

RESOLUTION NO. 2006-177

Adopted by the Sacramento City Council

March 7, 2006

ADOPTING AN INCLUSIONARY HOUSING PLAN FOR THE CAMERON 5 PROJECT LOCATED NORTHEAST OF THE INTERSECTION OF SHELDON ROAD AND BRUCEVILLE ROAD, SACRAMENTO, CALIFORNIA. (APN: 117-0212-045) (P05-052)

WHEREAS, 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 household and five percent to low income household; and

WHEREAS, the Planning Commission conducted a public hearing on January 12, 2006, and the City Council conducted a public hearing on March 7, 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;

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Sacramento that:

The Inclusionary Housing Plan for the Cameron 5 project is hereby adopted as attached hereto as Exhibit A.

Table of Contents:

Exhibit A: Inclusionary Housing Plan – 6 pages

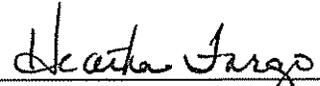
Adopted by the City of Sacramento City Council on March 7, 2006 by the following vote:

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

**Inclusionary Housing Plan
Cameron 5**

Approval Date: _____

Proposed Project

Cameron Family Trust is the owner and Centex Homes Sacramento is the developer (Developer) of that certain real property in the City of Sacramento in which the Developer proposes to develop and construct the Cameron 5 residential community (Project). This 4.70 +/- acre (gross) Project is located at the extension of West Wing Drive and built as an extension of the Sheldon Whitehouse Project. The Project consists of 26 single-family lots. Of the 26 single-family lots, 22 lots will contain detached single family residential units and 4 lots will contain attached half-plex family units.

Mixed Income Housing Policy

The Project site is located in a new growth area and the project is subject to the City's Mixed Income Housing Policy. The Mixed Income Housing Policy was adopted in the City of Sacramento Housing Element and required by the City's Mixed Income Housing Ordinance, City of Sacramento City Code Chapter Section 17.190. Section 17.190.030(B)(1) sets forth the standard inclusionary housing component requiring that ten percent (10%) of the total units in a Residential Project be affordable to very low income households and five percent (5%) for low income households (the "Inclusionary Requirement" and "Inclusionary Units"). However, Section 17.190.030(B)(2) allows exclusively single family development projects of five gross acres or less to meet their inclusionary obligation by providing 15% of their residential units for low-income households. This option is only available if all of the inclusionary units are provided on-site and for-sale.

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 as applicable in this case, adjudicative entitlements for the Project. City Code Section 17.190.110 (A) 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 the Developer and the Sacramento Housing and Redevelopment Agency ("SHRA") and recorded against all the residential land in the Project. The Inclusionary Housing Agreement shall be executed no later than the approval of the final map for the subdivision and recorded concurrently with the recordation of the final map. The Inclusionary Housing Agreement will describe with

Page 1

particularly the site and building schematics and phasing for the construction and of the Inclusionary Units, pursuant to 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 Low Income Households ("Low Income Units") as defined in the Sacramento City Code Section 17 190.030 (B) (2), equal to fifteen percent (15%) of the total number of housing units approved for the Residential Project, respectively. Based on the current Project proposal, the Inclusionary Requirement for the Project is 4 units for Low Income (15%)

Total Number of Units within the Project	26
Low Income Units (15% of units)	4
Total Number of Inclusionary Units	4

If the Project approvals are amended to increase the number of units in the Project, this Plan will be amended to reflect a number equal to fifteen percent (15%) of the increased total residential units in the amended entitlements 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 fifteen percent (15%) for the decreased total residential units in the amended entitlements 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 in the Project.

Units by Type and Tenure

The on-site Inclusionary Housing Units shall consist of 4 half-plex units affordable to and occupied by low income households. It is the intent of the Developer to market the half-plex units as ownership units for "first-time home buyers" as defined in Section 17 190 020. An initial owner who purchases a for-sale inclusionary unit shall occupy that unit as their principal residence and shall certify to the Developer/Builder of the unit that he/she qualifies as a inclusionary housing "first-time home buyer" as defined in Section 17 190 020. SHRA will record a regulatory agreement against each inclusionary unit, detailing the recapture difference between the market sales price and the affordable price (adjusted for inflation) if the home is resold to a non-income qualified buyer in the future.

Size and Bedroom Count

The Inclusionary Housing units shall consist of single family half-plex units. The single family units will range from 900 to 1,100 square feet each, include 2 and 3 bedrooms and be one story units

Location of Inclusionary Units within the Project

Inclusionary Units shall be located on-site within the proposed Cameron 5 Project as part of the single-family residential development. Single family units are planned to be located in pairs at the corners of residential streets within the single-family residential neighborhood, as shown on the Project tentative map

Inclusionary Units will be located on lots designated for half-plex family units. The inclusionary units are placed at the entrance of the project due to lot size constraints and in an effort to maintain a mix of product types throughout the 4.70 +/- site

Specific lots identified for Inclusionary Units have been identified on the Tentative Map, included as Attachment 1. Table 1 summarizes the locations of the inclusionary units within the Project.

**Table 1
Location of Inclusionary Units**

Inclusionary Unit	Level of Affordability	Lot Number	Size of Unit	Number of Bedrooms
1	Low Income	16	936 +/- sq. feet	2 per Unit
2	Low Income	17	1,193 +/- sq. feet	3 per Unit
3	Low Income	23	936 +/- sq. feet	2 per Unit
4	Low Income	24	1,193 +/- sq. feet	3 per Unit

The location of the inclusionary units within the Project are subject to Amendment, consistent with Section 17.190.110 B (1) of the Mixed Income Ordinance

Marketing of Units

The Developer will use their typical newspaper, internet, toll free number and signage to market this community. Information will be available in the off-site sales office regarding the availability of Inclusionary Housing and this will also be incorporated into internet advertising for the project

Affordability Requirements

Sale and occupancy of the Inclusionary Units shall be restricted to households with incomes, at the time of initial occupancy, that do not exceed eighty percent (80%) of the median income for Sacramento County for Low Income households and shall be consistent with the SHRA guidelines. Median income figures are those published annually by the United States Department of Housing and Urban Development.

The sale price of the units will be set so that low income households can qualify for the purchase of the single family units. The sales price will be set such that no more than thirty-five percent (35%) of the gross annual household income of the given income group will be allocated to housing costs. As part of the Inclusionary Housing Agreement, SHRA will provide the Developer with a schedule of maximum sales prices affordable to income ranges.

Sales prices of units will be outlined in the Inclusionary Housing Agreement. The units will be sold initially at an affordable housing price to a low income household as a first time home buyer. An SHRA 30-year note will govern the home's resale, allowing SHRA one hundred and twenty days to refer an income-eligible buyer after notification of the owner's intent to sell. If an income-eligible purchaser is not found, the home may be resold, provided that SHRA recaptures the difference between the home's market value and its affordable housing price as well as any other City or SHRA contributions. The owner occupant will receive his or her initial equity in the home and a portion of the home's appreciated value. The terms of this arrangement will be outlined in the Inclusionary Housing Agreement between SHRA and the Developer.

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 defined in Sacramento City Code Section 17.190.020. 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 activity of inclusionary unit development activity. These milestones are outlined to ensure that the development of affordable units occurs concurrently with development of market rate units:

- The Inclusionary Housing Plan shall be approved concurrently with the approval of the Project's tentative map.
- The Inclusionary Housing Agreement shall be executed prior to the approval of the

- Project's final map
- The Inclusionary Housing Agreement shall be recorded concurrently with the recordation of the Project's final map.
 - Up to 65% of the building permits for market rate residential units may be pulled prior to the issuance of building permits for all inclusionary units in the project
 - The final 35% of the building permits for market rate residential units may be pulled after issuance of building permits for all inclusionary units in the project.
 - Marketing of single family 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 17.190.110B(1).

List of Attachments:

Attachment 1 – Tentative Map, page 6

