

Housing Authority of the City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: APPROVAL OF BOND DOCUMENTS TO FINANCE THE COUNTRYWOOD VILLAGE APARTMENTS (5500 MACK RD.), GREENFAIR APARTMENTS (701 FAIRGROUNDS DRIVE), AND TERRACINA GOLD, VILLAGE 2 APARTMENTS (SWC Del Paso Rd. and Gateway Park Blvd.)

LOCATION & COUNCIL DISTRICT

Countrywood Village Apartments, 5500 Mack Road, District 8
Greenfair Apartments, 701 Fairgrounds Drive, District 5
Terracina Gold Apartments-Village 2, SWC Del Paso Rd. and Gateway Park Blvd., District 1

RECOMMENDATION

Staff recommends adoption of the attached resolutions approving bond documents authorizing the issuance of not more than \$11,465,000 in multifamily mortgage revenue bonds for the acquisition, rehabilitation, and permanent financing for the Countrywood Village Apartments; \$15,000,000 for the acquisition, rehabilitation, and permanent financing for the Greenfair Apartments; and \$7,500,000 for the acquisition, construction, and permanent financing for the Terracina Gold Apartments-Village 2.

CONTACT PERSONS

John Dangberg, Director of Community Development - City, 440-1357
Darren Bobrowsky, Housing Finance Specialist, 440-1328

FOR COUNCIL MEETING OF November 14, 2000

SUMMARY

The report recommends final authorization of multifamily mortgage revenue bond issues to provide acquisition, construction/rehabilitation, and permanent financing for the Countrywood Village Apartments, Greenfair Apartments, and Terracina Gold Apartments-Village 2. The City Council and Housing Authority of the City of Sacramento previously held hearings and adopted

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resolutions approving these projects, subject to the award of private activity bond allocation and approval of bond documents.

Prior Governing Board Action

Between June 6, 2000 and July 27, 2000, the Housing Authority of the City of Sacramento and Sacramento City Council held inducement and Tax Equity and Fiscal Responsibility Act (TEFRA) hearings and adopted resolutions authorizing the issuance of tax-exempt mortgage revenue bonds for the Countrywood Village Apartments, Greenfair Apartments, and Terracina Gold Apartments-Village 2.

On September 12, 2000, the California Debt Limit Allocation Committee (CDLAC) awarded private activity bond allocations for these projects. Bonds must be issued within 90 days of this allocation date.

The following chart is a summary of the projects. Complete project descriptions including developer information, sources and uses of funds, and project cash flows can be found in Attachments I-III.

| <u>Project</u> | <u>Location</u> | <u>Total No. of Units</u> | <u>Affordability</u> | <u>Bond Amount (max.)</u> |
|--------------------------------|---|---------------------------|---|---------------------------|
| Countrywood Village Apts. | 5500 Mack Road | 292 | 59 units (20%) @ 50% of median income and 232 units (80%) @ 60% of median income | \$11,465,000 |
| Greenfair Apts. | 701 Fairgrounds Drive | 386 | 39 units (10%) @ 50% of median income and 347 units (90%) @ 60% of median income | \$15,000,000 |
| Terracina Gold Apts.-Village 2 | SWC Del Paso Rd. and Gateway Park Blvd. | 120 | 24 units (20%) @ 50% of median income and 68 units (56%) @ 60% of median income | \$7,500,000 |

Maximum rent and income limits for the mortgage revenue bond and low-income housing tax-credit programs can be found in Attachment IV.

FINANCIAL CONSIDERATIONS

The proposed mortgage revenue bonds will not be an obligation of the City, Housing Authority, or the Agency. Instead, they will be an obligation of the projects' owners and are secured by a third party credit enhancement. Upon issuance of the bonds, the Agency will collect a one-time fee of 25 basis points (.25%) of the issuance amount. The Agency will also collect annual administrative fees equal to 15 basis points (.15%) of the issuance amount to offset the ongoing monitoring of the project.

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POLICY CONSIDERATIONS

The actions recommended in this report are consistent with previously approved Mortgage Revenue Bond Policy. The Agency will actively monitor the developer's compliance with the regulatory agreement and the physical condition of the property.

ENVIRONMENTAL REVIEW

The Countrywood and Greenfair projects are exempt from CEQA per Guidelines section 15301, and categorically excluded from NEPA per 24CFR Part 58.35(a)(3)(I). Terracina is exempt from Agency CEQA review per Agency CEQA Guidelines section 15310, and NEPA does not apply.

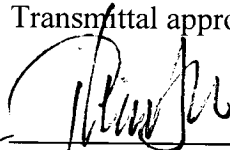
M/WBE CONSIDERATIONS

The actions requested in this report have no M/WBE implications.

Respectfully submitted,

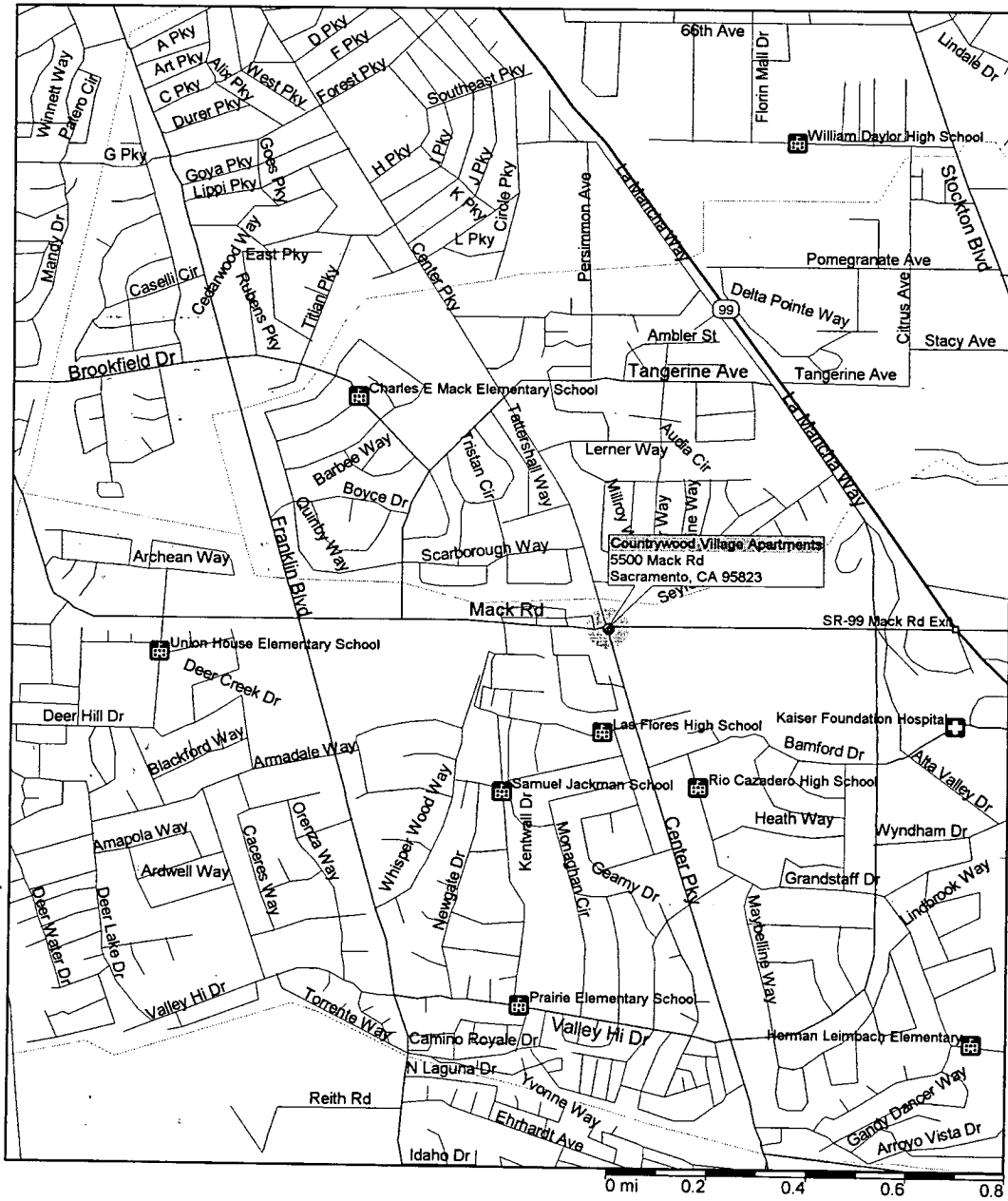

ANNE M. MOORE
Executive Director

Transmittal approved,



ROBERT P. THOMAS
City Manager

Countrywood Village Apartments 5500 Mack Road



Project Description – Countrywood Village Apartments

Project

Pacific American Properties, a subsidiary of FowlerShore & Flanagan (Developer) is in escrow to purchase the Countrywood Village Apartments, which is a 292-unit multi-family rental complex located at 5500 Mack Road in South Sacramento. The complex was constructed in 1982 in two phases and consists of 146 one-bedroom/one-bath units, 73 two-bedroom/one-bath units, and 73 two-bedroom/two-bath units. The units are 630, 838, and 856 square feet, respectively. Amenities on-site include two swimming pools with spas, laundry rooms, tennis court, and covered parking.

Rehabilitation

The Developer proposes to renovate this 18-year old complex to cure deferred maintenance items and bring it up to current market standards. The Developer proposes to undertake rehabilitation on-site totaling \$3,165,785 or \$10,842 per unit. The proposed scope of rehabilitation includes roofing, replacement of all siding with Hardiplank, landscaping enhancement, new hot water boilers, dryrot and termite repair work, exterior painting, construction of two tot lots, a community building for a HeadStart Daycare facility, BBQ grills, and picnic tables and benches. Individual rental units will be upgraded with hardwired smoke detectors and GFCI electrical outlets. Some units will receive appliances, countertops, kitchen sink and faucets, bathroom vanity w/sink and faucet, floor coverings, and painting.

Resident Services/Child Care

In addition to these physical improvements the property will offer resident services to the tenants of the community including homework assistance, computer instruction, and English as a Second Language classes. Threshold Housing, a local non-profit housing development corporation, will provide these services. The Developer has been discussing with SETA the possibility to locate a HeadStart Day Care facility on-site in the newly constructed community building. The community building will be constructed to met SETA requirements to allow for the location of the HeadStart center.

Developer

Pacific American Properties has developed 10 affordable housing developments containing 1,789 units including the Parkside Terrace Apartments on Sunnyslope Drive in the County of Sacramento. Pacific American Properties' performance has been satisfactory in this development. FlowerShore and Flanagan has developer over 28,000 multifamily housing units.

Bond Financing

A tax-exempt variable rate bond and taxable fixed rate bond will finance this project. It is anticipated that the loan will consist of 85% tax-exempt and 15% taxable bonds. Fannie Mae will provide credit enhancement for these bonds, which will allow a credit rating of triple-A, the highest possible rating.

Agency Financing

The Sacramento Housing and Redevelopment Agency's Loan Committee has approved a \$515,000 HOME loan to assist with the rehabilitation of this project.

DEVELOPER'S PRELIMINARY PROPOSAL

| | | Countrywood Village Apartments | | | |
|---|--|---------------------------------------|-------------------|------------------------|-------------------|
| Address Number of Units Year Built | 5500 Mack Road 292 1982 | | | | |
| Affordability | 20% of units @ or below 50% of median 80% of units @ or below 60% of median | | | | |
| Unit Mix and Rents | | PROPOSED RENTS | | MAXIMUM RENTS | |
| | | 50% Median | 60% Median | 50% Median | 60% Median |
| | 1 BD / 1BA | \$495 | \$495 | \$529 | \$595 |
| | 2 BD / 1 BA | \$570 | \$570 | \$595 | \$661 |
| | 2 BD / 2 BA | \$595 | \$595 | \$595 | \$661 |
| Square Footage | 1 BD 2 BD | 630 838-856 | | | |
| Resident Facilities | Two swimming pools, tennis court, covered parking. Two tot lots and community room to be constructed. | | | | |
| Sources and Uses of Funds | | | | | |
| Sources | | | | | |
| | | | <i>Per Unit</i> | <i>Per Square Foot</i> | |
| Bond Proceeds | \$ 11,915,000 | \$ | 40,805 | 53.69 | |
| Investor Equity | \$ 3,663,100 | \$ | 12,545 | 16.51 | |
| Cash Flow during Const. | \$ 92,599 | \$ | 317 | 0.42 | |
| Total Sources of Funds | \$ 15,670,699 | \$ | 53,667 | 70.61 | |
| Uses | | | | | |
| | | | <i>Per Unit</i> | <i>Per Square Foot</i> | |
| Property Acquisition | \$ 10,800,000 | \$ | 36,986 | \$ 48.66 | |
| Construction | \$ 2,563,628 | \$ | 8,780 | \$ 11.55 | |
| Contractor Overhead/Profit | \$ 263,315 | \$ | 902 | \$ 1.19 | |
| Bond Financing Costs | \$ 430,899 | \$ | 1,476 | \$ 1.94 | |
| Legal/Title/Taxes/Insurance | \$ 54,200 | \$ | 186 | \$ 0.24 | |
| Architectural/Engineering | \$ 2,800 | \$ | 10 | \$ 0.01 | |
| Operating Reserves | \$ 146,490 | \$ | 502 | \$ 0.66 | |
| Tax Credit Costs | \$ 169,220 | \$ | 580 | \$ 0.76 | |
| Contingency | \$ 316,579 | \$ | 1,084 | \$ 1.43 | |
| Developer Fee | \$ 923,568 | \$ | 3,163 | \$ 4.16 | |
| Total Uses of Funds | \$ 15,670,699 | \$ | 53,667 | \$ 70.61 | |
| Management - Operations | | | | | |
| Proposed Developer | Pacific American Properties | | | | |
| Property Management Company | Jon Berkley Management | | | | |
| Operations Budget (Total / Per Unit) | \$ 716,689 | \$ | 2,454 | | |
| Operating and Replacement Reserves (Total / Per Unit) | \$ 87,600 | \$ | 300 | | |
| Letter of Credit Provided By: | Fannie Mae - AAA Rated | | | | |
| Tax Credit Investor | To be determined | | | | |

Countrywood Village Apartments

Bond Financing:
\$11,485,000 @ 7.23%,
30 year amort.

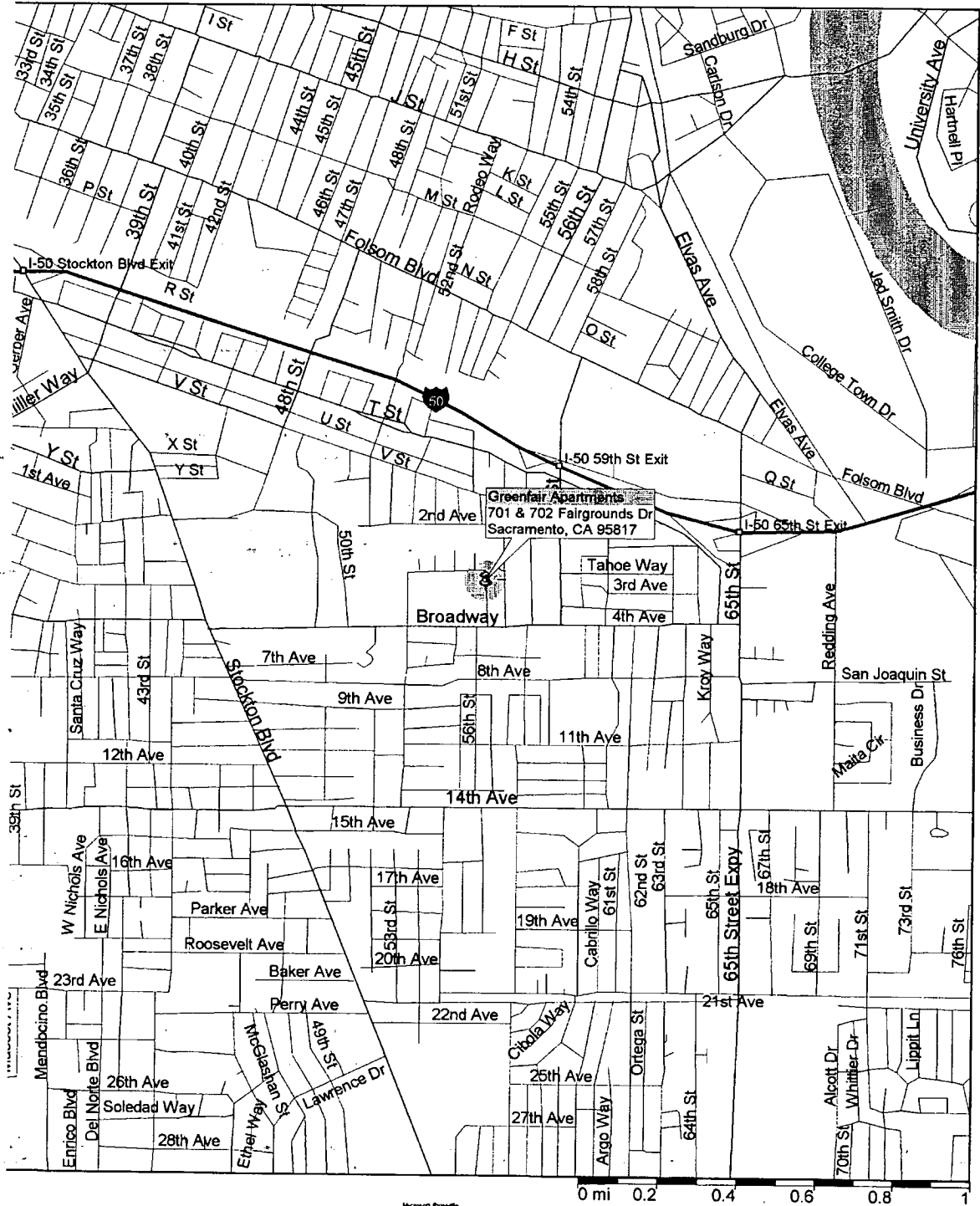
Agency Financing:
\$515K @ 4%, 5 year deferrment,
monthly payments of \$3,333 for 25 years

| Unit Type | Number | Sq. Ft. | Total Sq.Ft. | Monthly Rent (Net) | Per Sq. Ft. | Gross Annl. Rent |
|---------------------------------|------------|------------|----------------|--------------------|----------------|---------------------|
| 1 Bedroom / 1 Bath - 50% median | 35 | 630 | 22,050 | \$ 508 | \$ 0.81 | \$ 213,360 |
| 1 Bedroom / 1 Bath - 60% median | 81 | 630 | 51,030 | \$ 508 | \$ 0.81 | \$ 493,776 |
| 2 Bedroom / 1 Bath - 50% median | 30 | 838 | 25,140 | \$ 556 | \$ 0.66 | \$ 200,160 |
| 2 Bedroom / 1 Bath - 60% median | 70 | 838 | 58,660 | \$ 556 | \$ 0.66 | \$ 467,040 |
| 2 Bedroom / 2 Bath - 50% median | 23 | 856 | 19,688 | \$ 585 | \$ 0.68 | \$ 161,460 |
| 2 Bedroom / 2 Bath - 60% median | 53 | 856 | 45,368 | \$ 585 | \$ 0.68 | \$ 372,060 |
| Total / Average | 292 | 693 | 221,936 | \$ 550 | \$ 0.72 | \$ 1,907,856 |

| | Increase / Yr | Per Unit | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 10 | Year 15 | Year 20 | Year 25 | Year 30 |
|--|---------------|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Annualized Gross Income | 2.5% | \$ 6,534 | \$ 1,907,856 | \$ 1,955,552 | \$ 2,004,441 | \$ 2,054,552 | \$ 2,105,916 | \$ 2,158,564 | \$ 2,382,651 | \$ 2,695,751 | \$ 3,049,994 | \$ 3,450,789 | \$ 3,904,251 |
| Other Income | 2.5% | 375 | 92,000 | 94,300 | 96,658 | 99,074 | 101,551 | 104,090 | 114,895 | 129,994 | 147,076 | 166,403 | 188,269 |
| Vacancy / Concessions / Employee (5.5%) | | (359) | (104,932) | (107,555) | (110,244) | (113,000) | (115,825) | (118,721) | (131,046) | (148,266) | (167,750) | (189,793) | (214,734) |
| Effective Gross Income | | \$ 6,489 | \$ 1,894,924 | \$ 1,942,297 | \$ 1,990,854 | \$ 2,040,626 | \$ 2,091,641 | \$ 2,143,932 | \$ 2,366,500 | \$ 2,677,478 | \$ 3,029,320 | \$ 3,427,398 | \$ 3,877,786 |
| Expenses | | | | | | | | | | | | | |
| Operating and Maintenance | 3.5% | \$ 2,616 | 763,967 | 790,706 | 818,381 | 847,024 | 876,670 | 907,353 | 1,041,209 | 1,236,629 | 1,468,728 | 1,744,388 | 2,071,785 |
| Prop. Taxes-Direct Assessments | 2.0% | 82 | 23,941 | 24,420 | 24,908 | 25,406 | 25,915 | 26,433 | 28,612 | 31,590 | 34,878 | 38,508 | 42,515 |
| Prop. Taxes-20% Payment in Lieu | 2.0% | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital Expenditures & Reserves | 5.0% | - | - | 36,500 | 73,000 | 76,650 | 80,483 | 84,507 | 102,718 | 131,098 | 167,317 | 213,544 | 272,542 |
| Total Expenses | | \$ 2,698 | \$ 787,908 | \$ 851,626 | \$ 916,289 | \$ 949,080 | \$ 983,067 | \$ 1,018,293 | \$ 1,172,539 | \$ 1,399,316 | \$ 1,670,922 | \$ 1,996,439 | \$ 2,386,843 |
| Net Operating Income | | \$ 3,791 | \$ 1,107,016 | \$ 1,090,671 | \$ 1,074,566 | \$ 1,091,546 | \$ 1,108,575 | \$ 1,125,640 | \$ 1,193,962 | \$ 1,278,162 | \$ 1,358,398 | \$ 1,430,959 | \$ 1,490,943 |
| Debt Service - Tax-Exempt Bonds | | \$ 3,035 | \$ 886,163 | \$ 886,163 | \$ 886,163 | \$ 886,163 | \$ 886,163 | \$ 886,163 | \$ 886,163 | \$ 886,163 | \$ 886,163 | \$ 886,163 | \$ 886,163 |
| Agency Loan | | | \$515,000 | \$515,000 | \$515,000 | \$515,000 | \$515,000 | \$515,000 | \$515,000 | \$462,228 | \$345,719 | \$203,967 | \$38,740 |
| Interest @ 4% | | | 20,600 | 20,600 | 20,600 | 20,600 | 20,600 | 20,600 | 20,600 | 18,489 | 13,829 | 8,159 | 1,550 |
| Accrued Interest | | | 20,600 | 41,200 | 61,800 | 82,400 | 103,000 | 123,600 | 46,000 | - | - | - | - |
| Debt Service - Agency Loan | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$32,764 |
| Debt Coverage Ratio- Tax Exempt Bonds | | | 1.25 | 1.23 | 1.21 | 1.23 | 1.25 | 1.27 | 1.35 | 1.44 | 1.53 | 1.61 | 1.68 |
| Debt Coverage Ratio- Combined | | | 1.25 | 1.23 | 1.21 | 1.23 | 1.25 | 1.22 | 1.29 | 1.38 | 1.47 | 1.55 | 1.62 |
| Cash Flow after Scheduled Debt Service | | | \$ 220,853 | \$ 204,508 | \$ 188,402 | \$ 205,382 | \$ 222,411 | \$ 199,477 | \$ 267,798 | \$ 351,998 | \$ 432,235 | \$ 504,796 | \$ 572,016 |
| Developer Fee Note | | | \$ 29,965 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest @ 5.5% | | | 1,648 | - | - | - | - | - | - | - | - | - | - |
| Payment from Cash Flow (75%) After Debt Service | | | 31,613 | 153,381 | 141,302 | 154,037 | 116,931 | - | - | - | - | - | - |
| Cash Available for Distribution | | | \$ 189,240 | \$ 51,127 | \$ 47,101 | \$ 51,346 | \$ 105,480 | \$ 199,477 | \$ 267,798 | \$ 351,998 | \$ 432,235 | \$ 504,796 | \$ 572,016 |

Attachment I-Cash Flow Proforma

Greenfair Apartments Site Location Map



Project Description – Greenfair Apartments

Project

Preservation Properties, LLC, is under contract to purchase the Greenfair Apartments, which totals 386 units located at Fairgrounds Drive and Broadway in Sacramento. The complex includes two high-rises, with 306 apartments, and 80 low-rise apartments, all housing senior citizens. All of the units are covered by Section 8 project-based assistance. The term of the Section 8 contract is expiring, and the existing owners have the right to end the assistance and sell the development. The applicant intends to renew the Section 8 contract to avoid the potential displacement of the residents, who are all very low-income.

Greenfair Towers I and II are 9-story reinforced concrete structures built in 1975. They contain, respectively, 112 and 194 one-bedroom units averaging 606 square feet. In addition, the project includes three different low-rise apartments with 28, 28 and 24 units, respectively, split evenly between 1- and 2-bedroom apartments. The entire development was part of the Department of Housing and Urban Development's Operation Breakthrough program, which included six different building systems, some of which contained experimental construction materials. Staff has confirmed that the units included in this proposed project were not constructed with experimental materials. The high-rise apartments (Greenfair Towers I and II) were constructed conventionally; the low-rise apartments are modular units constructed with conventional materials and assembled on-site.

Rehabilitation

The Developer has conducted a capital needs assessment and proposes to renovate the buildings to cure deferred maintenance items and bring them up to current market standards. Immediate rehabilitation expenditures on-site total approximately \$2 million in rehabilitation costs or \$5,181 per unit. The proposed scope of rehabilitation includes roofing, new heating and cooling systems, and upgrading of individual units with new electrical fixtures, floor and window coverings, replacement of kitchen appliances, new cabinets in the kitchens and baths, replacement of three boilers, and other improvements.

Resident Services

In addition to these physical improvements the property will offer resident services to the tenants including recreation and consumer education programs. Amenities include sewing and craft rooms, pool and recreation area, tennis courts, Jacuzzi, laundry, beauty shop, full common kitchen and dining room, and two libraries. The services will be provided through a non profit entity.

Developer

The principals of Preservation Properties LLC include Western America Properties, Gary Squier, David Perel, and Alex Tucciarone. Mr. Squier and Mr. Perel have had 25 years of experience in housing development and tax-exempt bond finance. Western America Properties is a property management company with 800 units in its portfolio, and it will manage the Greenfair Apartments. Preservation Properties LLC has acquired and rehabilitated five HUD-assisted complexes in Los Angeles and will maintain a long-term ownership interest in Greenfair.

Bond Financing

The bonds are proposed to be variable rate and secured by a Citibank letter of credit, therefore providing the bonds with a triple-A credit rating, the highest possible rating.

Agency Financing

The Sacramento Housing and Redevelopment Agency's Loan Committee has approved a \$1,000,000 HOME loan to assist in the development of this project.

Greenfair

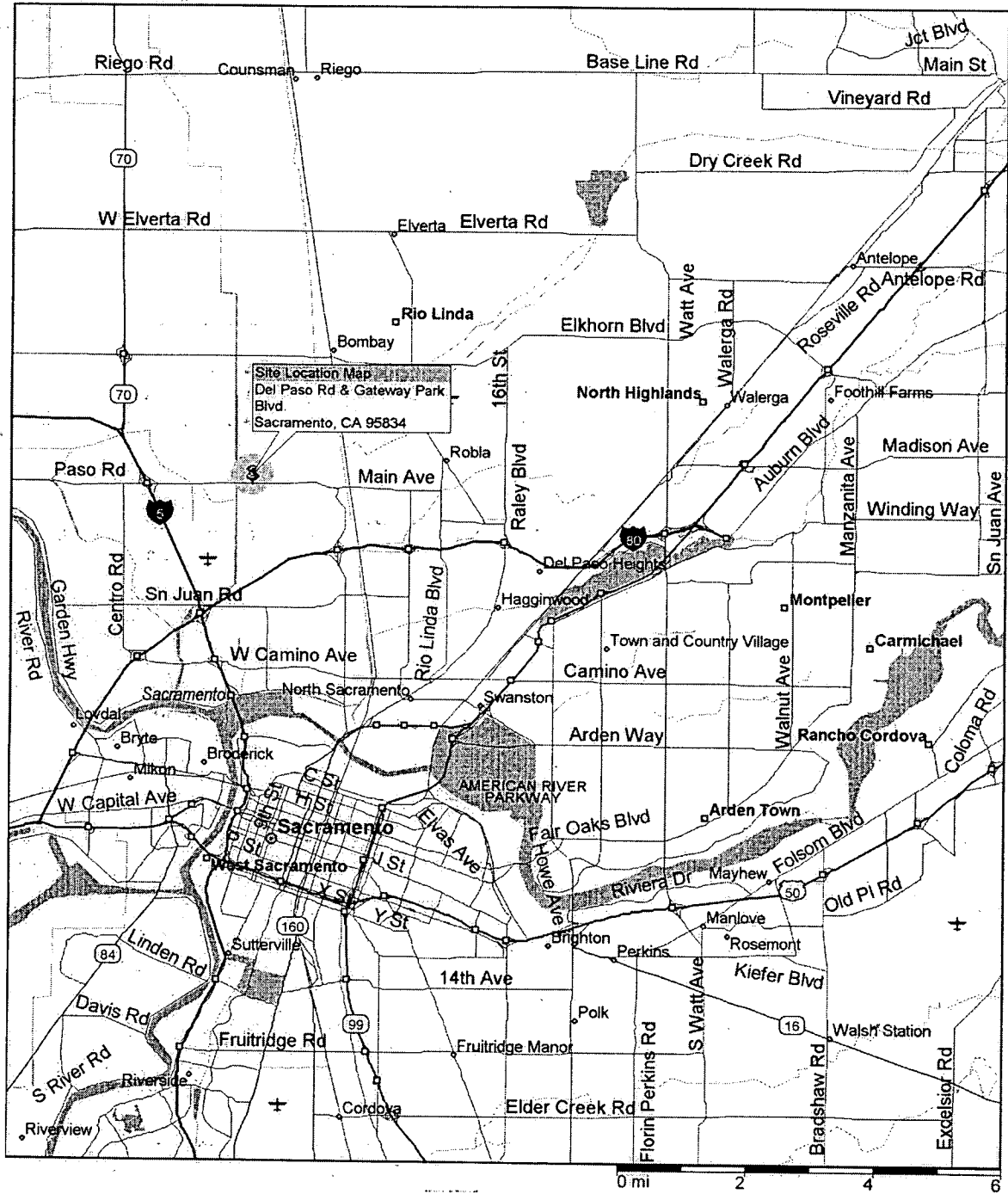
| Rent as % AMI | FMR (10/00) | UNITS | UNIT TYPE | Unit Description | Gross Rent | Utilities | Rent - Utilities | Gross Pt Income | Market Rents | % of FMR | Mkt Income | OTHER INCOME | |
|---------------|-------------|-------|-----------|------------------|--------------|-----------|------------------|-----------------|--------------|----------|------------|--------------|--------|
| 60% | 515 | 113 | Tower I | 1-br 60% | 594 | 0 | 594 | 67,122 | 670 | 130% | 908,520 | Laundry | 11,160 |
| 60% | 515 | 193 | Tower II | 1-br 60% | 594 | 0 | 594 | 114,642 | 670 | 130% | 1,551,720 | Retail | 3,600 |
| 60% | 515 | 23 | ABC | 1-br 60% | 594 | 40 | 554 | 12,742 | 630 | 122% | 173,880 | Other | 25,000 |
| 60% | 645 | 22 | ABC | 2-br 60% | 714 | 50 | 664 | 14,608 | 780 | 121% | 205,920 | Other | |
| 60% | 515 | 16 | CW* | 1-br 60% | 594 | 40 | 554 | 8,864 | 630 | 122% | 120,960 | Total | 39,760 |
| 60% | 645 | 8 | CW | 2-br 60% | 714 | 40 | 674 | 5,392 | 630 | 98% | 60,480 | | |
| 100% | 515 | 3 | HOME | 1-br 50% | 495 | 40 | 455 | 1,365 | | | | | |
| 100% | 645 | 8 | HOME | 2-br 60% | 714 | 50 | 664 | 5,312 | | | | | |
| | | 386 | | | Total Annual | | | 2,760,564 | | | 3,021,480 | 7,828 | 652 |
| | | 298 | | | | | | | | | 260,916 | | |

ASSUMPTIONS

| | | | |
|------------------------------|-------|-------------------------|----------|
| Residential Income Inflation | 2.50% | Unit Operating Expenses | \$ 3,444 |
| Laundry/Misc. Inflation | 2.50% | Unit Operating Reserves | |
| Operating Expenses Inflation | 3.50% | Replace Res rate of inc | 2.0% |
| Vacancy | 5.00% | Property Tax Increase | 0.0% |
| Reserves/Unit | 250 | | |
| Appraisal Cap Rate | 7.50% | | |

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Residential Income | 2,760,564 | 2,829,578 | 2,900,318 | 2,972,825 | 3,047,146 | 3,123,325 | 3,201,408 | 3,281,443 | 3,363,479 | 3,447,566 | 3,533,755 | 3,622,099 | 3,712,652 | 3,805,468 | 3,900,605 |
| Retail | 3,600 | 3,690 | 3,782 | 3,877 | 3,974 | 4,073 | 4,175 | 4,279 | 4,386 | 4,496 | 4,608 | 4,724 | 4,842 | 4,963 | 5,087 |
| Other | 39,760 | 40,754 | 41,773 | 42,817 | 43,888 | 44,985 | 46,109 | 47,262 | 48,444 | 49,655 | 50,896 | 52,169 | 53,473 | 54,810 | 56,180 |
| Additional Market Rents | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| GROSS RENTAL INCOME | 2,803,924 | 2,874,022 | 2,945,873 | 3,019,519 | 3,095,007 | 3,172,383 | 3,251,692 | 3,332,985 | 3,416,309 | 3,501,717 | 3,589,260 | 3,678,991 | 3,770,966 | 3,865,240 | 3,961,871 |
| Vacancy | 140,196 | 143,701 | 147,294 | 150,976 | 154,750 | 158,619 | 162,585 | 166,649 | 170,815 | 175,086 | 179,463 | 183,950 | 188,548 | 193,262 | 198,094 |
| EFFECTIVE GROSS INCOME | 2,663,728 | 2,730,321 | 2,798,579 | 2,868,543 | 2,940,257 | 3,013,764 | 3,089,108 | 3,166,335 | 3,245,494 | 3,326,631 | 3,409,797 | 3,495,042 | 3,582,418 | 3,671,978 | 3,763,778 |
| Other Income/subsidy | | | | | | | | | | | | | | | |
| Operating Expenses | 3,444 | | | | | | | | | | | | | | |
| R E Taxes, value cap : rate | 8% | 0.00% | | | | | | | | | | | | | |
| Replacement Reserve | 250 | | | | | | | | | | | | | | |
| NOI | 1,237,995 | 1,258,065 | 1,278,171 | 1,298,299 | 1,318,432 | 1,338,552 | 1,358,641 | 1,378,680 | 1,398,647 | 1,418,523 | 1,438,282 | 1,457,902 | 1,477,355 | 1,496,616 | 1,515,655 |
| Primary Debt Service | 1,031,451 | 1,031,451 | 1,031,451 | 1,031,451 | 1,031,451 | 1,031,451 | 1,031,451 | 1,031,451 | 1,031,451 | 1,031,451 | 1,031,451 | 1,031,451 | 1,031,451 | 1,031,451 | 1,031,451 |
| Agency Loan Repayment | | 40,000 | 40,000 | 40,000 | 152,122 | 152,122 | 152,122 | 152,122 | 152,122 | 152,122 | 152,122 | 152,122 | 152,122 | 152,122 | 152,122 |
| Total Debt Service | 1,031,451 | 1,071,451 | 1,071,451 | 1,071,451 | 1,183,573 | 1,183,573 | 1,183,573 | 1,183,573 | 1,183,573 | 1,183,573 | 1,183,573 | 1,183,573 | 1,183,573 | 1,031,451 | 1,031,451 |
| CASHFLOW AFTER DEBT SERVICE | 206,544 | 186,614 | 206,721 | 226,848 | 134,859 | 154,979 | 175,068 | 195,107 | 215,075 | 234,950 | 254,710 | 274,329 | 293,881 | 313,527 | 333,126 |
| Developer Fee Repayment | 720,599 | 6.00% | 10 | 97,906 | 97,906 | 97,906 | 97,906 | 97,906 | 97,906 | 97,906 | 97,906 | 97,906 | 97,906 | 97,906 | 97,906 |
| Cashflow after Dev Fee Payment | | | | 108,638 | 88,708 | 108,814 | 128,942 | 36,952 | 57,073 | 77,162 | 97,201 | 117,168 | 137,044 | 254,710 | 274,329 |
| Surplus Cash from Sec 8 Rents | | | | 260,916 | 266,134 | 271,457 | 276,886 | 282,424 | 288,072 | 293,834 | 299,710 | 305,705 | 311,819 | 318,055 | 324,416 |
| Cashflow After Deve Fee Payment plus surplus cash | | | | 369,554 | 354,842 | 380,271 | 405,828 | 319,376 | 345,145 | 370,995 | 396,911 | 422,873 | 448,862 | 572,765 | 598,745 |
| Amortized Seller Financing | 2,350,000 | 6.00% | 15 | 241,962 | 241,962 | 241,962 | 241,962 | 241,962 | 241,962 | 241,962 | 241,962 | 241,962 | 241,962 | 241,962 | 241,962 |
| Net Cash Flow | 92,591 | 76,655 | 100,816 | 125,061 | 37,251 | 61,613 | 86,009 | 110,419 | 134,822 | 159,199 | 281,431 | 321,783 | 499,847 | 525,726 | 586,515 |
| Debt Coverage Ratio | 1.09 | 1.08 | 1.10 | 1.12 | 1.05 | 1.07 | 1.08 | 1.10 | 1.12 | 1.14 | 1.23 | 1.25 | 1.42 | 1.44 | 1.46 |

Site Location Map Terracina Gold



Project Description – Terracina Gold Apartments-Village 2

Project

Terracina Gold Apartments-Village 2 is part of a larger apartment complex comprised of this village and two other villages containing a total of 160 units. Each village will have distinctive architectural details to differentiate the housing clusters and provide a more aesthetically pleasing development. A summary of the unit mix and rents is as follows:

| | <u>No. of Units</u> | | | <u>Total</u> | <u>Rents</u> | <u>Term of Restrictions</u> |
|-----------|---------------------|--------------|--------------|--------------|---------------|-----------------------------|
| | <u>1 Bed</u> | <u>2 Bed</u> | <u>3 Bed</u> | | | |
| Village 1 | 24 | 40 | | 64 | \$265-\$1,020 | 30 Years |
| Village 2 | 8 | 96 | 16 | 120 | \$463-\$1,020 | 30 Years |
| Village 3 | 24 | 40 | 32 | 96 | \$265-\$1,020 | 30 Years |

Terracina Gold, Villages 1 and 3

Terracina Gold, Villages 1 and 3, is a new construction project consisting of 96 units in Village 1 and 64 units in Village 3. Collectively, there are 32 one-bedroom/one-bath units, 80 two-bedroom/two-bath units, and 48 three-bedroom/two-bath units ranging in size of 634 to 1,084 square feet. Rents will be affordable to households earning from 30 to 80 percent of the Sacramento area median income adjusted for household size (four-person household standard \$15,850-42,300). On-site amenities include a swimming pool, recreation building, tot lot, and turf areas with barbecues and picnic areas.

Terracina Gold, Village 2

Terracina Gold, Village 2, is a new construction project consisting of 120 units comprised of eight one-bedroom/one-bath units, 72 two-bedroom/two-bath units, and 40 three-bedroom/two-bath units ranging in size of 634 to 1,084 square feet. Rents will be affordable to households earning from 50 to 80 percent of the Sacramento area median income adjusted for household size. On-site amenities include a recreation building, tot lot, sport court, and turf areas with barbecues and picnic areas.

Developer

The Developer, USA Properties Fund, Inc., is an experienced real estate investment and management entity. They have developed and currently own 30 multifamily properties containing over 4,000 units. Five of these developments have been located in Sacramento County. USA Properties has an excellent record with the Agency in the design, production, and management of the housing it owns. USA Multifamily Management, a subsidiary of USA Properties Fund, Inc will manage these properties.

Resident Services

Riverside Charitable Corporation will serve as the non-profit general partner. This organization provides resident services through contracts with service providers in the community. Staff is working with the developer to determine the scope of these services, which will include computer training and budgeting classes.

Bond Financing

These bonds will be credit enhanced by Fannie Mae and therefore carry a triple-A credit rating, the highest possible rating. During the construction period, Union Bank will secure Fannie Mae and have oversight of the construction.

Agency Financing

The Sacramento City Council has approved a \$1,000,000 Housing Trust Fund loan for this project.

DEVELOPER'S PROPOSAL

| | | Terracina Gold, Village 2 | | | |
|---|---|----------------------------------|------------------------|--|--|
| Address Number of Units Year Built | SW corner Del Paso and Gateway Park Boulevard 120 New Construction | | | | |
| Affordability | 20% of units @ or below 50% of median 60% of units @ or below 60% of median 20% of units @ or below 80% of median | | | | |
| Unit Mix and Rents | 50% Median | 60% Median | 80% Median | | |
| 1 BD / 1BA | 2 @ \$463 | 6 @ \$562 | - | | |
| 2 BD / 2 BA | 14 @ \$551 | 42 @ \$670 | 16 @ \$875 | | |
| 3 BD / 2 BA | 8 @ \$626 | 24 @ \$764 | 8 @ \$1020 | | |
| Square Footage | | | | | |
| 1 BD | 634 | | | | |
| 2 BD | 841, 858 | | | | |
| 3 BD | 1086 | | | | |
| Resident Facilities | Recreation room, tot lot, sport court, turf areas with barbecues and picnic tables and community room. | | | | |
| Sources and Uses of Funds | | | | | |
| Sources | | Per Unit | Per Square Foot | | |
| Bond Proceeds | \$ 7,250,000 | \$ 60,417 | \$ 66.31 | | |
| Investor Equity | \$ 2,817,000 | \$ 23,475 | \$ 25.76 | | |
| Developer Fee Note | \$ 990,009 | \$ 8,250 | \$ 9.05 | | |
| Agency Loan | \$ 1,000,000 | \$ 8,333 | \$ 9.15 | | |
| Total Sources of Funds | \$ 12,057,009 | \$ 100,475 | \$ 110.27 | | |
| Uses | | Per Unit | Per Square Foot | | |
| Property Acquisition | \$ 603,399 | \$ 5,028 | \$ 5.52 | | |
| Construction | \$ 6,877,728 | \$ 57,314 | \$ 62.90 | | |
| Contractor Overhead/Profit | \$ 417,228 | \$ 3,477 | \$ 3.82 | | |
| Financing Costs | \$ 493,500 | \$ 4,113 | \$ 4.51 | | |
| Legal/Title/Taxes/Insurance | \$ 92,000 | \$ 767 | \$ 0.84 | | |
| Architectural/Engineering | \$ 150,000 | \$ 1,250 | \$ 1.37 | | |
| Government Fees | \$ 1,278,407 | \$ 10,653 | \$ 11.69 | | |
| Gen Cond., Marketing, Appraisal, Rent Resv | \$ 389,441 | \$ 3,245 | \$ 3.56 | | |
| Contingency | \$ 555,306 | \$ 4,628 | \$ 5.08 | | |
| Developer Fee | \$ 1,200,000 | \$ 10,000 | \$ 10.98 | | |
| Total Uses of Funds | \$ 12,057,009 | \$ 100,475 | \$ 110.27 | | |
| Management - Operations | | | | | |
| Proposed Developer | USA Properties Fund | | | | |
| Property Management Company | USA Property Mgmt. | | | | |
| Operations Budget (Total / Per Unit) | \$ 323,429 | \$ 2,695 | | | |
| Marketing and Replacement Reserves (Total / Per Unit) | \$ 24,000 | \$ 200 | | | |
| Letter of Credit Provided By: | Fannie Mae | | | | |
| Tax Credit Investor | Union Bank | | | | |

Terracina Gold, Village 2

Bond Financing:
\$7,250,000 @ 7%, 30 years

Agency Financing:
\$1,000,000 @ 4%, 30 years

| Unit Type | Number | Square Foot | Total Sq.Ft. | Monthly Rent (Net) | Per Sq. Ft. | Gross Annl. Rent |
|---------------------------------|--------|-------------|--------------|--------------------|-------------|------------------|
| 1 Bedroom / 1 Bath - 50% median | 2 | 634 | 1,268 | \$ 463 | \$ 0.73 | \$ 11,112 |
| 1 Bedroom / 1 Bath - 60% median | 6 | 634 | 3,804 | \$ 562 | \$ 0.89 | \$ 40,464 |
| 2 Bedroom / 2 Bath - 50% median | 14 | 841 | 11,774 | \$ 551 | \$ 0.66 | \$ 92,568 |
| 2 Bedroom / 2 Bath - 60% median | 42 | 841 | 35,322 | \$ 670 | \$ 0.80 | \$ 337,680 |
| 2 Bedroom / 2 Bath - 80% median | 16 | 858 | 13,728 | \$ 875 | \$ 1.02 | \$ 168,000 |
| 3 Bedroom / 2 Bath - 50% median | 8 | 1086 | 8,688 | \$ 626 | \$ 0.58 | \$ 60,096 |
| 3 Bedroom / 2 Bath - 60% median | 24 | 1086 | 26,064 | \$ 764 | \$ 0.70 | \$ 220,032 |
| 3 Bedroom / 2 Bath - 80% median | 8 | 1086 | 8,688 | \$ 1,020 | \$ 0.94 | \$ 97,920 |
| Total / Average | 120 | 911 | 109,336 | \$ 691 | \$ 0.79 | \$ 1,027,872 |

| | Increase / Yr | Per Unit | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 10 | Year 15 | Year 20 | Year 25 | Year 30 |
|--|---------------|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Annualized Gross Income | 2.5% | \$ 8,566 | \$ 1,027,872 | \$ 1,053,569 | \$ 1,079,908 | \$ 1,106,906 | \$ 1,134,578 | \$ 1,162,943 | \$ 1,283,671 | \$ 1,452,356 | \$ 1,643,208 | \$ 1,859,139 | \$ 2,103,445 |
| Other Income | 2.5% | 171 | 29,520 | 30,258 | 31,014 | 31,790 | 32,585 | 33,399 | 36,866 | 41,711 | 47,192 | 53,394 | 60,410 |
| Vacancy / Concessions / Employee (5%) | | (441) | (52,870) | (52,678) | (53,995) | (55,345) | (56,729) | (58,147) | (64,184) | (72,618) | (82,160) | (92,957) | (105,172) |
| Effective Gross Income | | \$ 8,371 | \$ 1,004,522 | \$ 1,031,148 | \$ 1,056,927 | \$ 1,083,350 | \$ 1,110,434 | \$ 1,138,195 | \$ 1,256,354 | \$ 1,421,449 | \$ 1,608,240 | \$ 1,819,575 | \$ 2,058,683 |
| Expenses | | | | | | | | | | | | | |
| Operating and Maintenance | 3.5% | \$ 2,400 | 288,000 | 298,080 | 308,513 | 319,311 | 330,487 | 342,054 | 392,514 | 466,184 | 553,680 | 657,599 | 781,021 |
| Prop. Taxes-20% Payment in Lieu | 2.0% | \$ 201 | 24,138 | 24,621 | 25,113 | 25,615 | 26,128 | 26,650 | 28,847 | 31,850 | 35,165 | 38,824 | 42,865 |
| Bon Payments (Mello Roos) | 2.0% | \$ 179 | 21,429 | 21,858 | 22,295 | 22,741 | 23,195 | 23,659 | 25,610 | 28,275 | 31,218 | 34,467 | 38,055 |
| Capital Expenditures & Reserves | 3.5% | \$ 200 | 24,000 | 24,840 | 25,709 | 26,609 | 27,541 | 28,504 | 32,710 | 38,849 | 46,140 | 54,800 | 65,085 |
| Total Expenses | | \$ 2,980 | \$ 357,567 | \$ 369,398 | \$ 381,630 | \$ 394,276 | \$ 407,350 | \$ 420,868 | \$ 479,681 | \$ 565,157 | \$ 666,203 | \$ 785,690 | \$ 927,026 |
| Net Operating Income | | \$ 5,391 | \$ 646,955 | \$ 661,750 | \$ 675,297 | \$ 689,074 | \$ 703,084 | \$ 717,327 | \$ 776,673 | \$ 856,292 | \$ 942,037 | \$ 1,033,885 | \$ 1,131,657 |
| Debt Service - Tax-exempt Bonds | | \$ 4,690 | \$562,846 | \$562,846 | \$562,846 | \$562,846 | \$562,846 | \$562,846 | \$562,846 | \$562,846 | \$562,846 | \$562,846 | \$562,846 |
| Debt Service - Agency Financing | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$77,338 | \$77,338 | \$77,338 | \$77,338 | \$77,338 | \$77,338 |
| Combined Debt Service | | | \$562,846 | \$562,846 | \$562,846 | \$562,846 | \$562,846 | \$640,184 | \$640,184 | \$640,184 | \$640,184 | \$640,184 | \$640,184 |
| Debt Coverage Ratio- Tax Exempt Bonds | | | 1.15 | 1.18 | 1.20 | 1.22 | 1.25 | 1.27 | 1.38 | 1.52 | 1.67 | 1.84 | 2.01 |
| Debt Service Ratio - Bonds and Subordinate | | | 1.15 | 1.18 | 1.20 | 1.22 | 1.25 | 1.12 | 1.21 | 1.34 | 1.47 | 1.61 | 1.77 |
| Cash Flow after Debt Service | | \$ 84,109 | \$ 98,904 | \$ 112,451 | \$ 126,228 | \$ 140,238 | \$ 140,238 | \$ 77,143 | \$ 136,489 | \$ 216,108 | \$ 301,852 | \$ 393,701 | \$ 491,472 |
| Developer Fee Note | | \$ 990,009 | \$ 974,765 | \$ 943,759 | \$ 897,236 | \$ 833,983 | \$ 752,703 | \$ 558,465 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest @ 6.35% | | 62,866 | 61,898 | 59,929 | 56,975 | 52,958 | 47,797 | 35,463 | - | - | - | - | - |
| Payment from Cash Flow After Debt Service | | \$ 78,109 | \$ 92,904 | \$ 106,451 | \$ 120,228 | \$ 134,238 | \$ 71,143 | \$ 130,489 | \$ 210,108 | \$ - | \$ - | \$ - | \$ - |
| Cash Available for Distribution | | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 301,852 | \$ 393,701 | \$ 491,472 |

Attachment III-Cash Flow Proforma

Maximum Rent and Income Restrictions

Mortgage Revenue Bond Program

(20% of units set aside for tenants at or below 50% of area median income(AMI))

| Maximum Income Limits: | |
|------------------------|--------------------------------|
| <u>Family Size</u> | <u>50% AMI Max. Income</u> |
| 1 person | \$ 18,500 |
| 2 person | \$ 21,150 |
| 3 person | \$ 23,800 |
| 4 person | \$ 26,450 |

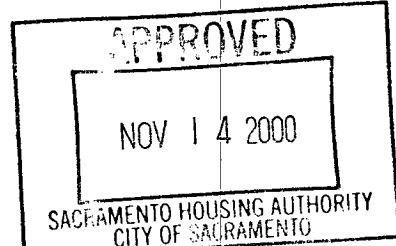
| Maximum Rent Limits: | |
|----------------------|-------------|
| <u>Unit Size</u> | <u>Rent</u> |
| 1 Bedroom | \$ 529 |
| 2 Bedroom | \$ 595 |

Four Percent Low-Income Housing Tax Credit Program

(Rents @ 60% of area median income less a utility allowance)

| Maximum Income Limits: | |
|------------------------|--------------------------------|
| <u>Family Size</u> | <u>60% AMI Max. Income</u> |
| 1 person | \$ 22,200 |
| 2 person | \$ 25,380 |
| 3 person | \$ 28,560 |
| 4 person | \$ 31,740 |
| 5 person | \$ 34,260 |

| Maximum Rent Limits: | |
|----------------------|-----------------------------|
| <u>Unit Size</u> | <u>Approx. Net Rent</u> |
| 1 Bedroom | \$ 557 |
| 2 Bedroom | \$ 661 |



RESOLUTION NO. 2000-013

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF _____

AUTHORIZATION FOR ISSUANCE, SALE AND DELIVERY OF HOUSING AUTHORITY OF THE CITY OF SACRAMENTO MULTIFAMILY HOUSING REVENUE BONDS (COUNTRYWOOD VILLAGE APARTMENTS) 2000 ISSUE L, 2000 ISSUE L-T AND 2000 ISSUE L-S, AUTHORIZATION FOR EXECUTION AND DELIVERY OF A TRUST INDENTURE, AN INDENTURE OF TRUST, A FINANCING AGREEMENT, A LOAN AGREEMENT, A REGULATORY AGREEMENT, AN OFFICIAL STATEMENT AND A BOND PURCHASE AGREEMENT, AND AUTHORIZATION FOR EXECUTION AND DELIVERY OF AND APPROVAL OF RELATED DOCUMENTS AND ACTIONS

WHEREAS, Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, commencing with Section 34200 (the "Act"), authorizes housing authorities to incur indebtedness for the purpose of financing the acquisition, construction, rehabilitation and development of multifamily rental housing facilities to be occupied in part by persons of low and very low income;

WHEREAS, the Housing Authority of the City of Sacramento (the "Authority") hereby finds and declares that it is necessary, essential and a public purpose for the Authority to engage in a program (the "Program") of financing the acquisition, rehabilitation and development of multifamily rental housing facilities, and has determined to borrow money for such purpose by the issuance of revenue bonds as authorized by the Act;

WHEREAS, the Authority hereby finds and declares that this resolution is being adopted pursuant to the powers granted by the Act;

WHEREAS, Countrywood Village Associates, a California limited partnership (the "Borrower"), has requested that the Authority issue and sell the Bonds (hereinafter defined) for the purpose of financing the acquisition, rehabilitation and development of a multifamily rental housing project to be commonly known as Countrywood Village Apartments to be located at 5500 Mack Road, Sacramento, California (the "Project"); and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds and the implementation of the Program as contemplated by this resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO:

Section 1. The Authority hereby finds and declares that the above recitals are true and correct.

Section 2. Pursuant to the Act and the Trust Indenture and Indenture of Trust (each hereinafter defined), revenue bonds of the Authority, designated as "Housing Authority of the City of Sacramento Multifamily Housing Revenue Bonds (Countrywood Village Apartments) 2000 Issue L," designated as "Housing Authority of the City of Sacramento Taxable Multifamily Housing Revenue Bonds (Countrywood Village Apartments) 2000 Issue L-T," and designated as "Housing Authority of the City of Sacramento Subordinate Multifamily Housing Revenue Bonds (Countrywood Village Apartments) 2000 Issue L-S" in an aggregate principal amount not to exceed \$7,965,000, \$2,840,000 and \$660,000, respectively (collectively, the "Bonds"), are hereby authorized to be issued. The Bonds shall be executed by the manual or facsimile signature of the Chairperson, Vice Chairperson or Executive Director of the Authority, and attested by the manual or facsimile signature of the Secretary of the Board of the Authority or the Clerk of the Sacramento Housing and Redevelopment Agency (the "Clerk"), in the form set forth in and otherwise in accordance with the Indenture.

Section 3. The following documents with respect to the Bonds (the "Bond Documents") between and/or among the Authority and the institution's named therein, in the forms on file with the Clerk, are hereby approved:

(a) the trust indenture with respect to the Issue L Bonds (the "Issue L Trust Indenture") between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee");

(b) the trust indenture with respect to the Issue L-T Bonds (the "Issue L-T Trust Indenture") between the Authority and Wells Fargo Bank, National Association, as trustee;

(c) the financing agreement with respect to the Issue L and Issue L-T Bonds (the "Financing Agreement") among the Authority, the Trustee, ARCS Commercial Mortgage Co., LP, and the Borrower;

(d) the indenture of trust with respect to the Issue L-S Bonds (the "Indenture of Trust") between the Authority and the Trustee;

(e) the loan agreement with respect to the Issue L-S Bonds (the "Loan Agreement") among the Authority, the Trustee and the Borrower;

(f) the regulatory agreement and declaration of restrictive covenants (the "Regulatory Agreement") among the Authority, the Trustee and the Borrower;

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RESOLUTION NO.: _____

DATE ADOPTED: _____

(g) the bond purchase agreement or agreements, (the "Purchase Contract") among the Authority, the Borrower and Newman & Associates, Inc., (the "Underwriter") and

(h) the preliminary official statement (the "Preliminary Official Statement") which (i) is hereby authorized to be distributed to persons who may be interested in purchasing the bonds, and (ii) shall be brought to final form (the "Official Statement") upon the sale of the Bonds, and the Official Statement which (i) shall be executed on behalf of the Authority by a Designated Officer (as hereinafter defined) and (ii) shall be delivered by the Underwriter to all actual purchasers of the Bonds.

The Chairperson, the Vice Chairperson or the Executive Director of the Authority (the "Designated Officers") are, and each of them acting alone is, hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Documents, and the Secretary of the Board of the Authority or the Clerk is hereby authorized and directed, for and in the name and on behalf of the Authority, to attest the Designated Officer's signature on the Bond Documents, if necessary, in substantially said forms, with such additions thereto or changes therein as are recommended or approved by such officers upon consultation with bond counsel to the Authority, including such additions or changes as are necessary or advisable in accordance with Section 5 hereof (provided that no additions or changes shall authorize an aggregate principal amount of Bonds in excess of \$11,665,000 or an aggregate principal amount of Issue L Bonds and Issue L-S Bonds in excess of the \$8,625,000 allocation received for the Project from the California Debt Limit Allocation Committee), the approval of such additions or changes to be conclusively evidenced by the execution and delivery by the Authority of the Bond Documents. The date, maturity dates, interest rate or rates, interest payment dates, denominations, form registration privileges, manner of execution, place of payment, terms of redemption, and other terms of the Bonds shall be as provided in the Issue A Trust Indenture, the Issue A-T Trust Indenture and Indenture of Trust, as appropriate, as finally executed.

Section 4. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's certificate of authentication and registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchasers thereof in accordance with written instructions executed on behalf of the Authority by one of the Designated Officers, which instructions such officers are, and each of them is, hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the purchasers thereof in accordance with the Purchase Contract, upon payment of the purchase price therefor.

Section 5. All actions heretofore taken by the officers and agents of the Authority with respect to the establishment of the Program and the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the Authority, including the Designated Officers, are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including, but not limited to, determining the principal amount of the Issue L Bonds, the Issue BA-T Bonds and the Issue L-S Bonds to be issued and delivered and any remarketing provisions with respect thereto, and

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

execute and deliver any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this Resolution and resolutions heretofore adopted by the Authority and in order to carry out the Program, including but not limited to those certificates, agreements, deeds of trust and other documents described in the Issue L Trust Indenture, the Issue L-T Trust Indenture, the Indenture of Trust, the Financing Agreement, the Loan Agreement, the Regulatory Agreement, the Purchase Contract and the other documents herein approved and any certificates, agreements or documents as may be necessary to further the purpose hereof, evidence credit support or additional security for the Bonds, but which shall not create any obligation or liability of the Authority other than with respect to the revenues and assets derived from the proceeds of the Bonds.

Section 6. This resolution shall take effect immediately upon its adoption.

CHAIR

ATTEST:

SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

APPROVED
NOV 14 2000
OFFICE OF THE
CITY CLERK

RESOLUTION NO. 2000-014

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF

AUTHORIZATION FOR ISSUANCE, SALE AND DELIVERY OF HOUSING AUTHORITY OF THE CITY OF SACRAMENTO MULTIFAMILY HOUSING REVENUE BONDS (GREENFAIR APARTMENTS) 2000 ISSUE M AND 2000 ISSUE M-T, AUTHORIZATION FOR EXECUTION AND DELIVERY OF AN INDENTURE (TAX-EXEMPT), A LOAN AGREEMENT (TAX-EXEMPT), AN INDENTURE OF TRUST (TAXABLE), A LOAN AGREEMENT (TAXABLE), A REGULATORY AGREEMENT, AN OFFICIAL STATEMENT AND A BOND PURCHASE AGREEMENT, AND AUTHORIZATION FOR EXECUTION AND DELIVERY OF AND APPROVING RELATED DOCUMENTS AND ACTIONS

WHEREAS, Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, commencing with Section 34200 (the "Act"), authorizes housing authorities to incur indebtedness for the purpose of financing the acquisition, construction, rehabilitation and development of multifamily rental housing facilities to be occupied in part by persons of low and very low income;

WHEREAS, the Housing Authority of the City of Sacramento (the "Authority") hereby finds and declares that it is necessary, essential and a public purpose for the Authority to engage in a program (the "Program") of financing the acquisition, rehabilitation and development of multifamily rental housing facilities, and has determined to borrow money for such purpose by the issuance of revenue bonds as authorized by the Act;

WHEREAS, the Authority hereby finds and declares that this resolution is being adopted pursuant to the powers granted by the Act;

WHEREAS, Preservation Greenfair, LLP, (the "Borrower"), has requested that the Authority issue and sell the Bonds (hereinafter defined) for the purpose of financing the acquisition, rehabilitation and development of a multifamily rental housing project to be commonly known as Greenfair Apartments located at 701-702 Fairgrounds Drive, Sacramento, California (the "Project"); and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds and the implementation of the Program as contemplated by this resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____ (20)
DATE ADOPTED: _____

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO:

Section 1. The Authority hereby finds and declares that the above recitals are true and correct.

Section 2. Pursuant to the Act, the Trust Indenture and the Indenture of Trust (each hereinafter defined), revenue bonds of the Authority, designated as "Housing Authority of the City of Sacramento Multifamily Housing Revenue Bonds (Greenfair Apartments) 2000 Issue M," and designated as "Housing Authority of the City of Sacramento Taxable Multifamily Housing Revenue Bonds (Greenfair Apartments) 2000 Issue M-T" in an aggregate principal amount not to exceed \$15,000,000 (collectively, the "Bonds"), are hereby authorized to be issued. The Bonds shall be executed by the manual or facsimile signature of the Chairperson, Vice Chairperson or Executive Director of the Authority, and attested by the manual or facsimile signature of the Secretary of the Board of the Authority or the Clerk of the Sacramento Housing and Redevelopment Agency (the "Clerk"), in the form set forth in and otherwise in accordance with the Indenture.

Section 3. The following documents with respect to the Bonds (the "Bond Documents") between and/or among the Authority and the institution's named therein, in the forms on file with the Clerk, are hereby approved:

- (a) the indenture (Tax-Exempt) with respect to the Issue M Bonds (the "Issue M Indenture") between the Authority and a trustee to be named therein (the "Trustee");
- (b) the loan agreement (Tax-Exempt) with respect to the Issue M Bonds (the "Issue M Loan Agreement") among the Authority, the Trustee and the Borrower;
- (c) the indenture of trust (Taxable) with respect to the Issue M-T Bonds (the "Issue M-T Indenture") between the Authority and the Trustee;
- (d) the loan agreement (Taxable) with respect to the Issue M-T Bonds (the "Issue M-T Loan Agreement") among the Authority, the Borrower and the Trustee;
- (e) the regulatory agreement and declaration of restrictive covenants (the "Regulatory Agreement") among the Authority, the Trustee and the Borrower;
- (f) the bond purchase agreement (the "Purchase Contract") among the Authority, the Borrower and Newman & Associates, Inc. (the "Underwriter"); and
- (g) the preliminary official statement (the "Preliminary Official Statement") which (i) is hereby authorized to be distributed to persons who may be interested in purchasing the Bonds, and (ii) shall be brought to final form (the "Official Statement") upon the sale of the Bonds, and the Official Statement which (i) shall be executed on behalf of

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RESOLUTION NO.: _____

DATE ADOPTED: _____

the Authority by a Designated Officer (as hereinafter defined) and (ii) shall be delivered by the Underwriter to all actual purchasers of the Bonds.

The Chairperson, the Vice Chairperson or the Executive Director of the Authority (the "Designated Officers") are, and each of them acting alone is, hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Documents, and the Secretary of the Board of the Authority or the Clerk is hereby authorized and directed, for and in the name and on behalf of the Authority, to attest the Designated Officer's signature on the Bond Documents, if necessary, in substantially said forms, with such additions thereto or changes therein as are recommended or approved by such officers upon consultation with bond counsel to the Authority, including such additions or changes as are necessary or advisable in accordance with Section 5 hereof (provided that no additions or changes shall authorize an aggregate principal amount of Bonds in excess of \$15,000,000), the approval of such additions or changes to be conclusively evidenced by the execution and delivery by the Authority of the Bond Documents. The date, maturity dates, interest rate or rates, interest payment dates, denominations, form registration privileges, manner of execution, place of payment, terms of redemption, and other terms of the Bonds shall be as provided in the Trust Indenture and the Indenture of Trust, as appropriate, each as finally executed.

Section 4. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's certificate of authentication and registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchasers thereof in accordance with written instructions executed on behalf of the Authority by one of the Designated Officers, which instructions such officers are, and each of them is, hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the purchasers thereof in accordance with the Purchase Contract, upon payment of the purchase price therefor.

Section 5. All actions heretofore taken by the officers and agents of the Authority with respect to the establishment of the Program and the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the Authority, including the Designated Officers, are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including, but not limited to, determining the principal amount of the Issue M Bonds and the Issue M-T Bonds to be issued and delivered (provided such aggregate principal amount shall not exceed \$15,000,000) and any remarketing provisions with respect thereto, and execute and deliver any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this Resolution and resolutions heretofore adopted by the Authority and in order to carry out the Program, including but not limited to those certificates, agreements, deeds of trust and other documents described in the Issue M Indenture, the Issue M Loan Agreement, the Issue M-T Indenture, the Issue M-T Loan Agreement, the Regulatory Agreement, the Purchase Contract and the other documents herein approved and any certificates, agreements or documents as may be necessary to further the purpose hereof, evidence credit support or additional security for the

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DATE ADOPTED: _____

Bonds, but which shall not create any obligation or liability of the Authority other than with respect to the revenues and assets derived from the proceeds of the Bonds.

Section 6. This resolution shall take effect immediately upon its adoption.

CHAIR

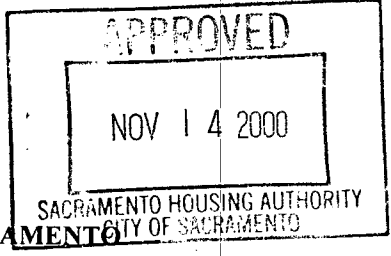
ATTEST:

SECRETARY

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RESOLUTION NO.: _____
DATE ADOPTED: _____ (23)

RESOLUTION NO. 2000-015



ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF _____

AUTHORIZATION FOR ISSUANCE, SALE AND DELIVERY OF HOUSING AUTHORITY OF THE CITY OF SACRAMENTO MULTIFAMILY HOUSING REVENUE BONDS (TERRACINA APARTMENTS-VILLAGE II) 2000 ISSUE O AND 2000 ISSUE O-T, AUTHORIZATION FOR EXECUTION AND DELIVERY OF A TRUST INDENTURE, A FINANCING AGREEMENT, A REGULATORY AGREEMENT, AN OFFICIAL STATEMENT AND A BOND PURCHASE AGREEMENT, AND AUTHORIZATIO FOR EXECUTION AND DELIVERY OF AND APPROVING RELATED DOCUMENTS AND RELATED ACTIONS

WHEREAS, Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, commencing with Section 34200 (the "Act"), authorizes housing authorities to incur indebtedness for the purpose of financing the acquisition, construction, rehabilitation and development of multifamily rental housing facilities to be occupied in part by persons of low and very low income;

WHEREAS, the Housing Authority of the City of Sacramento (the "Authority") hereby finds and declares that it is necessary, essential and a public purpose for the Authority to engage in a program (the "Program") of financing the acquisition, rehabilitation and development of multifamily rental housing facilities, and has determined to borrow money for such purpose by the issuance of revenue bonds as authorized by the Act;

WHEREAS, the Authority hereby finds and declares that this resolution is being adopted pursuant to the powers granted by the Act;

WHEREAS, No. Natomas Apartments II, L.P., a California limited partnership (the "Borrower"), has requested that the Authority issue and sell the Bonds (hereinafter defined) for the purpose of financing the acquisition, rehabilitation and development of a multifamily rental housing project to be commonly known as Terracina Golden Apartments located the Southwest Corner of Del Paso Road and Gateway Park Boulevard, Sacramento, California (the "Project"); and

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DATE ADOPTED: _____

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds and the implementation of the Program as contemplated by this resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO:

Section 1. The Authority hereby finds and declares that the above recitals are true and correct.

Section 2. Pursuant to the Act and the Indenture as hereinafter defined), revenue bonds of the Authority, designated as "Housing Authority of the City of Sacramento Multifamily Housing Revenue Bonds (Terracina Apartments-Village II) 2000 Issue O," and designated as "Housing Authority of the City of Sacramento Taxable Multifamily Housing Revenue Bonds (Terracina Apartments-Village II) 2000 Issue O-T" in an aggregate principal amount not to exceed \$7,500,000 (collectively, the "Bonds"), are hereby authorized to be issued. The Bonds shall be executed by the manual or facsimile signature of the Chairperson, Vice Chairperson or Executive Director of the Authority, and attested by the manual or facsimile signature of the Secretary of the Board of the Authority or the Clerk of the Sacramento Housing and Redevelopment Agency (the "Clerk"), in the form set forth in and otherwise in accordance with the Indenture.

Section 3. The following documents with respect to the Bonds (the "Bond Documents") between and/or among the Authority and the institution's named therein, in the forms on file with the Clerk, are hereby approved:

(a) the indenture of trust (the "Indenture") between the Authority and U.S. Bank Trust National Association as trustee (the "Trustee");

(b) the financing agreement (the "Financing Agreement") among the Authority, the Trustee and the Borrower;

(c) the regulatory agreement and declaration of restrictive covenants (the "Regulatory Agreement") among the Authority, the Trustee and the Borrower;

(d) the bond purchase agreement (the "Purchase Contract") among the Authority, the Borrower and Newman & Associates, Inc. (the "Underwriter"); and

(e) the preliminary official statement (the "Preliminary Official Statement") which (i) is hereby authorized to be distributed to persons who may be interested in purchasing the Bonds, and (ii) shall be brought to final form (the "Official Statement") upon the sale of the Bonds, and the Official Statement which (i) shall be executed on behalf of the Authority by a Designated Officer (as hereinafter defined) and (ii) shall be delivered by the Underwriter to all actual purchasers of the Bonds.

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The Chairperson, the Vice Chairperson or the Executive Director of the Authority (the "Designated Officers") are, and each of them acting alone is, hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Documents, and the Secretary of the Board of the Authority or the Clerk is hereby authorized and directed, for and in the name and on behalf of the Authority, to attest the Designated Officer's signature on the Bond Documents, if necessary, in substantially said forms, with such additions thereto or changes therein as are recommended or approved by such officers upon consultation with bond counsel to the Authority, including such additions or changes as are necessary or advisable in accordance with Section 5 hereof (provided that no additions or changes shall authorize an aggregate principal amount of Bonds in excess of \$7,500,000), the approval of such additions or changes to be conclusively evidenced by the execution and delivery by the Authority of the Bond Documents. The date, maturity dates, interest rate or rates, interest payment dates, denominations, form registration privileges, manner of execution, place of payment, terms of redemption, and other terms of the Bonds shall be as provided in the Trust Indenture and the Indenture of Trust, as appropriate, each as finally executed.

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Section 5. All actions heretofore taken by the officers and agents of the Authority with respect to the establishment of the Program and the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the Authority, including the Designated Officers, are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including, but not limited to, determining the principal amount of the Issue O Bonds and the Issue O-T Bonds to be issued and delivered (provided such aggregate principal amount shall not exceed \$7,500,000) and any remarketing provisions with respect thereto, and execute and deliver any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this Resolution and resolutions heretofore adopted by the Authority and in order to carry out the Program, including but not limited to those certificates, agreements, deeds of trust and other documents described in the Indenture, the Financing Agreement, the Regulatory Agreement, the Purchase Contract and the other documents herein approved and any certificates, agreements or documents as may be necessary to further the purpose hereof, evidence credit support or additional security for the Bonds, but which shall not create any obligation or liability of the Authority other than with respect to the revenues and assets derived from the proceeds of the Bonds.

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RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 6. This resolution shall take effect immediately upon its adoption.

CHAIR

ATTEST:

SECRETARY

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RESOLUTION NO.: _____

DATE ADOPTED: _____

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