

RESOLUTION NO. 2009-031

Adopted by the Sacramento City Council

January 13, 2009

ADOPTING THE INCLUSIONARY HOUSING PLAN FOR THE DELTA SHORES PROJECT (P08-087)

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 project be affordable to very low income households and five percent to low income households;
- B. The City Council conducted a public hearing on January 13, 2009 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;

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Council adopts the Inclusionary Housing Plan for Delta Shores, attached hereto as Exhibit A.

Table of Contents:

- Exhibit A: Inclusionary Housing Plan
- Exhibit B: Inclusionary Housing Plan Map

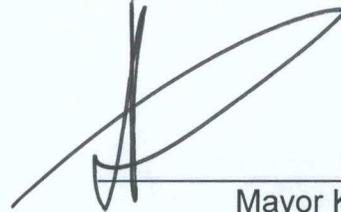
Adopted by the City of Sacramento City Council on January 13, 2009 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, Pannell, Sheedy, Tretheway, Waters,
and Mayor Johnson.

Noes: Councilmember McCarty.

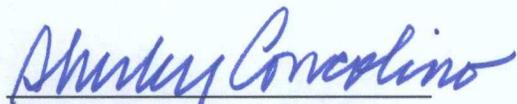
Abstain: None.

Absent: None.

A stylized, handwritten signature in black ink, consisting of a large, sweeping loop and a vertical stroke.

Mayor Kevin Johnson

Attest:

A handwritten signature in blue ink, written in a cursive style, reading "Shirley Concolino".

Shirley Concolino, City Clerk

**Delta Shores
Inclusionary Housing Plan
December 2, 2008**

Proposed Project

M & H Realty (the Developer) is the developer of certain real property in the City of Sacramento on which it proposes to develop and construct the Delta Shores Project (the Project), a master planned community consisting of a mix of residential and commercial uses. The approximately 782 ± gross acre project is generally located in the southern portion of the City of Sacramento. As proposed, the Project will consist of a maximum of 5,222 residential dwelling units.

Mixed Income Housing Policy

The Project site is subject to the City Mixed Income Housing Policy. The Mixed Income Housing Policy adopted in the City of Sacramento Housing Element and required by the City 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 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 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 Inclusionary Housing Units. The Inclusionary Housing Agreement shall be executed and recorded no later than the approval of the first final map for the residential subdivision or residential construction phase. The Inclusionary Housing Agreement will describe with particularity the site, phasing and restrictions for the construction and financing of the Inclusionary Units, pursuant to City Code Section 17.190.110 (C). The Inclusionary Housing Agreement shall be 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 5,222 residential units, the Inclusionary Requirement for the Project is 522 Very Low Income Units (10%) and 261 Low Income Units (5%).

Total Number of Residential Units within Project:		5,222	Units
Very Low Income Units:	10%	522	Units
Low Income Units:	5%	261	Units
Total Number of Inclusionary Units:		783	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 units 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.

Units by Type and Tenure

The Inclusionary Housing Units shall consist of 783 total rental units developed on five (5) separate sites disbursed throughout 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 for a period equal to 30 years and one day, at which time the obligation to retain the affordable units shall terminate. The Developer, its heirs, successors, or assigns shall ensure that they are professionally managed by an accredited property management company.

Planning Area	Housing Type	Acres	Density (Units/Acre)	Units
Planning Area 1	Apartments	3.92	27	106
Planning Area 2	Apartments	8.46	24	200
Planning Area 3	Apartments	5.88	31	186
Planning Area 4	Senior Housing	4.99	27	135
Planning Area 5	Apartments	5.44	29	156
Total				783

Size and Bedroom Count

Each Inclusionary site within the Project will be developed with a range of unit types and sizes. Inclusionary Units will consist of both multifamily apartments, as well as senior apartments. Specific unit types and sizes will be determined in conjunction with subsequent entitlement applications for individual development of Inclusionary Units on each Inclusionary site located within the Project.

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

Location of Inclusionary Units within Project

Inclusionary Units will be located on Planning Areas 1 through 5 as 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.

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 and one day 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 medium 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 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 concurrent with development of market rate units:

MARKET RATE HOUSING / INCLUSIONARY HOUSING LINKAGES

Market Rate Activity	Inclusionary Approval Linkage
Approval of legislative entitlements and project-level applications submitted with Legislative entitlements.	Approval of Inclusionary Housing Plan
Approval of the first final map for the residential subdivision or residential construction phase.	Execution of Inclusionary Housing Agreement by Developer
Issuance of building permits in excess of 65% of single family for sale units in Residential Project.	Issuance of building permits for 100% of the Inclusionary Housing Units.
Issuance of building permits for 100% of the Inclusionary Housing Units.	Release of Inclusionary Housing Regulatory Agreement from all 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.

Michael T. Grehl
Name (printed)


Signature

Director
Title

December 2, 2008
Date

