

Meeting Date: 7/19/2016

Report Type: Consent

Report ID: 2016-00756

Title: Authorization to Release Inclusionary Housing Regulatory Agreements for Strawberry Field Project

Location: Strawberry Field Project, District 1

Recommendation: Pass a City Council Resolution 1) authorizing the Sacramento Housing and Redevelopment Agency (Agency) to record a Release of the Inclusionary Housing Regulatory Agreement for the Strawberry Field project; and 2) authorize the Agency to release existing Inclusionary Housing Regulatory agreements for other projects if the landowner elects to pay the Mixed Income Housing fee in lieu of building the inclusionary units.

Contact: David Levin, (916) 440-1319, Sacramento Housing and Redevelopment Agency; Sheryl Patterson, Senior Deputy City Attorney, (916) 808-5346, Office of the City Attorney

Presenter: None

Department: Sacramento Housing & Redevelopment Agency

Division: Sacramento Housing & Redevelopment Agency

Dept ID:

Attachments:

- 1-Description/Analysis
- 2-City Council Resolution
- 3-Exhibit A (Release)
- 4-Map

City Attorney Review

Approved as to Form
Sheryl Patterson
7/13/2016 11:48:04 AM

Approvals/Acknowledgements

Department Director or Designee: La Shelle Dozier - 7/12/2016 10:37:28 AM

Description/Analysis

Issue Detail: On March 22, 2005, the Sacramento City Council by Resolution No. 2005-172, approved and adopted the Inclusionary Housing Plan (the "Plan") for the Strawberry Field project (Project). As a result of this Plan, an Inclusionary Housing Regulatory Agreement was recorded with the final subdivision map for the Project. At the end of 2008, the Federal Emergency Management Agency ("FEMA") remapped the Natomas Basin area into a flood plain with an AE flood zone designation, causing a de facto moratorium on residential building in the Natomas Basin, which prevented the Project from proceeding. This moratorium was lifted in June 2015 when the FEMA flood zone designation in North Natomas was upgraded to A99.

On September 1, 2015, the Sacramento City Council adopted Ordinance No. 2015-0029 (Ordinance) which repealed Chapter 17.712 of, and added Chapter 17.712 and Section 17.808.260 to, the Sacramento City Code, relating to Mixed Income Housing. Sacramento City Code Chapter 12.712.030 subsection C states that projects subject to an inclusionary housing plan approved prior to the effect date of the Ordinance may elect to either comply with its existing plan or comply with the provisions of the new chapter. The owners of the Project are electing to comply with the provisions of the Chapter and pay a housing impact fee as required under the Ordinance. Other landowners with existing inclusionary housing plans which have not yet proceeded with development may also elect to pay the fee and request release of the existing Agency regulatory agreement.

Policy Considerations: The recommended actions have been reviewed by the City Attorney's Office which determined that the Inclusionary Housing Plan, which triggered recording of the Inclusionary Housing Regulatory Agreement, was not a subdivision map requirement but a requirement of the prior Mixed Income Housing ordinance. As a result there is no need to amend an existing final map to implement the new Ordinance provision that allows for payment of a the fee in lieu of implementing the prior Inclusionary Housing Plan. Furthermore the recommended actions are consistent with the Ordinance pursuant to which the project owner is electing to comply with the provisions of the Ordinance by paying a housing impact fee rather than complying with the existing regulatory agreement under the Inclusionary Housing Plan approved in 2005. There are other projects pending that have final maps and are subject to Inclusionary Housing regulatory agreements, which have not yet been developed. The Strawberry Field project is the only project where the delay was because of the de facto residential building moratorium in effect for approximately seven years and not by inaction on the part of the owner. However, the Ordinance's option provision is not limited to projects that were subject to the building moratorium.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): Pursuant to the CEQA Guidelines Section 15378(a), the recommended administrative actions herein do not constitute a project.

Sustainability Considerations: The 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 the following goal, policy and target as follows: Goal number one – Energy Independence, specifically by reducing the use of fossil fuels, improving energy efficiency, and providing long-term affordable and reliable energy.

Other: No federal funding is involved in the recommended action. Therefore, the National Environmental Policy Act (NEPA) does not apply.

Commission Action: Not applicable. The recommended action in this staff report is an election by the Project owner provided for in Sacramento City Code Chapter 17.712 subsection C. The Ordinance does not provide authorization for the Agency to release its Inclusionary Housing regulatory agreement. Guidelines for the implementation of the new Mixed Housing Ordinance are in the process of being completed and will require approval and adoption by the City Council.

Rationale for Recommendation: The actions recommended in this report are consistent with Ordinance 2015-0029 and authorize the Agency to release its Inclusionary Housing Regulatory Agreement on the Strawberry Field project.

Financial Considerations: The owners of the project elect to comply with the provisions of the Ordinance (2015-0029), specifically by paying the Mixed Income Housing impact fee as required under the Ordinance.

LBE/M/WBE/Section 3 and First Source 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 applicable. Local Business Enterprise does not apply to this report.

RESOLUTION NO. 2016 –

Adopted by the Sacramento City Council

on date of

AUTHORIZATION FOR THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (AGENCY) TO TERMINATE INCLUSIONARY HOUSING REGULATORY AGREEMENTS IN ACCORDANCE WITH SACRAMENTO CITY CODE CHAPTER 17.712

BACKGROUND

- A. On March 22, 2005, the City Council by Resolution No. 2005-172 approved and adopted the Inclusionary Housing Plan for the Strawberry Field project.
- B. Pursuant to the Linkages in that Plan, an Inclusionary Housing Regulatory Agreement by and between Towne Development and the Agency dated July 1, 2006 was executed and recorded in conjunction with recording the Final Subdivision Map for the Strawberry Field project.
- C. In 2008, a de facto moratorium on residential building went into effect halting residential construction of this project and other residential projects in the Natomas Basin from 2009 to spring 2015.
- D. On September 1, 2015, the Sacramento City Council adopted Ordinance No. 2015-0029 (Ordinance) which repealed Chapter 12.712 of the Sacramento City Code and added Chapter 17.712 and Section 17.808.260 thereto all relating to mixed income housing.
- E. Sacramento City Code Chapter 12.712.030 subsection C (Chapter) states that projects subject to an inclusionary housing plan approved prior to the effect date of the Ordinance may elect to either comply with its existing plan or comply with the provisions of the new chapter.
- F. The owners of Strawberry Field elected to comply with the provisions of the Chapter and pay a housing impact fee in lieu of building the inclusionary housing units as required under the Ordinance in Sacramento City Code Chapter 17.712.050.
- G. Other landowners with approved inclusionary housing plans may also elect to comply with the provisions of the Chapter and pay a housing impact fee in lieu of building the inclusionary units as required under the Ordinance in Sacramento City Code Chapter 17.712.050.

- H. The proposed action has been analyzed in accordance with the California Environmental Quality Act (CEQA) and is an administrative activity and is not a project under CEQA Guidelines Section 15378(a) because there is no potential for either direct physical change to the physical environment or a foreseeable indirect change in the environment from the recommended action.

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

- Section 1. The facts as presented and stated in the Background above, including the environmental facts are found to be true and correct.
- Section 2. The Agency is authorized to release the Inclusionary Housing Regulatory Agreement and its covenants as recorded against the Strawberry Field project.
- Section 3. The Agency is authorized to release the Inclusionary Housing Regulatory Agreement and its covenants as recorded against other properties with a final map if the landowner elects to pay the housing impact fee in lieu of building the inclusionary units.
- Section 4. The form of the Agency's release of the Inclusionary Housing Regulatory Agreement attached as Exhibit A is approved.

TABLE OF CONTENTS:

Exhibit A – Release of Inclusionary Housing Regulatory Agreement – Strawberry Fields

NO FEE DOCUMENT:

Entitled to free recording
per Government Code §§ 27383 and 6301.

When recorded, return to:

Sacramento Housing and Redevelopment Agency
801 12th Street
Sacramento, California 95814
Attention: Portfolio Management

**RELEASE AND TERMINATION OF
INCLUSIONARY HOUSING REGULATORY AGREEMENT REQUIREMENTS**

WHEREAS, the Sacramento Housing and Redevelopment Agency (“Agency”) with the owner of the Property, Sky Park at Natomas Field LLC, a California limited liability company, (“Owner”) entered into and recorded the Inclusionary Housing Regulatory Agreement (“Regulatory Agreement”), on October 12, 2006 at Book 20061012, commencing at page 0380 against that certain real property (“Property”) described in the Legal Description attached to and incorporated in this instrument (“Release”) by this reference; and

WHEREAS, the Regulatory Agreement was recorded on behalf of the Agency in furtherance of and for purpose of enforcement of the former Mixed Income Housing Ordinance, City of Sacramento City Code Chapter 17.190 (“Ordinance”) and to permit Owner to obtain entitlements for the development of the Property; and

WHEREAS, the Owner has elected under the provisions of Sacramento City Code Chapter 17.712 to terminate the above Regulatory Agreement and comply with this chapter of the City Code, which actions are sufficient for the termination and release of the Regulatory Agreement with regard to the Property;

NOW THEREFORE, the Sacramento Housing and Redevelopment Agency releases and terminates the Inclusionary Housing Regulatory Agreement as it affects the Property, and it shall be of no further force or effect with regard to the Property.

IN WITNESS WHEREOF, this Release has been executed in Sacramento County this ____ day of July, 2016.

THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

By: _____
La Shelle Dozier, Executive Director

Approved as to form:

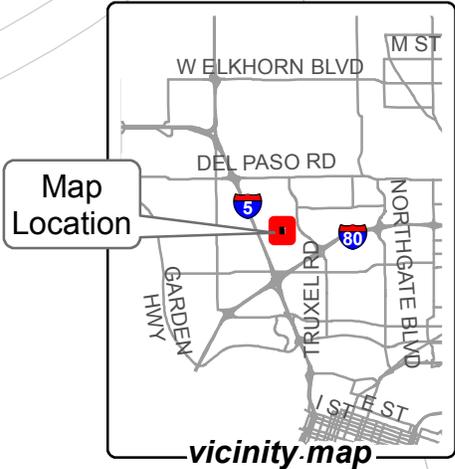
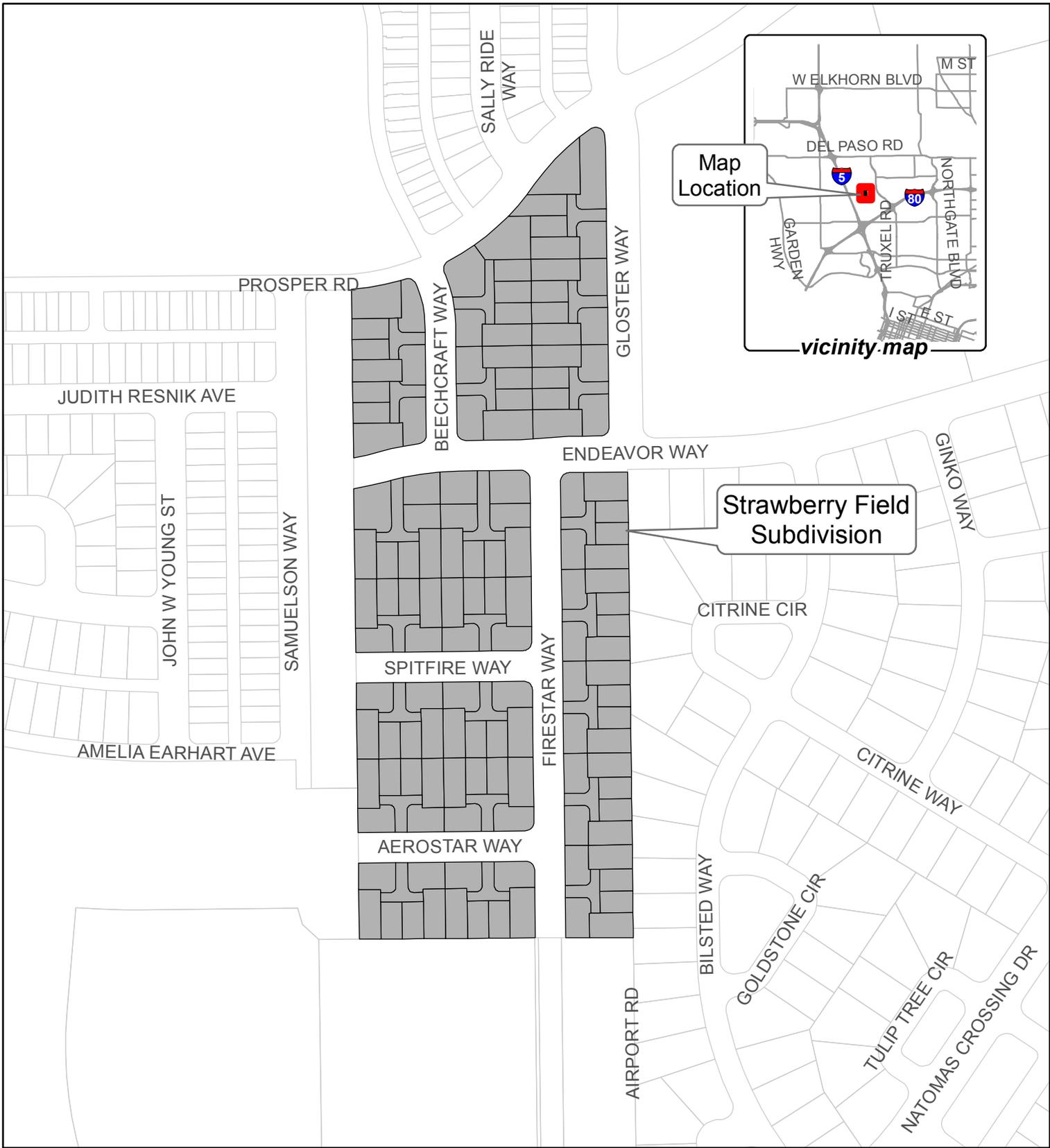
Agency Counsel

[NOTARIZED ACKNOWLEDGEMENTS]

Legal Description



Strawberry Field Subdivision In North Natomas



Strawberry Field Subdivision



Strawberry Field Subdivision Parcel



SHRA GIS
July 7, 2016