



Resolution of the Governing Body
Adopted by the Sacramento City Council

RESOLUTION NO. 2024-0189

**A RESOLUTION OF THE GOVERNING BODY OF the City of Sacramento
SUPPORTING THE APPLICATION OF Mutual Housing California & the Capitol Area Development Authority FOR THE LOCAL
GOVERNMENT MATCHING GRANTS PROGRAM; APPROVING 8th & R Courtyard
BUDGET FOR THE LOCAL GOVERNMENT MATCHING GRANTS PROGRAM**

WHEREAS:

- A. On January 15, 2019, Governor Gavin Newsom signed Executive Order No. N-06-19, which allows the production of Affordable housing on state-owned Excess Sites (“**Excess Sites**”). The Executive Order authorizes the Department of General Services (“**DGS**”) and the Department of Housing and Community Development (“**Department**”) to identify and prioritize Excess Sites for sustainable, cost-effective, and innovative multi-family Affordable housing projects.
- B. On May 12, 2022 **DGS and the Department selected** Mutual Housing California & the Capitol Area Development Authority to develop Affordable housing at 805 R Street, Sacramento, CA 95811 (“**selected project**”) pursuant to Executive Order No. N-06-19.
- C. Chapter 111, Statutes of 2021 (Assembly Bill (AB) 140) makes several statutory changes for the purpose of implementing the housing and homelessness provisions of the Budget Act of 2021, which establishes the Excess Sites Local Government Matching Grants (“**LGMG**”) Program (hereafter, “**Program**”) to be administered by the Department.
- D. The Program was allocated up to \$30 million to provide funds for Predevelopment and Development Costs to selected projects that receive a financial contribution from a Local Government, as defined pursuant to Health and Safety Code section 50704.80(b). Funding for the Program is made available pursuant to Health and Safety Code section 50704.81(a)(2).
- E. The Department has issued a Notice of Funding Availability (“**NOFA**”), dated May 5, 2022, for the Program pursuant to Health and Safety Code section 50704.83(f).
- F. The Program requires contribution from the City of Sacramento to 8th & R Courtyard for Mutual Housing California & the Capitol Area Development Authority (“**Applicant**”) to apply for Program funds pursuant to Health and Safety Code section 50704.82. Towards that end, Applicant is submitting an Application for Program funds (“**Application**”) to the Department for review and consideration.



G. The Program requires a resolution from the City of Sacramento pursuant to Health and Safety Code section 50704.82(b)(1)(A) approving the 8th & R Courtyard budget, including all sources, and demonstrating the amount of Local Government Contribution to the Applicant for Predevelopment and Development Costs for 8th & R Courtyard, and the requested amount from the Program.

THEREFORE, IT IS RESOLVED THAT:

1. The the City of Sacramento supports Mutual Housing California & the Capitol Area Development Authority submitting an Application to the Department to receive Program funds for 8th & R Courtyard to develop Affordable housing on the state-owned Excess Site.
2. The the City of Sacramento is authorized to submit the approved 8th & R Courtyard Project Budget ("**Attachment 1**") and Anticipated and Committed Project Sources ("**Attachment 2**") to the Applicant to include in their Application. Attachment 1 and Attachment 2 demonstrate the requested amount from the Program, \$10,000,000.00 that will be allocated to the Applicant, and all other sources for Predevelopment and Development Costs associated with the development of Affordable housing on the state-owned Excess Site.

Attachment 1: 8th & R Courtyard Budget

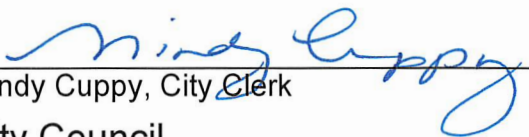
Attachment 2: Anticipated and Committed Project Sources

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Sacramento held on June 11, 2024 by the following vote:

Instruction: Fill in all four vote-count fields below. If none, indicate "0" for that field.

AYES: 9
ABSENT: 0

NOES: 0
ABSTAIN: 0


Mindy Cuppy, City Clerk
City Council



STATE OF CALIFORNIA

City Council of Sacramento

I, Mindy Cuppy, City Council Clerk of the City of Sacramento,
State of California, hereby certify the above and foregoing to be a full, true and correct
copy of a resolution adopted by said City Council on this 11th day of
June, 2024.

Mindy Cuppy, City Council Clerk of the City of
Sacramento, State of California

By: 

Note: The attesting officer cannot be the person identified in the Resolution as the authorized signer.



ATTACHMENTS

Attachment 1: Project Budget

Attachment 2: Anticipated and Committed Project Sources



Attachments

Attachment 1: Project Budget (from Program Application)

Development Budget		11/9/2022 v1
	Total Project Costs	
LAND COST/ACQUISITION		
Land Cost or Value		\$0
Demolition		\$0
Legal		\$0
Land Lease Rent Prepayment		\$0
Total Land Cost or Value		\$0
Existing Improvements Cost or Value		\$0
Off-Site Improvements		\$0
Total Acquisition Cost		\$0
Total Land Cost / Acquisition Cost		\$0
Predevelopment Interest/Holding Cost		\$30,000
Assumed, Accrued Interest on Existing Debt (Rehab/Acq)		\$0
Excess Purchase Price Over Appraisal		\$0
REHABILITATION		
Site Work		\$0
Structures		\$0
General Requirements		\$0
Contractor Overhead		\$0
Contractor Profit		\$0
Prevailing Wages		\$0
General Liability Insurance		\$0
Other: (Specify)		\$0
Other: (Specify)		\$0
Other: (Specify)		\$0
Other: (Specify)		\$0
Total Rehabilitation Costs		\$0
Total Relocation Expenses		\$0
NEW CONSTRUCTION		
Site Work		\$4,290,370
Structures		\$66,715,627
General Requirements		\$1,371,550
Contractor Overhead		\$3,167,356
Contractor Profit		\$3,904,762
Prevailing Wages		
General Liability Insurance		\$1,230,000
Other: On-site Improvements; Commercial		\$1,320,335
Off-Site Improvements		\$981,000
Other: (Specify)		
Other: (Specify)		
Total New Construction Costs		\$82,981,000
ARCHITECTURAL FEES		
Design		\$1,750,000

Supervision	\$0
Total Architectural Costs	\$1,750,000
Total Survey & Engineering	
<i>CONSTRUCTION INTEREST & FEES</i>	
Construction Loan Interest	\$10,979,733
Origination Fee	\$432,500
Credit Enhancement/Application Fee	
Bond Premium	
Cost of Issuance	\$243,302
Title & Recording	\$198,000
Taxes	
Insurance	
Accrued interest on soft loans	\$736,060
Other: (Specify)	
Other: (Specify)	
Total Construction Interest & Fees	\$12,589,595
<i>PERMANENT FINANCING</i>	
Loan Origination Fee	\$190,000
Credit Enhancement/Application Fee	
Title & Recording	\$20,000
Taxes	\$0
Insurance	\$0
Perm Lender Legal	\$35,000
Other: (Specify)	
Total Permanent Financing Costs	\$245,000
Subtotals Forward	\$97,595,595
<i>LEGAL FEES</i>	
Legal Paid by Applicant	\$80,000
Other: (Specify)	
Total Attorney Costs	\$80,000
<i>RESERVES</i>	
Operating Reserve	\$681,221
Replacement Reserve	
Transition Reserve	
Rent Reserve	
Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
Total Reserve Costs	\$681,221
<i>CONTINGENCY COSTS</i>	
Construction Hard Cost Contingency	\$4,024,100
Soft Cost Contingency	\$250,000
Total Contingency Costs	\$4,274,100
<i>OTHER PROJECT COSTS</i>	
TCAC App/Allocation/Monitoring Fees	\$164,000
Environmental Audit	\$10,000
Local Development Impact Fees	\$3,227,530

Permit Processing Fees	\$50,000
Capital Fees	
Marketing	\$235,000
Furnishings	\$150,000
Market Study	\$7,500
Accounting/Reimbursable	
Appraisal Costs	\$7,500
Builders Risk Insurance	\$1,300,000
Cost Audit	\$18,000
Syndication Consultant	\$75,000
Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
Total Other Costs	\$5,244,530
SUBTOTAL PROJECT COST	\$107,875,446
<i>DEVELOPER COSTS</i>	
Developer Overhead/Profit	\$14,743,020
Consultant/Processing Agent	
Project Administration	
Broker Fees Paid to a Related Party	
Construction Oversight by Developer	
Other: (Specify)	\$0
Total Developer Costs	\$14,743,020
TOTAL PROJECT COST	\$122,618,466

End of Document



Attachments

Attachment 2: Anticipated and Committed Project Sources

Development Sources				
Committed?	Lien No. (or NA)	Source and Program Name (in lien priority order)	Type of Local Government Contribution, if applicable	Permanent-Period Amount
No		1 Bank Perm Loan, if Any	Not Applicable	\$18,210,200
No		2 CalHFA Mixed Income Program (MIP)	Not Applicable	\$8,000,000
Yes		3 Capitol Area Development Authority	Local Government Contribution from a Local Funding Source	\$8,000,000
Yes		4 City of Sacramento	Local Government Contribution from a Local Funding Source	\$3,000,000
Yes	NA	City of Sacramento Fee Waivers	Local Government Contribution in the form of Local Fee Waivers	\$1,533,997
No	NA	SMUD Smart Homes Incentives	Not Applicable	\$272,250
NA	NA	Accrued Interest on Soft Loans	Not Applicable	\$736,060
NA	NA	GP Equity	Not Applicable	\$8,347,721
NA	NA	Deferred Developer Fee	Not Applicable	\$1,200,000
NA	NA	Tax Credit Equity	Tax Credit Type 4%	\$63,318,238
Total Sources before Eligible LGMG Award Amount				\$112,618,466
Eligible LGMG Award Amount				\$10,000,000
Total Sources including Eligible LGMG Award Amount				\$122,618,466