirement for the Project was 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 Inclusionary Housing Units. The Inclusionary Housing Agreement was executed and recorded prior to the approval of the first final map for the residential condominium subdivision or residential construction phase. The Inclusionary Housing Agreement described with particularity the site and building schematics, phasing and income and sales restrictions for the construction and financing of the Inclusionary Units, pursuant to City Code Section 17.190.110 (C). The Inclusionary Housing Agreement is consistent with this Plan.

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 Project, respectively.

Based on the current Project proposal of 2,469 residential units, the Inclusionary Requirement for the Project is 247 Very Low Income Units (10%) and 123 Low Income Units (5%).

Very Low Income Units:	10%	247	Units
Low Income Units:	5%	123	Units
Total Number of Inclusionary Units:		370	Units

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%) of 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.

Exhibit 10A: Inclusionary Housing Plan

Units by Type and Tenure

The Inclusionary Housing Units shall consist of 370 total rental units divided between Parcels 33 and 34 of the proposed Project and shall be retained by the Developer, its heirs, successors, or assigns as rental units affordable to Low and Very Low Income households. The Developer, its heirs, successors, or assigns shall retain the units for a minimum of 30 years and shall ensure that they are professionally managed by an accredited property management company.

Size and Bedroom Count

Inclusionary Units shall be located on-site within Parcels 33 and 34 of the Natomas Central Project as part of senior and family oriented multi-family residential developments.

Both parcels will be developed with a range of unit types and sizes. In the family oriented development, units will range in size from approximately 550 to 1,300 square feet in one, two and three bedroom configurations. The project's senior affordable component will generally have smaller units ranging in size from 550 to 1,000 square feet in one and two bedroom configurations.

Pursuant to Section 17.190.110(B)(3)(d) of the Sacramento City Zoning Code, any future amendments to this Plan to modify unit types or sizes in conjunction with the development of Inclusionary Units on Parcels 33 and 34 shall be made at the staff level by the Planning Director or his/her designee.

Affordability Orientation	Approx. Number of Units ϕ	Inclusionary Units ϕ	Unit Distribution	Unit Type	Approx. Unit Size
Family Affordable (Parcel 33)	168	166 VL and L distributed proportionally by unit type/size	0% to 30%	1 Bedroom	550sf to 800sf
			30% to 70%	2 Bedroom	700sf to 1,000sf
			20% to 40%	3 Bedroom	1,000sf to 1,300sf
Senior Affordable (Parcel 34)	208	206 VL and L distributed proportionally by unit type/size	60% to 80%	1 Bedroom	550sf to 800sf
			20% to 40%	2 Bedroom	700sf to 1,000sf
TOTAL	372	248 VL 124 L			

Location of Inclusionary Units within Project

Inclusionary Units will generally be dispersed between Parcels 33 and 34 with 168 units on the family oriented development on Parcel 33 and approximately 208 units allocated to the senior oriented development on Parcel 34. This dispersal is generally depicted in the attached Exhibit "A". The location of the Inclusionary Units within the Project is subject to Amendment, consistent with City Code Section 17.190.110.B(1).

Affordability Requirements

The Inclusionary Units will be rented. These rental units will meet the requirements of City Code Section 17.190.030 regarding number and affordability of units, their location, timing of development, unit sizes, exterior appearance and development standards. The rental units will be available to low and very low income households. Family size for affordable rental units shall be determined in accordance with the regulations of the California Tax Credit Allocation Committee. Monthly Affordable Rents (including utility allowances) of the Inclusionary Units shall be restricted to Low and Very Low Income Households. A unit whose occupancy is restricted to a Very Low Income Household has a monthly rent that does not exceed one-twelfth of thirty percent (30%) of fifty percent (50%) of the Sacramento area median income, adjusted for family size. A unit whose occupancy is restricted to a Low Income Household has a monthly rent that does not exceed one-twelfth of thirty percent (30%) of eighty percent (80%) of the Sacramento area median income, adjusted for family size. Median income figures are those published annually by the United States Department of Housing and Urban Development. With respect to each Inclusionary Unit, the affordability requirements of this Plan shall continue for no less than thirty (30) years from the recordation of the notice of completion of the Residential Project.

Incentives

The Developer or builder may seek incentives, assistance, or subsidies pursuant to City Code Section 17.190.040. One such incentive is the allowance for fee waivers and/or deferrals for those units fulfilling the Inclusionary Requirement. The Developer will work with the City to determine the fee reductions and other incentives available.

Marketing

The Developer shall be required to market Inclusionary Units in the same manner as non-Inclusionary Units. Such marketing activities may include newspaper and internet advertisements, toll free project information numbers, and on or off-site project signage.

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 may be further defined in Sacramento City Code Section 17.190.030(D). The nature of the concurrency is defined by a series of linkages

Exhibit 10A: Inclusionary Housing Plan

between approvals of the market rate units and the development of the Inclusionary Units.

Market Rate Housing/Inclusionary Unit Linkages

The following describes the relationship of market rate development activity to the Inclusionary Unit development activity. These milestones are outlined to ensure that the development of affordable units occurs concurrently 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 concurrently with the recordation of the Project's first final small lot subdivision map for the Project.
- Inclusionary Units shall generally be built concurrently with the market-rate units within the Project consistent with the following provision.
- Up to 65% of the building permits for buildings containing for sale residential units may be issued prior to issuance of building permits for all buildings containing inclusionary units. The remaining 35% of building permits for buildings containing for-sale residential units may be issued after issuance of all building permits for the buildings containing inclusionary units.
- 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 17.190.110 B. (1).

Developer Acknowledgement

I attest that I have prepared this Inclusionary Housing Plan to comply with the Mixed Income Housing cited above and that all information provided is accurate and complete to the best of my knowledge. Except for project-specific information requested in the template, I have not modified the language provided in the County-provided template.

Developer Signature  Date 9.10.08

Print Name RICHARD J. BALESTRERI
SENIOR V.P., LAND