

**RESOLUTION NO. 2006-179**

Adopted by the Sacramento City Council

March 7, 2006

**ADOPTING AN INCLUSIONARY HOUSING PLAN FOR THE SHELDON 20 SUBDIVISION LOCATED AT 8119 SHELDON ROAD AT THE INTERSECTION OF SHELDON AND LEWIS STEIN ROADS, SACRAMENTO, CALIFORNIA.**

(APN: 117-0220-001; (P04-219)

**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 households and five percent to low income households; and

**WHEREAS**, the Planning Commission conducted a public hearing on January 26, 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 Sheldon 20 Subdivision project is hereby adopted as attached hereto as Exhibit A.

**Table of Contents:**

Exhibit A - Inclusionary Housing Plan

Exhibit B – Tentative Map

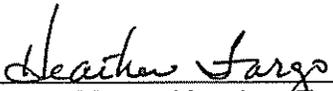
Adopted by the City of Sacramento City Council on March 7, 2006 by the following vote:

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  
Sheldon 20  
Approval Date: March 7, 2006**

**Proposed Project**

Sheldon Golf Center, LLC., 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 Sheldon 20 residential community (Project). The 20.2 +/- acre (gross) Project is located north of Sheldon Road between the Sheldon Estates Development and The Garfoot Greens Development. The Project consists of 89 single-family lots. Of the 89 single-family lots, 75 lots will contain detached single family residential units and 14 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 particularity the site and building schematics and phasing for the construction 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 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 Residential Project, respectively. Based on the current Project proposal, the Inclusionary Requirement for the Project is 9 units for Very Low Income (10%) and 5 units for Low Income (5%).

|  |    |
|--|----|
| Total Number of Units within the Project | 89 |
| Very Low Income Units (10% of units)     | 9  |
| Low Income Units (5% of units)           | 5  |
| Total Number of Inclusionary Units       | 14 |

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 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 in the Project.

**Units by Type and Tenure**

The on-site Inclusionary Housing Units shall consist of 14 half-plex units affordable to and occupied by low income and very 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 approximately 936 to approximately 1,193 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 Sheldon 20 Project as part of the single-family residential development. The 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 dispersed throughout the Project on lots designated for single family units. The inclusionary units are geographically distributed throughout the Project and located so that the ratio of inclusionary units to market rate units is consistent among the project.

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             | 8          | 1,193 +/- sq. feet | 3 per Unit         |
| 2                 | Very Low Income        | 9          | 936 +/- sq. feet   | 2 per Unit         |
| 3                 | Very Low Income        | 26         | 936 +/- sq. feet   | 2 per Unit         |
| 4                 | Very Low Income        | 27         | 1,193 +/- sq. feet | 3 per Unit         |
| 5                 | Low Income             | 33         | 1,193 +/- sq. feet | 3 per Unit         |
| 6                 | Very Low Income        | 34         | 936 +/- sq. feet   | 2 per Unit         |
| 7                 | Low Income             | 42         | 1,193 +/- sq. feet | 3 per Unit         |
| 8                 | Very Low Income        | 43         | 936 +/- sq. feet   | 2 per Unit         |
| 9                 | Low Income             | 62         | 1,193 +/- sq. feet | 3 per Unit         |
| 10                | Very Low Income        | 63         | 936 +/- sq. feet   | 2 per Unit         |
| 11                | Very Low Income        | 81         | 1,193 +/- sq. feet | 3 per Unit         |
| 12                | Very Low Income        | 82         | 936 +/- sq. feet   | 2 per Unit         |
| 13                | Low Income             | 88         | 1,193 +/- sq. feet | 3 per Unit         |
| 14                | Very Low Income        | 89         | 936 +/- sq. feet   | 2 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 fifty percent (50%) of the median income for Sacramento County, adjusted for actual household size for Very Low Income households and eighty percent (80%) of the median income 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 and very 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 or very low income household with a first time home buyer. An SHRA 30-year note will govern the home's resale, allowing SHRA one hundred and twenty (120) 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).

# Exhibit B

