

RESOLUTION NO. 2006-535

Adopted by the Sacramento City Council

July 18, 2006

ADOPTING AN INCLUSIONARY HOUSING PLAN FOR THE NATOMAS PLACE PROJECT FOR PROPERTY LOCATED IN NORTH NATOMAS, SOUTHEAST OF DEL PASO ROAD AND GATEWAY PARK BOULEVARD, SACRAMENTO, CALIFORNIA. (P05-129) (APN: 225-0060-025, -026, AND -027)

BACKGROUND

- A. The Mixed Income Housing Policy adopted in the City of Sacramento Housing Element and required by the City's Mixed Income Housing Ordinance, requires that ten percent of the units in a residential development project be affordable to very low income households and five percent to low income households;
- B. The City Council conducted a public hearing on June 27, 2006 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 the Natomas Place project, attached hereto as Exhibit A.

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Exhibit A: Inclusionary Housing Plan – 6 Pages

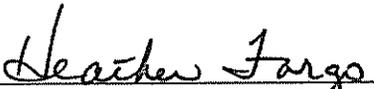
Adopted by the City of Sacramento City Council on July 18, 2006 by the following vote:

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

Noes: None.

Abstain: None.

Absent: None.



Mayor, Heather Fargo

Attest:



Shirley Concolino, City Clerk

**Pardee Homes – Natomas Place
Inclusionary Housing Plan
May 2, 2006**

Proposed Project

Pardee Homes, (the "Developer") is the developer of certain real property in the City of Sacramento on which it proposes to develop and construct the Natomas Place Project (the "Project"), a medium and high-density residential community. The approximately 143.7 ± gross acre project is generally located on the southeast corner of Del Paso Road and Gateway Park in the City of Sacramento's North Natomas Community Plan area. The Project consists of a total of 894 residential dwelling units.

Mixed Income Housing Policy

The Project site is subject to the City's Mixed Income Housing Policy. The Mixed Income Housing Policy adopted in the City of Sacramento Housing Element and required by the City's Mixed-Income Housing Ordinance, City of Sacramento City Code Chapter 17 190 requires that ten percent (10%) of the units in a Residential Project be affordable to very low income households and five percent (5%) to low income households (collectively the "Inclusionary Requirement" and "Inclusionary Units").

Pursuant to the City Code Section 17 190.110 (B), an Inclusionary Housing Plan ("Plan") must be approved prior to or concurrent with the approval of legislative or adjudicative entitlements for the Project. City Code Section 17 190.030 sets forth the number, unit mix, location, structure type, affordability and phasing of the Inclusionary Units in the Project. This document constitutes the Plan, and, as supplemented and amended from time to time, is intended to begin implementation of the Inclusionary 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 condominium subdivision or residential construction phase. The Inclusionary Housing Agreement will describe with particularity the site and building schematics, phasing and income and sales restrictions for the construction and financing of the Inclusionary Units, pursuant to City Code Section 17 190.110 (C). The Inclusionary Housing Agreement 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 894 residential units, the Inclusionary Requirement for the Project is 89 Very Low Income Units (10%) and 45 Low Income Units (5%).

Total Number of Residential Units within Project:		894	Units
Very Low Income Units:	10%	89	Units
Low Income Units:	5%	45	Units
Total Number of Inclusionary Units:		134	Units

If the Project approvals are amended to increase the number of units in the Project, this Plan will be amended to reflect a number of equal to ten percent (10%) of the increased total residential units in the amended entitlements for Very Low Income Units and five percent (5%) for Low Income Units. If the Project approvals are amended to decrease the number of residential units in the Project, this Plan will be amended to reflect a number equal to ten percent (10%) of the decreased total residential units in the amended entitlements for Very Low Income Units and five percent (5%) for Low Income Units. However, after a building permit has been issued for a structure to contain Inclusionary Units, those Units will be constructed and maintained as Inclusionary Units pursuant to the terms of Chapter 17.190 of the City Code regardless of any subsequent reduction in the number of approved total residential units.

Units by Type and Tenure

The Inclusionary Housing Units shall consist of 134 total rental units developed on Lot GG of the proposed Project and shall be retained by the Developer, its heirs, successors, or assigns as rental units affordable to Low and Very Low Income households. The Developer, its heirs, successors, or assigns shall retain the units for a minimum of 30 years and shall ensure that they are professionally managed by an accredited property management company

Size and Bedroom Count

Inclusionary Units shall be located on-site within Lot GG of the Project as part of a family oriented multi-family residential developments

Lot GG will be developed with a range of unit types and sizes. In the family oriented development, units will range in size from approximately 599 to 1,144 square feet in one, two and three bedroom configurations. However, notwithstanding this projected unit mix, it is anticipated that specific unit types and sizes will be determined in conjunction with individual development of Inclusionary Units on Lot GG of the Project.

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

Affordability Orientation	Approx. Number of Units	Inclusionary Units	Unit Distribution	Unit Type	Approx. Unit Size
Family Affordable	134	134 VL and L distributed proportionally by unit type/size	0% to 30%	1 Bedroom	599
			30% to 70%	2 Bedroom	893
			20% to 40%	3 Bedroom	1,144
TOTAL	134	89 VL 45 L			

Location of Inclusionary Units within Project

Inclusionary Units will be located on Lot GG 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 B (1).

Affordability Requirements

The Inclusionary Units will be rented. These rental units will meet the requirements of City Code Section 17.190.030 regarding number and affordability of units, their location, timing of development, unit sizes, exterior appearance and development standards. The rental units will be available to low and very low income households. Family size for affordable rental units shall be determined in accordance with the regulations of the California Tax Credit Allocation Committee. Monthly Affordable Rents (including utility allowances) of the Inclusionary Units shall be restricted to Low and Very Low Income Households. A unit whose occupancy is restricted to a Very Low Income Household has a monthly rent that does not exceed one-

twelfth of thirty percent (30%) of fifty percent (50%) of the Sacramento area median income, adjusted for family size. A unit whose occupancy is restricted to a Low Income Household has a monthly rent that does not exceed one-twelfth of thirty percent (30%) of eighty percent (80%) of the Sacramento area median income, adjusted for family size. Median income figures are those published annually by the United States Department of Housing and Urban Development. With respect to each Inclusionary Unit, the affordability requirements of this Plan shall continue for no less than thirty (30) years from the recordation of the notice of completion of the Residential Project.

Incentives

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

Marketing

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

Phasing of Development of the Inclusionary Units

The Inclusionary Units shall be developed concurrently with the development of the remaining units in the Project, as may be further defined in Sacramento City Code Section 17.190.030(D). The nature of the concurrency is defined by a series of linkages 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:

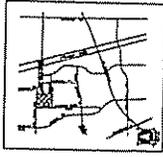
MARKET RATE HOUSING / INCLUSIONARY HOUSING LINKAGES	
Market Rate Activity	Inclusionary Approval Linkage
Approval of legislative entitlements and project-level applications submitted with Legislative entitlements.	Approval of Inclusionary Housing Plan
Approval of the first final map for the residential condominium subdivision or residential construction phase.	Execution of Inclusionary Housing Agreement by Developer
Issuance of building permits in excess of	Issuance of building permits for

65% of single family for sale units in Residential Project.	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.
Marketing of market rate for sale units	Marketing of affordable units should happen concurrently with marketing for market rate units.

Amendment and administration of the Inclusionary Housing Plan

The Planning Director, with the advice of the Executive Director of SHRA, shall administer this Inclusionary Housing Plan. The Planning Director may make minor administrative amendments to the text of this Plan as provided in Sacramento City Code Section 17 190 110 B. (1).

EXHIBIT A
 TENTATIVE SUBDIVISION MAP/
 TENTATIVE SUBDIVISION CONDOMINIUM MAP (LOT A)
NATOMAS PLACE
 CITY OF SACRAMENTO, CALIFORNIA



PROJECT NOTES

1. ALL DISTANCES ARE TO THE CENTER OF THE LOT UNLESS OTHERWISE NOTED.

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PROPOSED IMPROVEMENTS

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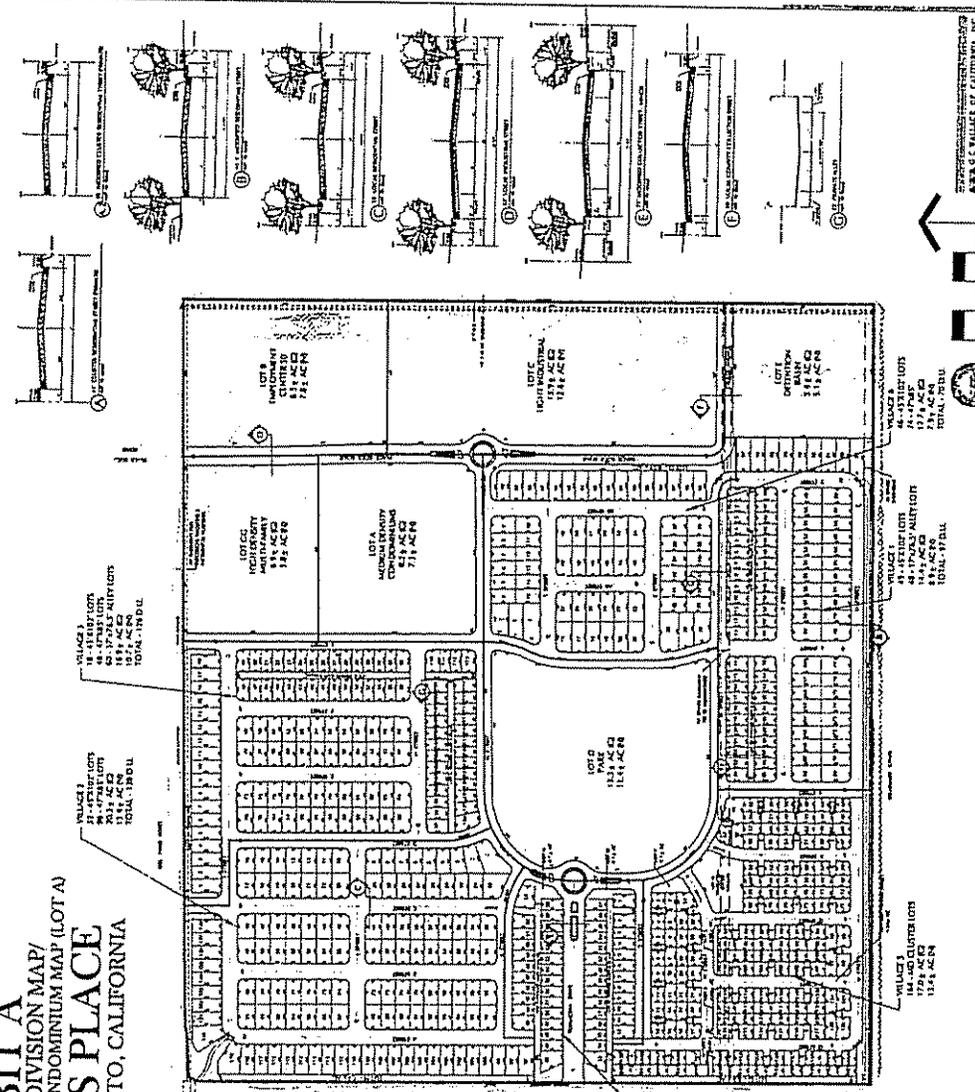
8. ALL DISTANCES ARE TO THE CENTER OF THE LOT UNLESS OTHERWISE NOTED.

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PROPOSED IMPROVEMENTS

ITEM	QUANTITY	UNIT PRICE	TOTAL
1. ALL DISTANCES ARE TO THE CENTER OF THE LOT UNLESS OTHERWISE NOTED.			
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