



REPORT TO HOUSING AUTHORITY
City of Sacramento
 915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Consent
December 11, 2012

Honorable Chair and Members of the Housing Authority Board

Title: Approval of Bond Documents for Taylor Terrace Apartments

Location/Council District: 4050 Taylor Street; Council District 2

Recommendation: Adopt 1) a **Housing Authority Resolution** a) approving the issuance, execution, and delivery of multifamily housing revenue bonds of up to \$8,730,000 to finance rehabilitation of the 168-unit Taylor Terrace development, b) authorizing the Executive Director or her designee to execute and deliver the Master Pledge and Assignment, Regulatory Agreement and Declaration of Restrictive Covenants, and other documents relating thereto, and c) approving all actions taken by officers and agents of the Housing Authority that they deem necessary or advisable to issue and deliver the bonds; 2) a **Housing Authority Resolution** (performing the housing functions of the former Redevelopment Agency of the City of Sacramento) authorizing the Executive Director or her designee to partially release and reconvey recorded deed restrictions on a vacant single family parcel adjacent to Taylor Terrace.

Contact: Christine Weichert, Assistant Director, Development Finance, 440-1353;
 Jeree Glasser-Hedrick, Program Manager, Development Finance, 440-1302

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: Taylor Terrace Apartments is located at 4050 Taylor Street, just north of Interstate 80 in the City of Sacramento. The affordable apartment complex was built in 1994 using Low-Income Housing Tax Credits (LIHTC), a loan from the California Department of Housing and Community Development's (HCD) Rental Housing Construction Program (RHCP), and a Low-Moderate Housing Tax Increment loan from the Sacramento Housing and Redevelopment Agency (SHRA). A location map and site map are provided as Attachments 1 and 2 respectively.

Approval of Bond Documents for Taylor Terrace Apartments

In August 2009, Taylor Terrace was purchased by an affiliate of LINC Housing Corporation (LINC). LINC financed the purchase with a loan from Clearinghouse Community Development Financial Institution (CDFI) and an additional Low-Moderate Tax Increment loan from SHRA, and assumed all of the project's existing debt. LINC performed a minor renovation of the project at the time of acquisition but waited for more favorable market conditions to re-syndicate the project with new LIHTCs and tax exempt bonds to facilitate a more extensive rehabilitation. Due to improving market conditions, LINC is now proposing to move forward with the re-syndication and rehabilitation.

On August 14, 2012, the City Council and Housing Authority approved a bond issuance and the restructuring of the existing Low-Moderate Tax Increment loans on the project. Housing Authority action is now required to approve the bond documents, provide final authorization for the issuance of tax-exempt bonds, and correct a title issue associated with the 2009 refinance.

The currently proposed renovation project consists of upgrades to site paving, new roofing, windows, painting, installation of energy efficient air conditioning, new insulation, security camera upgrades, and unit improvements including repair and replacement of lighting, cabinetry, appliances, and drywall.

The current project is proposed to be funded with LIHTC equity, tax exempt bonds issued by the Housing Authority of the City of Sacramento, a Sacramento Municipal Utility District (SMUD) energy efficiency incentive program grant, deferred developer fee, and assumption of the project's existing RHCP and SHRA loans. No new gap financing is being requested from SHRA at this time.

Further background on the project, developer and the property is included as Attachment 3. A project summary, including proposed sources and uses of funds, is included as Attachment 4. A project cash flow pro-forma and a schedule of maximum rents are included as Attachments 5 and 6.

Policy Considerations: The recommended actions are generally consistent with the approved SHRA tax exempt bond and multi-family loan policies. To ensure project feasibility, the bond monitoring fee has been split annually into a partially fixed and partially residual payment. Regulatory restrictions on the property will be specified in bond and loan regulatory agreements with the Housing Authority and SHRA, respectively. Compliance with the regulatory agreements will be monitored by SHRA on a regular basis for 55 years.

Economic Impacts: This residential rehabilitation project is expected to create 46.2 total jobs (26.2 direct jobs and 20.0 jobs through indirect and induced activities) and create \$6,210,374 in total economic output (\$3,785,610 of direct output and another \$2,424,764 of output through indirect and induced activities).

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The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.

Environmental Considerations:

California Environmental Quality Act (CEQA): At the hearing on August 14, 2012, the City Council adopted environmental findings consistent with CEQA for the Taylor Terrace project and all associated actions. The project was found to be exempt under CEQA Guidelines Section 15301. These recommended actions implement the approvals made at that hearing and do not impact the prior CEQA findings, nor do they constitute a substantial change with respect to the circumstances under which the project will be undertaken. Therefore, the recommended actions approving the financing documents do not require further environmental review under CEQA Guidelines Section 15162. The proposed partial reconveyance of the deeds or trust and partial release of the regulatory agreement that were erroneously recorded against an adjacent parcel are categorically exempt under California Environmental Quality Act (CEQA) Guidelines Section 15378 which exempts actions such as this which has no potential resulting in a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

Sustainability Considerations: The Taylor Terrace Project has been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, the project will advance Goal number one – Energy Independence, specifically by reducing the use of fossil fuels, improving energy efficiency, and providing long term affordable and reliable energy.

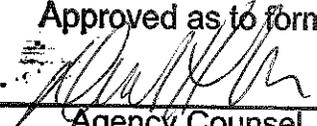
Rationale for Recommendation: The actions recommended in this report enable SHRA to continue to fulfill its mission to provide a range of affordable housing opportunities in the City.

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. SHRA will receive a one-time issuance fee of 0.25 percent of the bond issuance amount, which is payable at bond closing. SHRA will also collect a fixed and residual annual fee of 0.15 percent of the total bond issuance amount. The law firm of Orrick, Herrington & Sutcliffe LLP, is acting as bond counsel for the Housing Authority. Copies of the bond documents are on file with the Agency Clerk

Approval of Bond Documents for Taylor Terrace Apartments

M/WBE Considerations: The activities recommended in this staff report do not involve federal funding; therefore there are no M/WBE requirements.

Approved as to form:



Agency Counsel

Respectfully Submitted by:



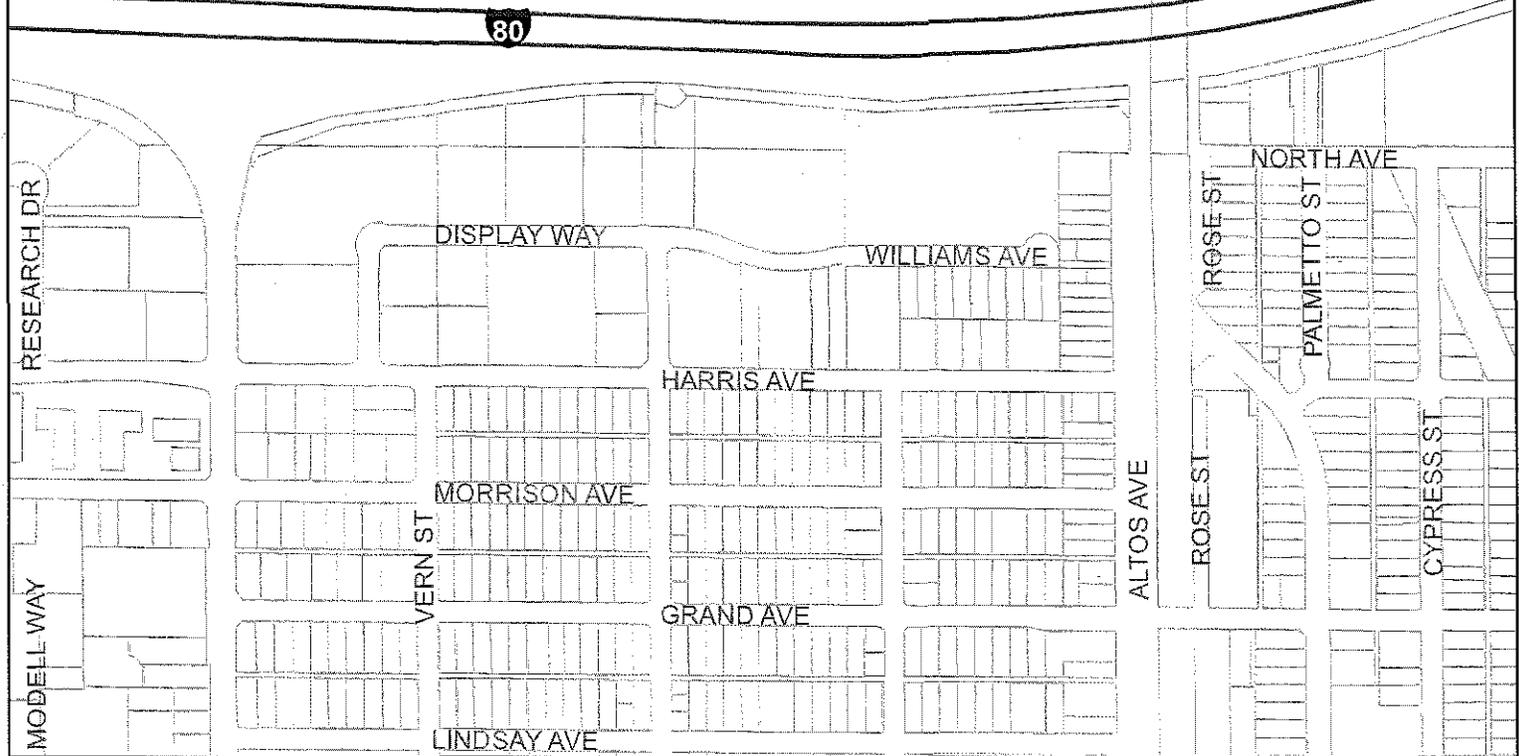
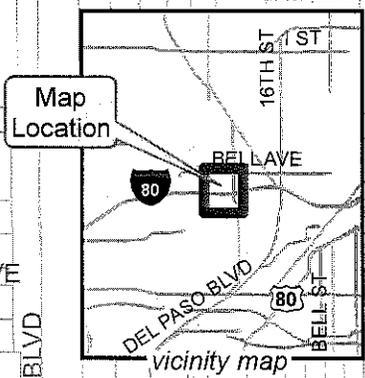
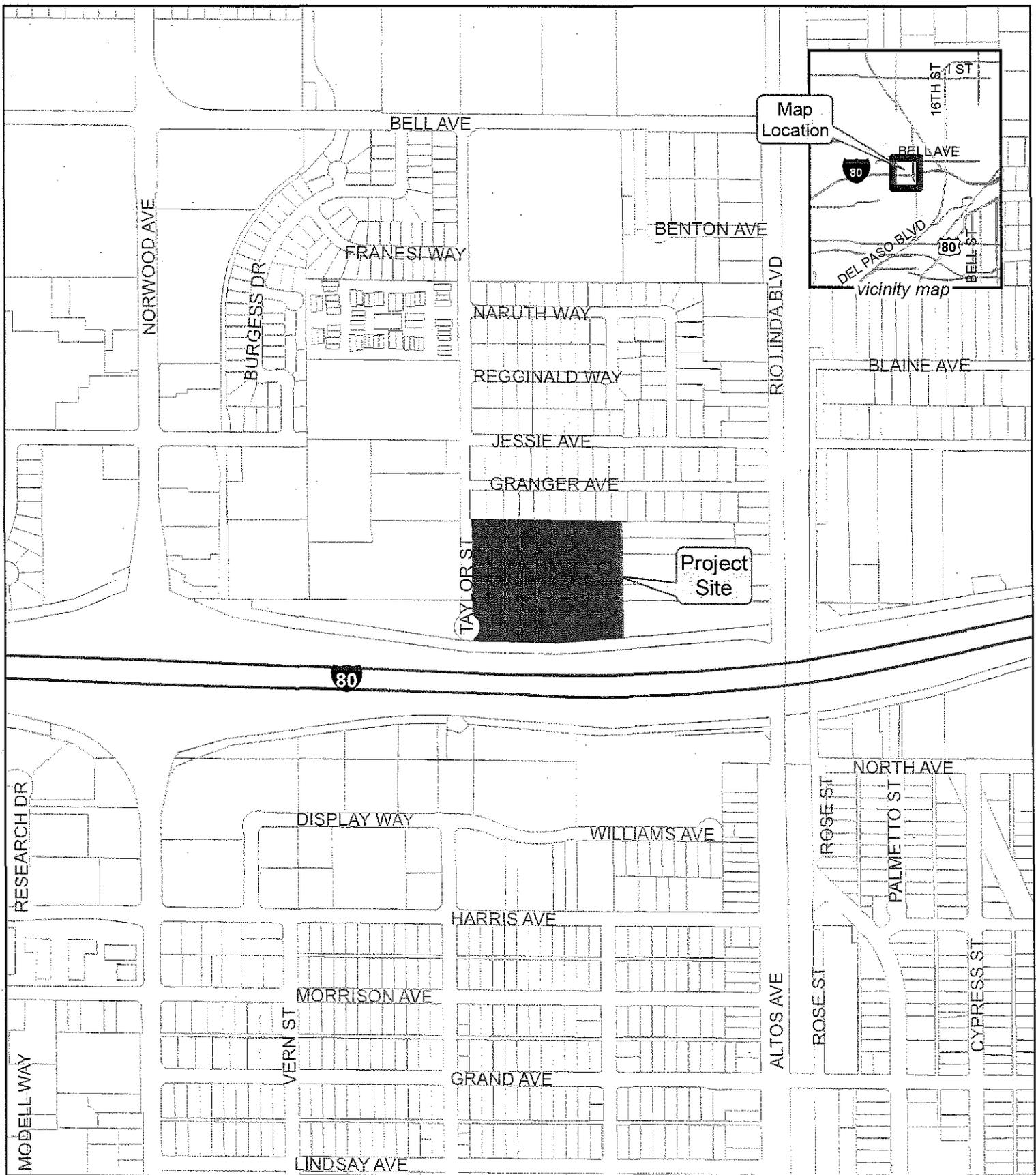
LA SHELLE DOZIER
Executive Director

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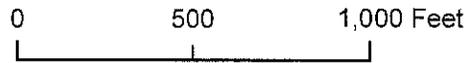
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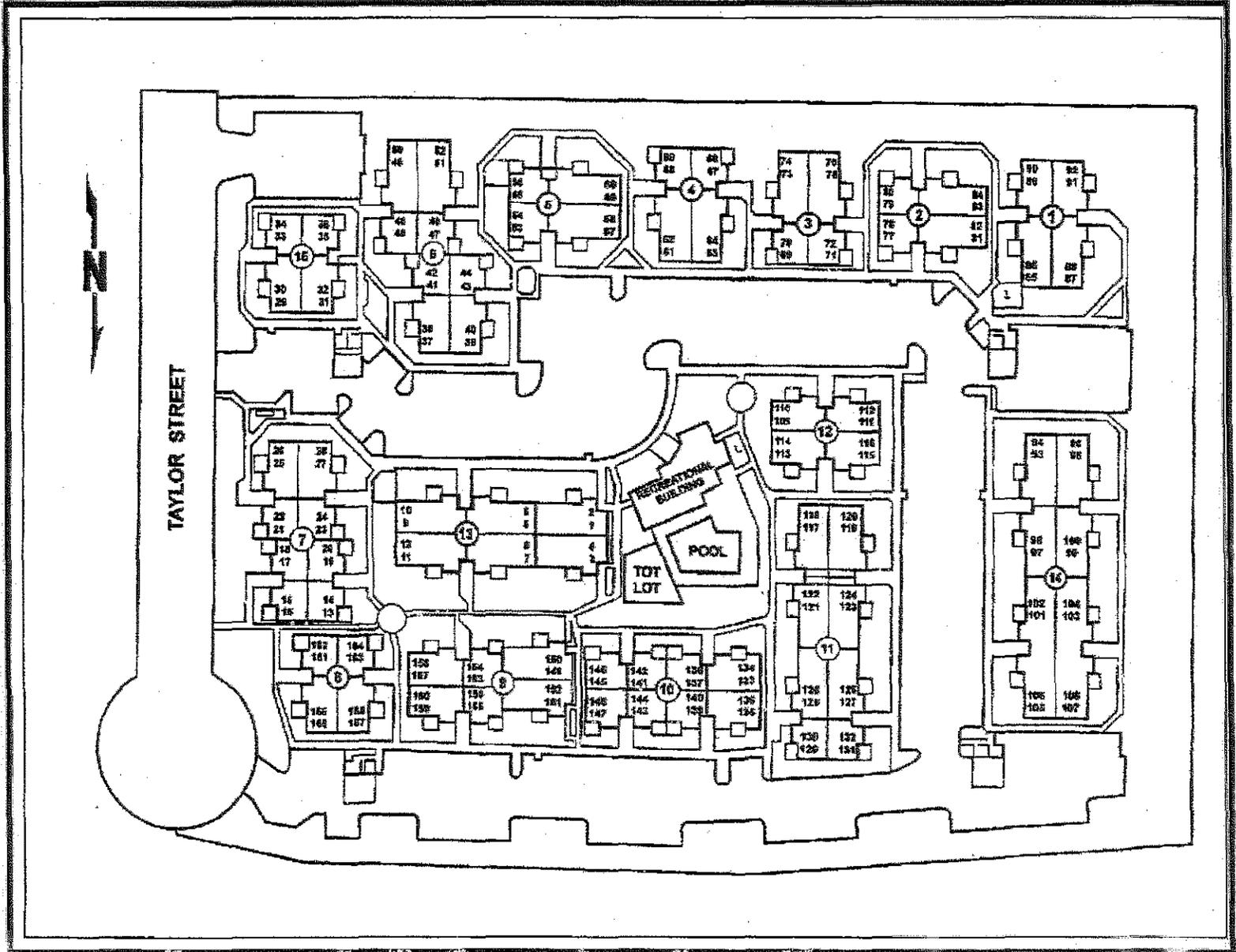
Taylor Terrace Apartments



4050 Taylor Street



SHRA GIS
July 9, 2012



Taylor Terrace Apartments Background Information

The Developer, LINC Housing Corporation, proposes to refinance and rehabilitate Taylor Terrace Apartments, an existing 168-unit affordable apartment complex at 4050 Taylor Street. The Developer is requesting issuance of up to \$8,730,000 in tax-exempt mortgage revenue bonds for a refinance and rehabilitation of the project, as well as assignment of the existing Sacramento Housing and Redevelopment Agency (SHRA) loans to a new limited partnership formed by the Developer.

Description of Development : Taylor Terrace Apartments was developed in 1994 using 9 percent Low Income Housing Tax Credits (LIHTC's), Rental Housing Construction Program (RHCP) funds from the California Department of Housing and Community Development (HCD), and construction and permanent loans from the Agency. The project consists of 64 one-bedroom, 36 two-bedroom, and 68 three-bedroom units in fifteen two-story buildings. The project includes 70 very low-income units available to renters at or below 50 percent of Area Median Income (AMI) but with restricted rents affordable at 35 percent of AMI, as well as 97 low-income units affordable to families at or below 60 percent of AMI, and one manager's unit. Amenities include a gated entry, swimming pool, clubhouse, children's play area, and three laundry rooms. The wood frame buildings are constructed on concrete foundations with stucco siding. The roofs are pitched with composition shingles. Units have individual wall air conditioning units and gas water heaters.

The proposed project will include a thorough rehabilitation of the Taylor Terrace Apartments including interior and exterior repairs to the buildings and site improvements at a total cost of approximately \$3,850,000. Interior rehabilitation will include repair and replacement of appliances, kitchen cabinets, bathroom fixtures, water heaters, carpets and vinyl flooring, as needed. Exterior work will include replacement or repair of the stucco, windows, roof, and gutters, along with repainting, and site work will include parking lot repairs, pool improvements, and mailbox replacement. The proposed rehabilitation conforms to SHRA's guidelines that require a 15 year useful life for all major building systems and will bring the property up to current market standards. The improvements will create a complex that is visually more appealing and functionally improved, increase its marketability, and have a positive impact on the surrounding neighborhood.

Vicinity and site maps are included as Attachments 1 and 2 respectively. A project summary, including a proposed sources and uses of funds, is included as Attachment 4. A project cash flow proforma and a schedule of maximum rents and incomes for the project are included as Attachments 5 and 6.

Developer: LINC Housing Corporation was founded in 1984 by the Southern California Association of Governments to address the need for affordable housing in the region. LINC (an acronym for Limited Income Communities) is a non-profit developer of affordable housing that now builds and preserves service-enriched homes for families and seniors throughout California. The firm has participated in the development of more than six thousand affordable homes across the state and has been recognized as being one of the top owners and developers of affordable housing in the nation. The company is a partner in the 80-unit North Avenue Apartments project in Sacramento that was completed in 2007.

Property Management: The project will be managed by U.S. Residential Group, LLC (USRG), an experienced manager of conventional and affordable apartment communities nationwide. The company currently manages a portfolio of approximately 100,000 apartment units in 500 apartment communities, including many affordable units financed with tax-exempt bonds, LIHTC's, and tax increment funds. In addition to Taylor Terrace, USRG manages several affordable complexes in Sacramento City and County, including Rio Linda Manor, Rosswood Manor, and Willow Tree. SHRA staff has reviewed the management plan, including daily operations, leasing procedures, maintenance, and eviction procedures, and has found that the proposed management company meets SHRA's requirements for property management.

Resident Services Plan: Services will be provided to the residents by LINC Cares, an affiliate of the developer. The service provider will be required to provide at least 22 hours of services per week. Programs will be tailored to the needs of the residents. Examples of services include after-school programs, computer training, English as a Second Language classes and coordinating social activities for the residents.

Project Financing: The project is proposed to be funded with Low-Income Housing Tax Credit (LIHTC) equity from both 4-percent Federal tax credits and competitive state tax credits, tax-exempt mortgage revenue bonds of up to \$8,730,000 issued by the Housing Authority, a SMUD energy efficiency incentive program, deferred developer fee, and assumption of the project's existing RHCP and SHRA loans. No new gap financing is being requested from SHRA at this time.

Removal of Unnecessary Restrictions: When the property was refinanced in 2009, a vacant single-family parcel owned by the Developer and adjacent to Taylor Terrace Apartments was erroneously included in the project's legal description. Multiple deeds of trust and regulatory agreements were recorded against the single-family parcel at that time, even though the parcel was and is vacant and was never envisioned to contain regulated affordable units. The Developer is requesting that the existing deed restrictions be removed from the single-family parcel, which will allow more flexibility in its use.

Redevelopment Successor: As of February 1, 2012, all Redevelopment Agencies (RDAs) were dissolved and their assets, properties, contracts, leases, and ongoing

functions were transferred to successor agencies. The City designated the Housing Authority of the City of Sacramento (PHA) as the local authority to retain the housing assets and functions previously performed by the RDA. The removal of the single-family deed restrictions related to the original Taylor Terrace debt requires PHA approval because its original funding source was Low-Moderate Tax Increment.

Low-Income Set-Aside Requirements: As a condition of receiving tax credits and the benefits of tax-exempt bond financing, federal law requires the apartments be set-aside for targeted income groups. Further restrictions on incomes and rents are imposed as a result of the existing RHCP loan from HCD, and the loans from SHRA. Current rents will remain the same after the proposed transaction but the terms of the regulatory restrictions will be extended out to a new 55-year period. The following chart summarizes the combined proposed affordability restrictions:

Funding	% of Units	Affordability Restrictions	No. Units	Regulatory Requirements
Tax-Exempt Bonds Tax Credits (LIHTC) Agency Loans HCD Loan	42%	Very Low Income (50% AMI) residents, with 35% AMI rents*	70	55 years
	58%	Low Income (60% AMI)	97	55 years
Manager's Unit		Unrestricted	1	
Total	100%		168	

* RHCP funding sets rents for these units at 35% AMI, but allows residents to earn up to 50% AMI.

Maximum rent and income limits for the mortgage revenue bond program can be found in Attachment 6. The project's affordability restrictions will be specified in regulatory agreements with the Developer.

**Taylor Terrace Apartments
Project Summary**

Address	4050 Taylor Street		
Number of Units	168		
Year Built	1994		
Acreage	7.14 Acres		
Affordability	70 units (42%) at or below 50% of Area Median Income (AMI) 97 units (58%) at or below 60% of AMI 1 Manager's Unit		
Unit Mix and Rents	(35% AMI)*	(60% AMI)	Manager
1 Bedroom / 1 Bath	34	30	
2 Bedroom / 1 Bath		36	
3 Bedroom / 2 Bath	36	31	
Unrestricted			1
	* Rents on 35% AMI units regulated by HCD-RHCP - resident incomes in these units can be up to 50% AMI.		
Square Footage	<i>Per Unit</i>	<i>Total</i>	
1 Bedroom / 1 Bath	650	41,600 s.f.	
2 Bedroom / 1 Bath	892	32,112 s.f.	
3 Bedroom / 2 Bath	1,050	71,400 s.f.	
Leasing Office / Clubhouse		1,500 s.f.	
Laundry Rooms / Maintenance Shop		400 s.f.	
Total		147,012 s.f.	
Resident Facilities	Community room with kitchen, pool, three laundry rooms, tot lot		
Permanent Sources	<i>Total</i>	<i>Per Unit</i>	<i>Per Square Foot</i>
Mortgage Revenue Bond	\$ 3,830,000	\$ 22,798	\$ 26.05
Tax Credit Equity	\$ 5,380,722	\$ 32,028	\$ 36.60
RHCP Loan (Existing)	\$ 4,801,414	\$ 28,580	\$ 32.66
SHRA Tax Increment Loans (Existing)	\$ 832,247	\$ 4,954	\$ 5.66
Deferred Developer Fee	\$ 750,000	\$ 4,464	\$ 5.10
Construction Period Income	\$ 335,000	\$ 1,994	\$ 2.28
SMUD Utility Incentive	\$ 184,800	\$ 1,100	\$ 1.26
Other	\$ 765,830	\$ 4,559	\$ 5.21
TOTAL SOURCES	\$ 16,880,013	\$ 100,476	\$ 114.82
Permanent Uses			
Acquisition Costs	\$ 8,830,000	\$ 52,560	\$ 60.06
Construction Costs	\$ 3,510,954	\$ 20,899	\$ 23.88
Contingency	\$ 415,170	\$ 2,471	\$ 2.82
Financing Costs	\$ 1,147,829	\$ 6,832	\$ 7.81
Reserves	\$ 517,643	\$ 3,081	\$ 3.52
Legal Fees	\$ 175,000	\$ 1,042	\$ 1.19
Relocation	\$ 150,000	\$ 893	\$ 1.02
Permits	\$ 55,000	\$ 327	\$ 0.37
Architecture and Engineering	\$ 16,500	\$ 98	\$ 0.11
Developer Fee	\$ 1,758,497	\$ 10,467	\$ 11.96
Other	\$ 303,420	\$ 1,806	\$ 2.06
TOTAL USES	\$ 16,880,013	\$ 100,476	\$ 114.82
Management / Operations	Proposed Developer: LINC Housing Corporation		
Property Management Company:	US Residential Group (USRG)		
Operations Budget:	\$779,257	\$4,638	
Resident Services:	\$30,000	\$179	
Replacement Reserves:	\$88,368	\$526	

Unit Type	Number	Square Feet	Total Sq Feet	Maximum Gross Rent	Utility Allowance	Maximum Net Rent	Actual Rent	Rent per Sq Foot	Total Mo. Rent	Annual Rent
1 BD / 1 BA @ 35% AMI	34	650	22,100	\$ 484	\$ 63	\$ 421	\$ 421	\$ 0.65	\$ 14,314	\$ 171,768
1 BD / 1 BA @ 60% AMI	30	650	19,500	\$ 856	\$ 63	\$ 793	\$ 633	\$ 0.97	\$ 18,990	\$ 227,880
2 BD / 1 BA @ 60% AMI	36	892	32,112	\$ 1,027	\$ 74	\$ 953	\$ 739	\$ 0.83	\$ 26,604	\$ 319,248
3 BD / 2 BA @ 35% AMI	36	1,050	37,800	\$ 589	\$ 85	\$ 504	\$ 504	\$ 0.48	\$ 18,144	\$ 217,728
3 BD / 2 BA @ 60% AMI	31	1,050	32,550	\$ 1,141	\$ 85	\$ 1,056	\$ 857	\$ 0.82	\$ 26,567	\$ 318,804
Manager's Unit (3 BR / 2 BA)	1	1,050	1,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	168		145,112						\$ 104,619	\$ 1,255,428

Income	Rate	Annual Increase	Per unit	2014 Year 1	2015 Year 2	2016 Year 3	2017 Year 4	2018 Year 5	2023 Year 10	2028 Year 15	2033 Year 20	2038 Year 25	2043 Year 30
Potential Gross Income		2.50%		1,255,428	1,286,814	1,318,984	1,351,959	1,385,758	1,567,858	1,773,887	2,006,990	2,270,725	2,569,117
Other Income		2.50%		22,761	23,330	23,914	24,511	25,124	28,426	32,161	36,387	41,169	46,579
Less Vacancy (7% through year 15, 5% thereafter)				89,473	91,710	94,003	96,353	98,762	111,740	126,423	102,169	115,595	130,785
Effective Gross Income				\$1,188,716	\$1,218,434	\$1,248,895	\$1,280,117	\$1,312,120	\$1,484,543	\$1,679,625	\$1,941,209	\$2,196,299	\$2,484,911
Operating Expenses													
Operating Expenses		3.50%	4,161	699,065	723,532	748,856	775,066	802,193	952,754	1,131,573	1,343,953	1,596,195	1,895,779
Property Management Fee		2.50%	351	59,001	60,476	61,988	63,538	65,126	73,684	83,367	94,322	106,717	120,740
Social Services		3.50%	179	30,000	31,050	32,137	33,262	34,426	40,887	48,561	57,675	68,500	81,356
Assessments		2.00%	126	21,191	21,615	22,047	22,488	22,938	25,325	27,961	30,871	34,084	37,632
Replacement Reserves			600	88,368	88,368	88,368	88,368	88,368	88,368	88,368	88,368	88,368	88,368
Total Expenses			5,343	\$697,625	\$925,041	\$953,396	\$982,721	\$1,013,051	\$1,181,018	\$1,379,829	\$1,615,190	\$1,893,864	\$2,223,875

Net Operating Income				\$291,091	\$293,393	\$295,499	\$297,396	\$299,069	\$303,525	\$299,795	\$326,019	\$302,436	\$261,036
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Debt Service	Amount	Rate	Term	2014	2015	2016	2017	2018	2023	2028	2033	2038	2043
Senior Loan	\$ 3,830,000	3.74%	30	212,587	212,587	212,587	212,587	212,587	212,587	212,587	212,587	212,587	212,587
SHRA Monitoring Fee	\$ 3,830,000	0.15%	30	5,745	5,745	5,745	5,745	5,745	5,745	5,745	5,745	5,745	5,745
SHRA Existing Loan	\$ 232,026	3.00%	21	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740
RHCP Required Payment	\$ 3,208,305	0.42%	55	13,475	13,475	13,475	13,475	13,475	13,475	13,475	13,475	13,475	13,475
Debt Service Subtotal				\$242,547	\$242,547	\$242,547	\$242,547	\$242,547	\$242,547	\$242,547	\$242,547	\$231,807	\$231,807
DCR on Senior Loan				1.33	1.34	1.35	1.36	1.37	1.39	1.37	1.49	1.39	1.20
DCR on Senior Loan and RHCP Required Payment				1.20	1.21	1.22	1.23	1.23	1.25	1.24	1.34	1.30	1.13

Priority Distributions	Rate	2014	2015	2016	2017	2018	2023	2028	2033	2038	2043
Asset Management Fee	3.00%	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$6,524	\$7,563	\$8,768	\$10,164	\$11,783
Net Cash after Priority Distributions		\$43,544	\$45,696	\$47,648	\$49,386	\$50,895	\$54,455	\$49,686	\$74,705	\$60,464	\$17,446

Deferred Developer Fee	Principal Balance	Rate	2014	2015	2016	2017	2018	2023	2028
Principal Balance	\$750,000	0.00%	750,000	706,456	660,759	613,111	563,726	299,275	32,703
Payment			43,544	45,696	47,648	49,386	50,895	54,455	32,703
Balance			\$706,456	\$660,759	\$613,111	\$563,726	\$512,830	\$244,820	\$0

Net Cash after Deferred Developer Fee			\$0	\$0	\$0	\$0	\$0	\$0	\$16,983	\$74,705	\$60,464	\$17,446
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Residual Distributions	Amount	Rate	2014	2015	2016	2017	2018	2023	2028	2033	2038	2043
Residual SHRA Monitoring Fee	\$ 4,900,000	0.15%	\$0	\$0	\$0	\$0	\$0	\$0	\$7,350	\$7,350	\$7,350	\$7,350
Supplemental Bond Admin. Fee	\$ 8,830,000	0.20%	\$0	\$0	\$0	\$0	\$0	\$0	\$9,633	\$17,660	\$17,660	\$10,096
Partnership Management Fee			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$10,000	\$0
Cash Flow to Investor		10.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,969	\$2,545	\$0
Cash Flow to Sponsor		90.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,725	\$22,909	\$0

SHRA Loan	Principal Balance	Rate	2014	2015	2016	2017	2018	2023	2028	2033	2038	2043
Principal Balance	\$569,771	4.00%	569,771	569,771	569,771	569,771	569,771	569,771	569,771	569,771	569,771	569,771
Interest for Period			22,791	22,791	22,791	22,791	22,791	22,791	22,791	22,791	22,791	22,791
Accumulated Interest	\$34,115		56,906	79,697	102,488	125,278	148,069	262,023	375,978	489,932	603,886	717,840
Balance			\$626,677	\$649,468	\$672,259	\$695,049	\$717,840	\$831,794	\$945,749	\$1,059,703	\$1,173,657	\$1,287,611

Residual RHCP Repayment	25.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Combined Debt Coverage Ratio			1.20	1.21	1.22	1.23	1.23	1.25	1.24	1.34	1.30	1.13
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Taylor Terrace Apartments
Cash Flow Proforma

Attachment 5





MAXIMUM RENT AND INCOME LEVELS 2012

Maximum Income Limits:

Family Size	Very Low Income (VLI) 50% AMI	Low Income (LI) 60% AMI
1 person	\$26,650	\$31,980
2 person	\$30,450	\$36,540
3 person	\$34,250	\$41,100
4 person	\$38,050	\$45,660

Maximum Rent Limits:

Rental Housing Construction Program (RHCP), Tax Increment (TI), Mortgage Revenue Bond (MRB), Low Income Housing Tax Credit (LIHTC)

Unit Size	VLI Units (35% AMI) ¹		LI Units (60% AMI) ²	
	Gross Rent	Restriction Source	Gross Rent	Restriction Source
1 Bedroom	\$484.00	RHCP	\$856.00	LIHTC
2 Bedroom			\$1,027.00	LIHTC
3 Bedroom	\$589.00	RHCP	\$1,141.50	TI, MRB

Notes

1. Rents on VLI units restricted by RHCP are affordable to households earning 35% of AMI, but can be occupied by households earning up to 50% of AMI.
2. Rents on LI units shown in this table are the maximum allowable by law, but actual rents may be set lower to ensure that regulated unit rents are at least 10% below market rents, pursuant to CDLAC and TCAC requirements.

RESOLUTION NO. 2012 -

Adopted by the Housing Authority of the City of Sacramento

on date of

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO AUTHORIZING THE ISSUANCE, EXECUTION AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER PLEDGE AND ASSIGNMENT, 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. LINC-Taylor Terrace Apartments Housing Investors LP, a California limited partnership (the "Borrower"), has requested the Housing Authority to issue revenue bonds designated as the Housing Authority of the City of Sacramento Multifamily Housing Revenue Bonds (Taylor Terrace Apartments) 2012 Issue A-1 and the Housing Authority of the City of Sacramento Multifamily Housing Revenue Bonds (Taylor Terrace Apartments) 2012 Issue A-2 (the "Bonds") and to loan the proceeds from the sale thereof to the Borrower to finance the acquisition, rehabilitation and development of a 168-unit multifamily rental housing development to be located in the City of Sacramento, California and to be commonly known as the Taylor Terrace Apartments (the "Project"); and
- C. On August 14, 2012, 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 \$8,730,000, is hereby authorized. The Chairperson or 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, 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 (the "Pledge and Assignment") among the Authority, U.S. Bank National Association, as agent thereunder (the "Agent"), and U.S. Bank National Association, as holder of the Bonds (the "Holder"), 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 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 5. The Bonds, when executed, shall be delivered to U.S. Bank National Association, 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 6. 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 Regulatory Agreement, and other documents herein approved.

Section 7. This Resolution shall take effect immediately upon its adoption.



RESOLUTION NO. 2012 –

Adopted by the Housing Authority of the City of Sacramento

on date of

TAYLOR TERRACE APARTMENTS: RELEASE AND RECONYANCE OF UNNECESSARY RESTRICTIONS.

BACKGROUND

- A. LINC Housing Corporation has applied for an allocation of mortgage revenue bonds to assist in funding the rehabilitation and permanent financing of the 168-unit Taylor Terrace Apartments (“Project”).
- B. The Project currently has two Low/Moderate Tax Increment Agency loans outstanding. The original principal balance of the first loan was \$250,000, and the original principal balance of the second loan was \$580,000. Both loans were restructured by the Housing Authority of the City of Sacramento (PHA) on August 14, 2012. LINC Housing Corporation has further requested that the deed restrictions related to the loans be removed from a single family parcel that is adjacent to the Project, but which is not part of the Project.
- C. The original Agency signatory for each of the outstanding Agency loans was the Redevelopment Agency of the City of Sacramento.
- D. In 2011 the California Legislature enacted AB 1X 26, which law, coupled with a subsequent decision of the State Supreme Court, resulted in the dissolution of redevelopment agencies as of February 1, 2012, and the transfer of all assets, properties, contracts and leases of the former redevelopment agencies to successor agencies, and requiring successor agencies to carry out the winding down of the redevelopment agencies.
- E. The City of Sacramento previously established the Redevelopment Agency of the City of Sacramento, a body corporate and politic (“Redevelopment Agency” or RDA) in order to carry out plans for the improvement, rehabilitation, and redevelopment of blighted areas within the City.
- F. On January 31, 2012, the City designated the PHA as the local authority to retain the housing assets and functions previously performed by the RDA.
- G. On January 31, 2012 the PHA affirmatively elected pursuant to Health and Safety Code Section 34176 that it will perform the housing functions of the former Redevelopment Agency of City of Sacramento (RDA) and authorizes the Executive Director to take actions necessary to comply with the designation in a manner that is consistent with federal and state law.

- H. The existing project loan due to its Low/Moderate fund origin is a housing asset.
- I. On August 10, 2009, assessor's parcel number 237-0192-001 was erroneously included in certain Deeds of Trust and a certain regulatory agreement. Said parcel is adjacent vacant land to the Project and was never contemplated as being included in the Project.
- J. The proposed action is categorically exempt under California Environmental Quality Act (CEQA) Guidelines Section 15378 which exempts actions such as this which has no potential resulting in a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

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

- Section 1. The above recitals are found to be true and correct and the proposed Project is categorically exempt under CEQA Guidelines Section 15378.
- Section 2. The Executive Director is authorized to release and reconvey Deeds of Trust and recorded regulatory restrictions associated with both loans, partially and only as they apply to the single family parcel (APN 237-0192-001) adjacent to the Project. All regulatory restrictions on the parcel on which the Project is located shall remain in full force and effect, as amended by the August 14, 2012 action.