

RESOLUTION NO. 2006-211

Adopted by the Sacramento City Council

March 21, 2006

ADOPTING THE INCLUSIONARY HOUSING PLAN FOR THE PATTERSON SUBDIVISION LOCATED AT MARYSVILLE BOULEVARD AND DRY CREEK ROAD WITHIN THE NORTH SACRAMENTO COMMUNITY PLAN AREA. SACRAMENTO, CALIFORNIA. (P05-105) (APN: 237-0091-003, -004)

BACKGROUND

The City Council conducted a public hearing on March 21, 2006 concerning the Inclusionary Housing Plan, and, based on documentary and oral evidence submitted at the public hearing, the City Council hereby finds:

- A. The proposed project is located in a new growth area and is subject to the City's mixed income housing requirements that 15 percent of the residential units be affordable to "low" and "very low" income households; and
- B. 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 Inclusionary Housing Plan for the Patterson Subdivision (P05-105) is hereby adopted as attached hereto as Exhibit A.

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Exhibit A: Inclusionary Housing Plan – 1 Page

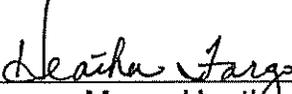
Adopted by the City of Sacramento City Council on March 21, 2006 by the following vote:

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

Noes: None.

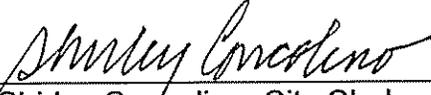
Abstain: None.

Absent: None.



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk

**Inclusionary Housing Plan
Rancho El Paso
(Formerly Patterson project)
November 30, 2005**

Proposed Project

Sycamore Ventures, LLC is the owner and developer (Developer) of that certain real property in the City of Sacramento in which the Developer proposes to develop and construct the Rancho El Paso residential community (Project). This 7.9 +/- acre (gross) Project is located north of Highway 80 and Bell Road and between Dry Creek and Marysville Blvd. The Project consists of 63 single-family units. Of the 63 single-family units, 53 lots will contain detached single family residential units and 5 lots will contain 10 half-plex 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 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 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").

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 and recorded no later than the approval of the final map for the subdivision. The Inclusionary Housing Agreement will describe with particularity the site and building schematics and financial arrangements for the construction and financing 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 6 units for Very Low Income (10%) and 3 units for Low Income (5%).

Total Number of Units within the Project	58
Very Low Income Units (10% of units)	6
Low Income Units (5% of units)	3
Total Number of Inclusionary Units	9

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%) for 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 Inclusionary Housing Units shall consist of 9 half-plex units. Developer will offer the half-plex units as ownership units. 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 is a first time home buyer. 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 half-plex units. The half-plex units will range from 900 to 1,000 square feet each, include 2 and 3 bedrooms and be one to two story units.

Location of Inclusionary Units within the Project

Inclusionary Units shall be located on-site within the proposed Project as part of the single-family residential development. Half-plex units are planned to be located on Lot 2 A&B, 28 A&B, 29 A, 50 A&B, and 51 A&B as shown on the Project tentative map. In the City's R-1 zone, half-plex units are permitted on corner lots.

It is possible to evenly distribute the number of Inclusionary Units among the location of the corner half-plex units. Specific lots identified for Inclusionary Units will be identified on the Tentative Map prior to approval by City Council, 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(s)	Size of Unit
6	Very Low Income	2 A&B, 28 A&B & 51 A&B	900-1000 sq feet
3	Low Income	29 A, 50 A&B	900-1000 sq feet

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.

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 half-plex units. The sales price will be set such that no more than thirty 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

household with a first time home buyer. An SHRA 30-year note will govern the home's resale, allowing SHRA ninety days to refer an income-eligible buyer after notification of the owners, 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 concurrent with development of market rate units:

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 first final map for Residential Project	Execution of Inclusionary Housing Agreement by Sycamore Ventures, LLC
Recordation of first final map for Residential Project.	Recordation of Inclusionary Housing Agreement
Issuance of building permits in excess of 50% of single family for sale units in Residential Project.	Issuance of building permits for 100% of the Inclusionary Housing Units
Marketing market rate units within the project	Marketing of half-plex units within project

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)

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