

RESOLUTION NO. 2005-775

Adopted by the Sacramento City Council

October 25, 2005

RESOLUTION ADOPTING AN INCLUSIONARY HOUSING PLAN FOR THE NATOMAS CENTRAL DEVELOPMENT PROJECT FOR PROPERTY LOCATED IN NORTH NATOMAS, SOUTHWEST OF THE INTERSECTION OF DEL PASO ROAD AND EL CENTRO ROAD, SACRAMENTO, CALIFORNIA. (P04-173) (APN: 225-0080-002, -003, -004, -015 thru -018, -062 & -064)

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 October 25, 2005 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 Central project, attached hereto as Exhibit A.

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Exhibit A: Inclusionary Housing Plan

Adopted by the City of Sacramento City Council on October 25, 2005 by the following vote.

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

Noes: None

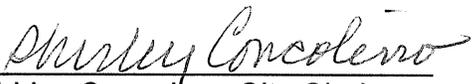
Abstain: None

Absent: Mayor Fargo



Vice-Mayor Ray Tretheway

Attest:



Shirley Concolino, City Clerk

**Natomas Central
Inclusionary Housing Plan
September 8, 2005**

Proposed Project

K. Hovnanian Forecast Homes, (the “Developer”) is the owner and developer of certain real property in the City of Sacramento on which it proposes to develop and construct the Natomas Central Project (the “Project”), a low, medium, and high-density residential community. The approximately 397.9 ± gross acre project is generally located on the southwest corner of Del Paso and El Centro Roads, at the western edge of the City of Sacramento’s North Natomas Community Plan area. The Project consists of a total of 2,533 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 2533 residential units, the Inclusionary Requirement for the Project is 253 Very Low Income Units (10%) and 127 Low Income Units (5%).

Total Number of Residential Units within Project:		380	Units
Very Low Income Units:	10%	253	Units
Low Income Units:	5%	127	Units
Total Number of Inclusionary Units:		380	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 380 total rental units divided between Lots C & D 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 Lots C and D of the Natomas Central Project as part of senior and family oriented multi-family residential developments.

Both lots will be developed with a range of unit types and sizes. In the family oriented development, units will range in size from approximately 550 to 1,300 square feet in one, two and three bedroom configurations. The project’s senior affordable component will generally have smaller units ranging in size from 550 to 1,000 square in one and two 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 Lots C and D 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 Lots C and D shall be made at the staff level by the Planning Director or his/her designee

<u>Affordability Orientation</u>	Approx. Number of Units ϕ	Inclusionary Units ϕ	Unit Distribution	Unit Type	Approx. Unit Size
Family Affordable (Lot C)	200	200 VL and L distributed proportionally by unit type/size	0% to 30%	1 Bedroom	550sf to 800sf
			30% to 70%	2 Bedroom	700sf to 1,000sf
			20% to 40%	3 Bedroom	1,000sf to 1,300sf
Senior Affordable (Lot D)	180	180 VL and L distributed proportionally by unit type/size	60% to 80%	1 Bedroom	550sf to 800sf
			20% to 40%	2 Bedroom	700sf to 1,000sf
TOTAL	380	253 VL 127 L			

ϕ The number of Inclusionary Units developed on Lot C and D may vary from the number identified in the above table by up to twenty (20) units provided that the aggregate number of Inclusionary Units developed between the two sites equals 380 total units.

Location of Inclusionary Units within Project

Inclusionary Units will generally be dispersed between Lots C and D with approximately 200 units allocated to the family oriented development on Lot C and approximately 180 units allocated to the senior oriented development on Lot D. The allocation of units between Lots C and D may vary as part of affordable project development on these Lots by up to a total of twenty (20) units provided that the aggregate number of Inclusionary Units developed between the two sites equals 380 total units. This dispersal is generally 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.

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.

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:

- The Inclusionary Housing Plan shall be approved concurrent with the approval of the Project's tentative map.
- The Inclusionary Housing Agreement shall be executed and recorded concurrent with the recordation of the Project's first final small lot subdivision map for the Project.
- Inclusionary Units shall generally be built concurrently with the market-rate units within the Project consistent with the following provision.
- Up to 65% of the building permits for buildings containing for sale residential units may be issued prior to issuance of building permits for all buildings containing inclusionary units. The remaining 35% of building permits for buildings containing for-sale residential units may be issued after issuance of all building permits for the buildings containing inclusionary units.
- Marketing of inclusionary units within the Project shall occur concurrently with the marketing of 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).