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

Consent
June 24, 2014

Honorable Chair and Members of the Housing Authority Board

Title: Approval of Tax-Exempt Bonds for Sierra Vista Apartments

Location/Council District: 1107 23rd Street, Council District 4

Issue: This report recommends the issuance of $13,500,000 of tax-exempt mortgage revenue bonds for the 78 unit Sierra Vista Apartments project.

Recommendation: Adopt 1) a **Housing Authority Resolution;** a) indicating the intention of the Housing Authority of the City of Sacramento to issue up to $13,500,000 in tax-exempt mortgage revenue bonds to provide construction and permanent financing for the Sierra Vista Apartments; b) authorizing an application to the California Debt Limit Allocation Committee (CDLAC) for authority to issue the bonds; c) authorizing the Executive Director or her designee to execute all necessary documents associated with the transaction.

Contact: Tyrone Williams, Director of Development, 440-1316
Christine Weichert, Assistant Director, Development Finance, 440-1353;

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: In 2007 the Housing Authority of the City of Sacramento (Housing Authority) adopted a Repositioning Strategy as a response to strategic reductions in the funding sources for public housing capital improvements and operations. As a result, a joint venture between BRIDGE Housing Corporation (BRIDGE) and the Sacramento Housing Authority Repositioning Program (SHARP) collectively the (Development Team) was formed to facilitate the attraction of private debt and equity necessary to fund the improvements required in a number of downtown high-rise buildings including Sierra Vista Apartments (Project).

On June 10, 2014, the City of Sacramento (City) authorized the Sacramento Housing and Redevelopment Agency (Agency) to provide a $2,400,000 loan commitment to the Project utilizing HOME and CDBG Funds. Additionally, $850,000 of CDBG Single Family Housing Funds and Economic Development

Revolving Loan Funds will be presented for approval at a public hearing scheduled for July 15, 2014. In July of 2014, the Development Team will submit a competitive four percent Low Income Housing Tax Credit (LIHTC) application to the California Tax Credit Allocation Committee (CTCAC), and an application for an allocation of tax-exempt Mortgage Revenue bonds from the California Debt Limit Allocation Committee (CDLAC). In order for the Development Team to submit the CDLAC application, the Housing Authority must adopt an inducement resolution authorizing the bond issuance. Additionally, the City must hold a Tax Equity Financial Responsibility Act public hearing (TEFRA). The Agency will return to the City on July 15, 2014 to hold the TEFRA for the Project.

Sierra Vista Apartments project is located in midtown Sacramento at 1107 23rd Street. It is a 78-unit, nine-story, reinforced concrete structure constructed in 1971. Although structurally sound, the forty-four year old building needs significant upgrades to preserve the building as housing for extremely low-income seniors. A vicinity map is included as Attachment 1.

The physical needs assessment for the property identifies the need for approximately $9.7 million in construction "hard costs." Work to be done includes correcting life-safety concerns, seismic upgrades, remediating environmental issues, upgrading and waterproofing the building's exterior, replacing windows, upgrading mechanical and electrical systems, making energy efficiency improvements, upgrading unit interiors, and resolving code compliance issues. In addition, the ground floor entry and common areas will be significantly altered and increased in size to improve security, function and usefulness to tenants. A proposed architectural illustration is included as Attachment 2.

The Development Team is a partnership between SHARP and BRIDGE, an experienced non-profit affordable housing developer based in San Francisco. BRIDGE was selected through a competitive RFQ in 2012 and will remain in the partnership throughout construction. Upon completion of the work, BRIDGE will exit the partnership, leaving SHARP to continue in an ownership role. The Housing Authority will continue to own the underlying land, and it is anticipated that the Housing Authority will continue to provide property management at Sierra Vista. In addition, Housing with Heart, Inc., will provide a minimum of 15 hours of resident services each week.

The property will continue to be occupied during the planned 11-month rehabilitation period although three floors of tenants will be temporarily relocated to off-site locations on a rotating basis until work is complete. Vacating full floors will expedite the remediation and rehabilitation work. After approximately two months of temporary relocation, tenants will return to their renovated units.

Project funding sources will include more than $8 million of low-income housing tax credit equity, about $4 million in mortgage revenue bond proceeds, $750,000 in Affordable Housing Program (AHP) funds, a $3.25 million Agency loan ($2.4 million already allocated HOME and CDBG funds, plus an additional $850,000 in CDBG Single Family Housing and Economic Development Revolving Loan Funds to be presented for City Council approval at a public hearing on July 15, 2014), a $6.4 million Housing Authority seller carryback loan for the building

acquisition and a $392,000 seller financed ground lease. Since the property will continue to operate during renovation, more than $460,000 of expected operating income will contribute to Project funding as well.

Units will be regulated at 30, 40 and 50 percent of Area Median Income (AMI). In connection with its loan and the issuance of bonds, the Agency will impose an Agency regulatory agreement and bond regulatory agreement to maintain use of the property as affordable senior housing. However, the property also has an ongoing Housing Assistance Payments (HAP) contract from HUD. This contract will ensure that no tenant pays more than 30 percent of their income for housing, with HUD paying the difference. Since all potential residents on the waiting list for such vouchers are extremely low income (30 percent of AMI or below), actual rents charged to tenants at Sierra Vista will be affordable at or below 30 percent of AMI.

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

Policy Considerations: The recommended actions are consistent with the strategy adopted in the Housing Authority's 2007 Repositioning Strategy to attract non-traditional sources of equity and debt to preserve affordable housing. The actions are also generally consistent with approved Agency Multifamily Lending and Mortgage Revenue Bond Policies. The loan term will be 55 years. Regulatory restrictions on the property will be specified in a bond regulatory agreement with a 55 year term and HOME regulatory agreement for 15 years. Compliance with the regulatory agreements will be monitored by the Agency on a regular basis throughout their terms.

Economic Impacts: This residential rehabilitation project is expected to create approximately 110 total jobs (62 direct jobs and 48 jobs through indirect and induced activities) and result in approximately $15.3 million in total economic output ($9.4 million direct output and another $5.9 million of output through indirect and induced activities).

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): The proposed action is categorically exempt under California Environmental Quality Act (CEQA) Guidelines Section 15301 which exempts actions on existing facilities, including rehabilitation and financing, where the use remains unchanged.

National Environmental Policy Act (NEPA): The proposed action is categorically excluded under the National Environmental Policy Act (NEPA) pursuant to 24 CFR Section 58.35(a)(3)(ii) because the project consists of the rehabilitation of a multifamily residential complex in which the unit density will not be changed by more than 20 percent and the estimated cost of rehabilitation is less than 75 percent of the cost of replacement after rehabilitation.

Sustainability Considerations: The renovation of Sierra Vista Apartments is consistent with City Sustainability Master Plan goal number one (Energy Independence) by improving energy efficiency and a consequent reduction in fossil fuel use, as well as the reduction of peak electrical demand through installation of photovoltaic generating equipment. The Project is consistent with goal number five (Public Health and Nutrition) in that it will rehabilitate an inefficient, aged building and contribute to improvement of the midtown neighborhood.

Commission Action: It is anticipated that, at its meeting on June 18, 2014, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Council in the event this does not occur.

Rationale for Recommendation: The actions recommended in this report enable SHRA and Housing Authority to continue to preserve existing affordable housing units and 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 the obligation solely of the project's owner, who will bear all costs associated with the issuance of the bonds. The Agency will receive a one-time issuance fee of 0.25 percent (25 basis points) of the bond issuance amount, which is payable at bond closing. The Agency will also collect an annual payment of 0.15 percent (15 basis points) of the total bond issuance amount for monitoring of the regulatory restrictions and administration of the bonds. The law firm of Orrick, Herrington and Sutcliffe LLP, is acting as bond counsel for the Housing Authority.

An Agency loan of $2.4 million comprised of up to $1.4 million of federal HOME funds, $800,000 of City CDBG funds, and $200,000 Housing Authority Low Mod funds was approved on June 10, 2014. The CDBG funds are part of a previously approved allocation for Affordable Housing Rehabilitation and are now being specifically identified for use in this project. Funds to be presented for City Council approval at a public hearing on July 15, 2014 will include an additional $850,000 in CDBG Single Family Housing and Economic Development Revolving Loan funds.

M/WBE and Section 3 Considerations: Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent they may be applicable.

Respectfully Submitted by: _____
LA SHELLE DOZIER
Executive Director

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Sierra Vista Apartments

Attachment 1

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Preliminary Conceptual Rendering

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Sierra Vista Senior Apartments
Background Information

The Development Team, a partnership between BRIDGE Housing Corporation (BRIDGE) and the Sacramento Housing Authority Repositioning Program (SHARP), proposes to rehabilitate the Sierra Vista Apartments (Project) at 1107 23rd Street in Sacramento. This collaboration is a result of an asset repositioning strategy by the Housing Authority of the City of Sacramento (Housing Authority), which is intended to address the limited funding available to rehabilitate aging public housing units.

On June 10, 2014 the City of Sacramento authorized the Agency to provide a $2.4 million dollar loan to the Project. In anticipation of the Development Team submitting applications for funding to the California Tax Credit Allocation Committee (CTCAC) and the California Debt Limit Allocation Committee (CDLAC) in July of 2014, it is necessary for the Housing Authority of the City of Sacramento (Housing Authority) to obtain authorization to issue bonds for the project. The Agency will return to City Council in July to hold the federally required Tax Equity and Financial Responsibility Act hearing.

Project Description: Sierra Vista is a 78-unit, nine-story, reinforced concrete structure constructed in 1971. A vicinity map and architectural renderings are provided as Attachments 1 and 2. Although structurally sound, the forty-three year old building needs significant upgrades to preserve it as housing for very low-income seniors. The approximately $9.7 million rehabilitation costs proposed for the project will include correcting life-safety concerns, seismic upgrades, remediating environmental issues, upgrading and waterproofing the building's exterior, replacing windows, upgrading mechanical and electrical systems, making energy efficiency improvements, upgrading unit interiors, and resolving code compliance issues. In addition, the ground floor entry and common areas will be significantly altered and increased in size to improve security, function and usefulness to tenants. The proposed rehabilitation conforms to the Agency's required 15 years of useful life for all major building systems.

Developer: BRIDGE Housing Corporation is a non-profit developer based in San Francisco, California. They have won numerous awards for design, finance, environmental sustainability, and multifamily affordable communities, and have participated in the development of over 14,000 housing units. BRIDGE was established in 1983 and their projects display the same quality of construction as market-rate housing. BRIDGE strives to create sustainable living environments that enhance and uplift the neighborhoods around them and to prevent people from being priced out of their own communities. BRIDGE recently completed the Foothill Farms Senior Housing project in Sacramento County.

SHARP is a non-profit public benefit corporation created by the Housing Authority in 2009, to implement the Repositioning Strategy Guiding Principles adopted by the Housing Authority in 2007. Its activities include acquiring, providing, developing, financing, rehabilitating, owning and operating affordable housing, for the purpose of repositioning aging Housing Authority assets to maintain and preserve their affordable

units. It is currently partnering with BRIDGE to rehabilitate three Housing Authority properties, including Washington Plaza and Sutterview Apartments.

Property Management: The property is proposed to be managed by the Housing Authority. Housing Authority staff currently manages the units at Washington Plaza, along with 3,300 other housing units throughout the City and County of Sacramento.

Resident Services: Resident services at Sierra Vista will be provided by Housing with HEART, an affiliate of Jamboree Housing Corporation. Housing with HEART will provide 15 hours of services to the residents per week, including health and wellness and life building services. Housing with HEART provides services at several properties in the City and County of Sacramento, including the Hotel Berry.

Security: Developer will be required to provide a security camera system and lighting adequate to properly illuminate all common spaces.

Project Financing: Funding for the project includes a mortgage revenue bond and Low-Income Housing Tax Credits (LIHTC), an Affordable Housing Program grant from the Federal Home Loan Bank, a seller carryback loan for the building from the Housing Authority, an Agency gap financing loan, and income from operations during the construction period.

The property also has an ongoing Housing Assistance Payments (HAP) contract from the US Department of Housing and Urban Development (HUD), which will provide a source of ongoing income to supplement rents paid by tenants. Pursuant to the HAP contract, each unit will have a Housing Choice Voucher associated with it. Tenants will pay no more than 30 percent of their income in rent each month, and the HUD voucher will pay the difference between the tenant's payment and a market rent calculated by HUD.

These funding sources together will require that all of the units in the property, excluding one manager's unit, be affordable to households earning less than 50 percent of Area Median Income (AMI). In addition, all of the potential tenants on the Housing Choice Voucher waiting list are extremely low income, so actual rents charged to tenants will be below 30 percent of AMI.

Bond Financing: As a public entity, the Housing Authority can issue tax-exempt bonds, the proceeds of which can provide acquisition, construction, and permanent financing for multi-family housing projects. Interest paid on the bonds is exempt from federal and state income tax, so bondholders will accept a below-market yield from the bonds. These savings are, in turn, passed on to the project owner in the form of a below-market rate loan, with interest rates approximately one to two percent below prevailing market rates.

The bonds for the project are intended to be privately-placed. The Agency will report back to the Housing Authority on the placement and the actual bond amounts with the request for final approval of the bond documents. The law firm of Orrick, Herrington and Sutcliffe LLP, will serve as bond counsel to the Housing Authority.

State and Local Approval Process: The Housing Authority must apply for (and receive) authorization from the California Debt Limit Allocation Committee (CDLAC) prior to issuing tax-exempt mortgage revenue bonds. The "volume cap" is limited and is allocated by CDLAC through a competitive state-wide process.

Project Inducement: CDLAC requires that an "inducement" resolution be adopted by the entity proposing to issue the bonds. Inducement at this time will also allow the developer to be reimbursed from bond issue proceeds for acquisition expenses that have already been incurred and will be incurred in the future. Staff recommends that the Housing Authority adopt a resolution to indicate its intent to issue bonds to finance the construction and permanent financing of the project. Adoption of the resolution will not bind the Housing Authority to issue bonds until and unless all other necessary actions are taken in accordance with all applicable laws.

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. The Agency's gap financing will also restrict rents at the property. Regulatory restrictions on the units will last for up to 55 years. 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 Loan	99%	(50% AMI) LI (40% AMI) VLI (30% AMI) ELI	53 16 8	55 years 55 years
Unrestricted	1%	Unrestricted	1	None
Total	**100%**		**78**	

Maximum rent and income limits using Federal rents can be found in Attachment 6. The project's affordability restrictions will be specified in regulatory agreements with the Developer.

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Attachment 4

Sierra Vista Apartments
Project Summary

Address	1107 23rd Street, Sacramento 95814		
Number of Units	78		
Year Built	1971		
Acreage	0.45 (50,605 sq. ft.)		
Affordability	77 units (99%) at or below 30%, 40% and 50% of Area Median Income (AMI) * and 1 Manager's Unit		
Unit Mix and Rents	ELI (30% AMI) *	VLI (40% AMI) *	LI (50% AMI) *
1 Bedroom / 1 Bath	8	16	53
Unrestricted			1
Square Footage	*Unit Size (sq.ft.)*	*Total*	
1 Bedroom / 1 Bath	408	31,824 sq.ft.	
Ground Floor Community Area		15,115 sq.ft.	
New Construction		800 sq.ft.	
Total		47,739 sq.ft.	
Resident Facilities	Community room with kitchen, laundry, outdoor patio seating area		
Permanent Sources	*Total*	*Per Unit*	*Per Square Foot*
Mortgage Revenue Bond	3,936,000	50,462	82
Tax Credit Equity	8,214,799	105,318	172
Seller Carry back Loan	6,400,000	82,051	134
Ground Lease @ FMV	392,000	5,026	8
Construction Period Income	467,315	5,991	10
AHP Loan	775,000	9,936	16
Agency HOME Loan Commitment	1,400,000	17,949	29
Agency CDBG Loan Commitment	800,000	10,256	17
Agency Low/Mod Fund Loan Commitment	200,000	2,564	4
Future Agency CDBG Loan Commitment	850,000	10,897	18
TOTAL SOURCES	$ 23,435,114	$ 300,450	$ 490.90
Permanent Uses			
Acquisition	6,792,000	87,077	142
Construction Costs	9,710,316	124,491	203
Permits	65,000	833	1
Architecture , Engineering, Survey	450,000	5,769	9
Hard Cost Contingency	886,032	11,359	19
Soft Cost Contingency	88,000	1,128	2
Financing Cost	650,010	8,333	14
Reserves	563,723	7,227	12
Legal Fees	240,298	3,081	5
Relocation - Temporary	655,000	8,397	14
Developer Fee	2,500,000	32,051	52
Third Party Fees, Marketing, Other	834,735	10,702	17
TOTAL USES	$ 23,435,114	$ 300,450	$ 490.90
Management / Operations			
Proposed Developer:	SHARP, Inc. and BRIDGE Housing Corporation		
Property Management Company:	Housing Authority of the City of Sacramento		
Operations Budget:	$311,261	$3,991	
Property Management	$41,200	$528	
Resident Services:	$24,720	$317	
Replacement Reserves:	$23,400	$300	

* HAP contract ensures all tenants will be extremely low income (30 percent or less of AMI).

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Unit Type	Number	Square Feet	Total Sq Feet	TCAC Gross Rent	Utility Allowance	TCAC Net Rent	Rent per Sq Foot	Net Monthly TCAC Rent	Annual TCAC Rent	HAP Rent Increment Per Unit	Total Monthly HAP Increment	Total Annual HAP Increment
1 BD / 1BA @ 30% AMI	8	455	3,640	$ 386	$ 66	$ 320	$ 0.70	$ 2,560	$ 30,720	$ 477	$ 3,816	$ 45,792
1 BD / 1BA @ 40% AMI	16	455	7,280	$ 515	$ 66	$ 449	$ 0.99	$ 7,184	$ 86,208	$ 348	$ 5,568	$ 66,816
1 BD / 1BA @ 50% AMI	53	455	24,115	$ 644	$ 66	$ 578	$ 1.27	$ 30,634	$ 367,608	$ 219	$ 11,607	$ 139,284
Manager's Unit	1	455	455	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total / Average for Restricted Units	78	455	35,490	$ 590	$ 66	$ 524	$ 1.14	$ 40,378	$ 484,536	$ 273	$ 20,991	$ 251,892

	rate	annual increase	per unit	2016 Year 1	2017 Year 2	2018 Year 3	2019 Year 4	2020 Year 5	2025 Year 10	2030 Year 15	2035 Year 20	2040 Year 25	2045 Year 30
Income													
Potential Gross Income		2.00%		494,227	504,111	514,193	524,477	534,967	590,647	652,122	719,995	794,933	877,670
Excess HAP Income		1.50%		255,670	259,505	263,398	267,349	271,359	292,331	314,923	339,262	365,482	393,727
Other Income		2.00%		7,864	8,021	8,182	8,346	8,512	9,398	10,377	11,457	12,649	13,966
Less Vacancy - TCAC rents	3.00%			-14,827	-15,123	-15,426	-15,734	-16,049	-17,719	-19,564	-21,600	-23,848	-26,330
Less Vacancy - Sec 8 PBS increment rent	3.00%			-7,670	-7,785	-7,902	-8,020	-8,141	-8,770	-9,448	-10,178	-10,964	-11,812
Effective Gross Income				$735,264	$748,730	$762,446	$776,417	$790,649	$865,887	$948,410	$1,038,936	$1,138,251	$1,247,221
Operating Expenses													
Operating Expenses		3.00%	3,991	311,261	320,599	330,217	340,123	350,327	406,125	470,810	545,798	632,729	733,507
Property Management		3.00%	528	41,200	42,436	43,709	45,020	46,371	53,757	62,319	72,244	83,751	97,090
Resident Services		3.00%	317	24,720	25,462	26,225	27,012	27,823	32,254	37,391	43,347	50,251	58,254
Taxes & Assessments		2.00%	64	5,000	5,100	5,202	5,306	5,412	5,975	6,597	7,284	8,042	8,879
Replacement Reserves		0.00%	300	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400
Total Expenses			5,059	405,581	416,996	428,753	440,862	453,333	521,511	600,517	692,073	798,173	921,131
Net Operating Income				**$329,684**	**$331,733**	**$333,693**	**$335,555**	**$337,316**	**$344,376**	**$347,893**	**$346,863**	**$340,078**	**$326,090**
Debt Service	**amount**	**rate**	**term**										
Senior Loan	$3,936,000	5.500%	35	126,822	253,644	253,644	253,644	253,644	253,644	253,644	253,644	253,644	253,644
Housing Authority Monitoring Fee	$12,581,000	0.150%		18,872	18,872	18,872	18,872	18,872	18,872	18,872	18,872	18,872	18,872
Debt Service Subtotal				145,693	272,515	272,515	272,515	272,515	272,515	272,515	272,515	272,515	272,515
Priority Distributions													
Asset Management Fee (AMF)		3.00%		5,000	5,150	5,305	5,464	5,628	6,524	7,563	8,768	10,164	11,783
Partnership Management Fee (PMF)		3.00%		20,000	20,600	21,218	21,855	22,510	26,095	30,252	35,070	40,656	47,131
Priority Distributions Subtotal				25,000	25,750	26,523	27,318	28,138	32,619	37,815	43,838	50,820	58,914
Net Cash after Priority Distributions				158,990	33,468	34,655	35,722	36,664	39,241	37,563	30,510	16,743	(5,339)
Housing Authority Seller Carryback Loan													
Principal Balance	6,400,000	3.16%		6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000
Interest for Period				202,240	215,022	216,792	222,585	228,524	260,710	298,008	342,027	394,845	459,122
Accumulated Interest				404,480	460,511	643,835	831,765	1,024,567	2,071,995	3,290,340	4,733,260	6,469,845	8,588,468
Payment				158,990	33,468	34,655	35,722	36,664	39,241	37,563	30,510	16,743	-5,339
Balance				6,645,490	6,827,043	7,009,180	7,196,043	7,387,903	8,432,754	9,652,777	11,102,750	12,853,103	14,993,807
SHRA loan													
Principal Balance	3,250,000	0.00%		3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000
Payment				0	0	0	0	0	0	0	0	0	0
Payment				0	0	0	0	0	0	0	0	0	0
Balance				3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000
Ground Lease													
Ground Rent													
Fair Market Value Ground Rent	392,000	3.16%		392,000	392,000	392,000	392,000	392,000	392,000	392,000	392,000	392,000	392,000
Interest for Period				13,990	14,432	14,888	17,394	20,321	20,321	20,321	20,321	20,321	20,321
Accumulated Interest				64,713	79,145	94,033	175,836	271,406	271,406	271,406	271,406	271,406	271,406
Payment				0	0	0	0	0	0	0	0	0	0
Balance				456,713	471,145	486,033	567,836	663,406	663,406	663,406	663,406	663,406	663,406
Combined Debt Coverage Ratio				1.17	1.18	1.19	1.23	1.26	1.26	1.26	1.26	1.26	1.26

Sierra Vista Cash Flow

Attachment 5

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MAXIMUM HOME AND CDBG RENT AND INCOME LEVELS 2014

Rents @ 50%, 40% and 30% of Area Median Income

Maximum Income Limits:

Family Size	Max Income *50% AMI*	*40% AMI*	*30% AMI*
1 person	$24,050	$19,240	$14,430
2 person	$27,500	$22,000	$16,500

Maximum Rent Limits:

Unit Size	Gross Rent *50% AMI*	*40% AMI*	*30% AMI*
1 Bedroom	$644.00	$515.00	$386.00

** Rent listed is the maximum gross rent under tax credit guidelines. However, the project's Housing Assistance Payments (HAP) contract will allow tenants to pay no more than 30% of their income, with HUD paying the difference between the tenant payment and market rent. Further, all potential tenants currently on a waiting list for such units are below 30% AMI. As such, tenant rent payments will be at or below 30% AMI (less than $387).*

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RESOLUTION NO. 2014 –

Adopted by the Housing Authority of the City of Sacramento

on date of

RESOLUTION DECLARING INTENTION TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS AND DIRECTING CERTAIN ACTIONS

BACKGROUND

A. The Housing Authority of the City of Sacramento (the "Issuer") intends to execute and deliver tax-exempt obligations in a principal amount not to exceed $13,500,000 (the "Obligations") for the purpose of making a loan to Sierra Vista Housing Associates L.P., a California limited partnership, or a limited partnership or a limited liability company related to or formed by BRIDGE Housing Corporation and the Sacramento Housing Authority Repositioning Program, Inc. (collectively, the "Developer"), the proceeds of which shall be used by the Developer to finance the acquisition, rehabilitation and development of a 78-unit multifamily housing facility commonly known as Sierra Vista Apartments located at 1107 23rd Street in the City of Sacramento, California (the "Project");

B. United States Income Tax Regulations section 1.103-18 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of execution and delivery of such debt unless certain procedures are followed, among which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer must declare an intention to reimburse such expenditure; and

C. It is in the public interest and for the public benefit that the Authority declare its official intent to reimburse the expenditures referenced herein;

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

Section 1. The Authority intends to execute and deliver the Obligations for the purpose of paying the costs of financing the acquisition, rehabilitation and development of the Project.

Section 2. The Authority hereby declares that it reasonably expects that a portion of the proceeds of the Obligations will be used for reimbursement of expenditures for the acquisition, rehabilitation and development of the Project that are paid before the date of initial execution and delivery of the Obligations.

Section 3. The maximum amount of proceeds of the Obligations to be used for reimbursement of expenditures for the acquisition, rehabilitation and development of the Project that are paid before the date of initial execution and delivery of the Obligations is not to exceed $13,500,000.

Section 4. The foregoing declaration is consistent with the budgetary and financial circumstances of the Authority in that there are no funds (other than proceeds of the Obligations) that are reasonably expected to be (i) reserved, (ii) allocated or (iii) otherwise set aside, on a long-term basis, by or on behalf of the Authority, or any public entity controlled by the Authority, for the expenditures for the acquisition and rehabilitation of the Project that are expected to be reimbursed from the proceeds of the Obligations.

Section 5. The Developer shall be responsible for the payment of all present and future costs in connection with the execution and delivery of the Obligations, including, but not limited to, any fees and expenses incurred by the Authority in anticipation of the execution and delivery of the Obligations, the cost of printing any official statement, rating agency costs, bond counsel fees and expenses, underwriting discount and costs, trustee fees and expense, and the costs of printing the Obligations. The payment of the principal, redemption premium, if any, and purchase price of and interest on the Obligations shall be solely the responsibility of the Developer. The Obligations shall not constitute a debt or obligation of the Authority.

Section 6. The appropriate officers or staff of the Authority are hereby authorized, for and in the name of and on behalf of the Authority, to make an application to the California Debt Limit Allocation Committee for an allocation of private activity bonds for the financing of the Project.

Section 7. The adoption of this Resolution shall not obligate (i) the Authority to provide financing to the Developer for the acquisition, rehabilitation and development of the Project or to execute and deliver the Obligations for purposes of such financing; or (ii) the Authority, of or any department of the Authority or the City of Sacramento to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, rehabilitation, development or operation of the Project.

Section 8. This resolution shall take effect immediately upon its adoption.