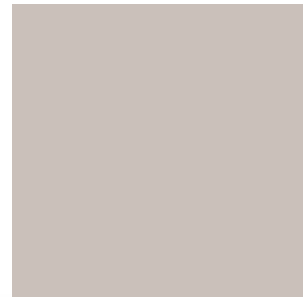


# 2010 Year End Report



**2010 CADA  
Board of Directors**



**Ann Bailey**  
Chair  
Appointed by the  
State of California



**William Ishmael**  
Vice Chair  
Appointed by the City  
of Sacramento



**Ronald Alvarado**  
Appointed by the State  
of California



**Robert Lagomarsino**  
Appointed by the City  
of Sacramento



**Page Robbins**  
Appointed by the  
CADA Board



**Paul Schmidt**  
Executive Director

CADA is building a fiscally, socially and environmentally sustainable neighborhood for city dwellers and the people of California by taking strategic action and making steady progress through challenging times. In 2010 when the unavailability of financing impeded housing development, CADA proceeded with infrastructure and neighborhood improvements in order to enhance the streets and public spaces of the Capitol Park Neighborhood.

## Infrastructure on R Street

**13th and 16th Street Light Rail Stations:** CADA augmented Sacramento Regional Transit's improvements to these light rail stations by investing in sidewalk and lighting improvements.

**R Street Streetscape Phase I:** In addition to providing matching funds for construction, CADA assumed primary responsibility for minimizing the construction impact on affected businesses and leading the design effort for streetscape enhancements.

## Neighborhood Improvements in the Capitol Area

**16th Street Streetscape:** To improve this key North/South corridor that marks the transition from downtown to midtown, CADA produced a conceptual plan and funded the 30% design needed to apply for federal grant assistance.

**9th & O Street Public Art:** CADA assisted the Sacramento Metropolitan Arts Commission by funding repairs to the public art at this location.

**11th & O Light Rail Station:** CADA assisted Sacramento Regional Transit by funding deferred maintenance repairs at this light rail station that serves the State Archives, the Secretary of State and the State Capitol.

**Fremont Park:** In addition to its continuing support of events in the park, CADA funded and provided project management expertise for future physical improvements including the installation of art vessels and the replacement of conventional bulbs with LED bulbs in acorn light standards.

**15th and Q Street Parking Lot:** CADA removed blight and mitigated the impact of retail customer parking by effecting surface parking improvements on a privately owned vacant lot awaiting development.

## Housing

**Affordable Housing Strategies and Future Housing Programs Workshop:** CADA stakeholders, affordable housing advocates, housing developers and community members joined the CADA Board and staff in strategizing how CADA can maintain momentum and meet its housing production goals.

**Capitol Lofts:** Holliday Development continued to pursue public assistance necessary to bring this complex adaptive reuse project at 11th & R Streets to fruition as a mixed-income rental development.

**East End Gateway 2-3:** Ravell Rasmussen endeavored to secure financing for this community-supported and entitled rental project at 16th & O Streets, with the objective of commencing construction in 2011.

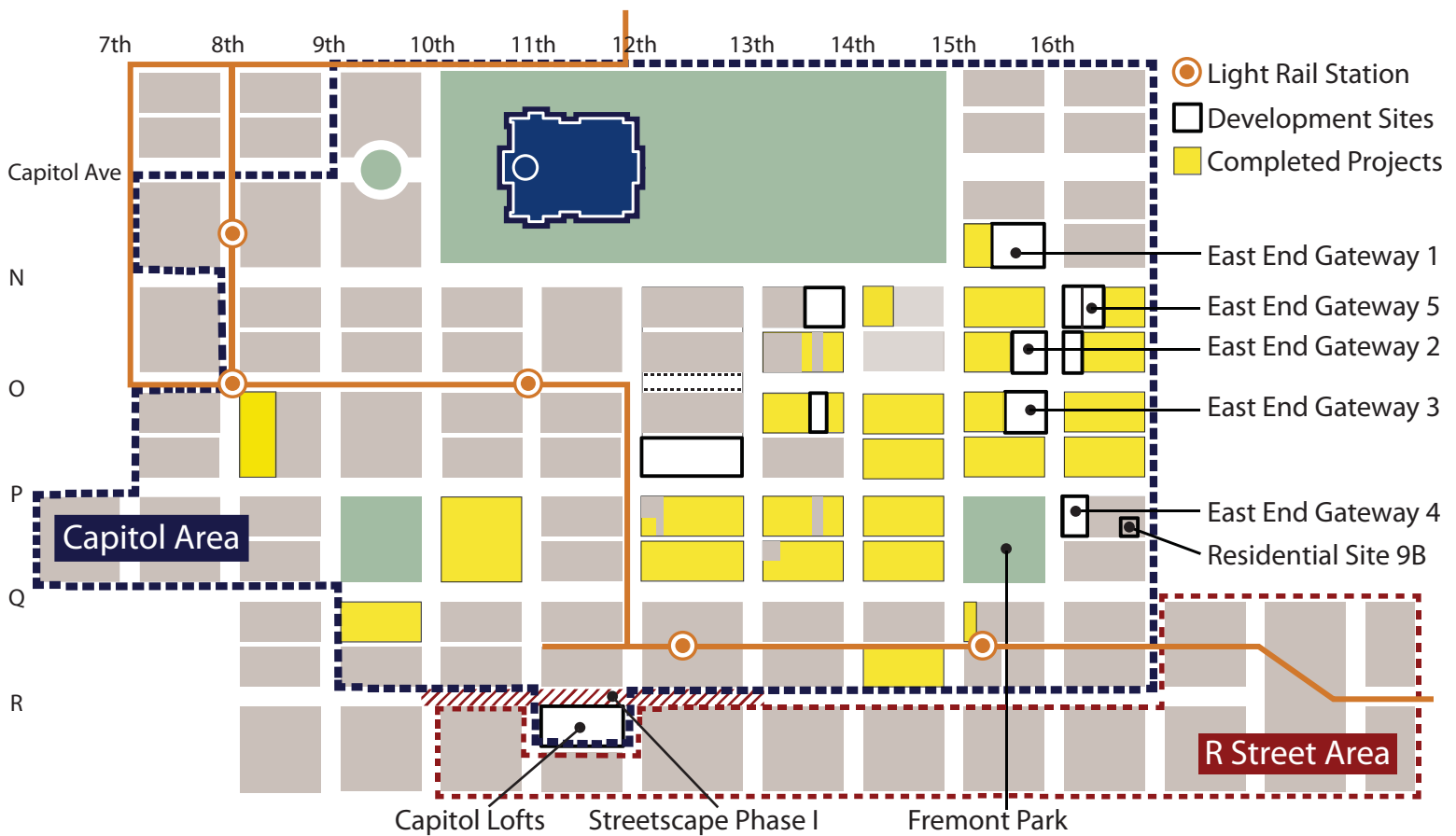
**Residential Site 9B:** Rather than granting a three year extension requested by the developer it had selected for this site, CADA re-solicited development proposals for this micro-infill site on 17th Street.

**East End Gateway 1:** CADA executed a Disposition and Development Agreement with EM Johnson and Nehemiah Reinvestment Trust for this site at 16th and N Streets. Funding has been secured to lower the condominium downpayment threshold barrier and pre-construction marketing has commenced.

**East End Gateway 4:** CADA selected Sukna Global Holdings to develop this prominent site at 14th & P Streets across from Fremont Park as a mixed-use for-sale zero-energy development.

**East End Gateway 5:** CADA entered into an Exclusive Negotiating Agreement with BRIDGE Housing to construct housing affordable to low income households at this site on N Street.

The CADA Board and staff are grateful to the Human Rights Fair Housing Commission for recognizing CADA's lasting contributions to fair housing and to the American Institute of Architects Central Valley Chapter for exhibiting the CADA Retrospective. We are gratified that the 14th and R Street Project, which we provided infrastructure funding, was named Real Estate Project of the Year and that Klicknation, a software gaming company which we provided incubator space, was named one of the fastest growing local businesses. We look forward to working with the State of California and the City of Sacramento in the year ahead.



In the Capitol Area, CADA is the disposition agent for state lands designated for new mixed-use residential development. Of the 22.5 acres so designated, 17.7 acres have been acquired or are long term leased from the state. To date, CADA has produced 836 new housing units and currently has the following projects in development: East End Gateway 1 (117 units), East End Gateway 2 & 3 (84 units), East End Gateway 4 (30 units), East End Gateway 5 (52 units) and Capitol Lofts (141 units). Development of the remaining 211 units needed to reach the goal of 1,471 units will proceed as the economy improves and the State makes land available to CADA.

In the Capitol Area, 25% of the units located on property leased by CADA from the Department of General Services or on property purchased by CADA from the Department of General Services must be maintained as affordable to low income households on a continuing basis. CADA meets this requirement by providing rent assistance to qualified residents occupying apartments it manages or by facilitating the inclusion of units affordable to low income residents on properties CADA has sub-leased or sold to other parties.

In the R Street Area, CADA is required by build-out in 2032 to ensure that at least 15% of all units developed by entities other than CADA are affordable to low and moderate income households with not less than 40% of these units affordable to very low income households. CADA is also required to ensure that at least 30% of all units that it develops by build-out in 2032 are affordable to low or

moderate income households with not less than 50% of these units affordable to very low income households. In 2010, CADA continued to set-aside tax increment funds generated by the R Street Area into a reserve to facilitate the future production of housing affordable to low and moderate income households.

#### Capitol Area Affordable Housing

Dwelling Units	Affordable	Market	Total
Managed by CADA	210	574	784
Developed by CADA*	136	464	600
Total	346	1038	1384
Percentage Split	25%	75%	100%

#### R Street Area Affordable Housing

Dwelling Units	Total	Affordable
Produced since 2002	22	0
Projected at Build-Out**	797	119 (48 very low, 71 low /mod)

\* Units developed on property leased or purchased by CADA from the Department of General Services that CADA subsequently sub-leased or sold to other parties.

\*\* Assumes all units built on R Street are developed by entities other than CADA.

CADA is a joint powers authority created to implement the plans and objectives of the State Capitol Area Plan, as directed by the State of California and the City of Sacramento. The Capitol Area Plan is a mixed-use plan for the management, development and disposition of state-owned property located directly south and east of the State Capitol and Capitol Park in the City of Sacramento.

CADA has been specifically designated to implement the housing and support retail goals of the Capitol Area Plan. Legislation enacted in 1978 requires that CADA maintain 25 percent of its units at affordable levels for low-income households and provides CADA the powers of a redevelopment agency.

In 2002, legislation was passed that expanded CADA's project boundaries to include a key section of the R Street Corridor, a former warehouse and industrial district. The purpose of this expansion was to address blight and accelerate the pace of investment and redevelopment along the southern border of the Capitol Area between 10th and 19th Streets. Redevelopment of this blighted area enhances the Capitol Park Neighborhood and serves as an opportunity for transit oriented development in proximity to the 13th and 16th Street Light Rail Stations.

CADA policy decisions are made by a publicly appointed five member board who serve four year terms. CADA staff members are at-will employees who serve at the discretion of an Executive Director hired by its governing board. CADA is currently staffed by 25 administrative employees, an 8-member maintenance crew, 9 on-site apartment managers and 4 part time employees. Legal counsel for CADA is provided through a contract with a private firm.

CADA is a self-supporting public agency whose primary revenue stream is rental revenue collected from the properties it manages. In addition to preserving critically needed affordable apartments and neighborhood retail, CADA's management of these properties provides the area the stability necessary to attract private investment in new development projects.

CADA's secondary revenue stream is the tax increment generated by new development projects. CADA must separately account for the utilization of the tax increment generated in the Capitol Area and R Street Area. Twenty percent (20%) of the tax increment is set-aside for the purpose of increasing and improving the supply of affordable housing. Eighty percent (80%) of the tax increment is unrestricted and may be used for any purpose consistent with the implementation of CADA's redevelopment mandates.

Because development projects require advance funding and the timing of the resulting tax increment is uncertain, CADA maintains an ongoing ten-year financial forecast that analyzes the impact of all development projects on CADA's overall operations. This projection is updated annually and reviewed whenever CADA makes a decision concerning a significant development project.

<b>Statement of Revenue and Expenses for year ending 6/30/2010</b>	
Revenues	
Rental of property and equipment	\$7,726,181
Less: low -income rent assistance	(798,218)
Tax increment revenue	2,844,000
Interest on investments	522,137
Development revenue and grants	132,225
Other	9,880
<b>Total Revenues</b>	<b>\$10,436,235</b>
Expenses	
Employee salaries and benefits	\$3,349,847
Services and supplies	2,069,234
Development projects	844,487
Repairs and maintenance	1,109,651
Amortization and depreciation	1,027,297
Interest expenses	1,003,019
<b>Total Expenses</b>	<b>\$9,403,535</b>
<b>Net Results</b>	<b>\$1,032,700</b>

<b>Capitol Area Tax Increment</b>	<b>Set-Aside</b>	<b>Unrestricted</b>
Sources (year ending 6/30/2010)		
Current Year	\$390,872	\$1,563,501
Prior Year (unexpended)	61,905	133,889
<b>Total</b>	<b>\$452,777</b>	<b>\$1,697,390</b>
Uses		
Bond Debt Service	\$160,113	\$617,853
Direct Expenditures	275,862	678,211
Reserved	16,802	401,328
<b>Total</b>	<b>\$452,777</b>	<b>\$1,697,390</b>
<b>Net</b>	<b>-</b>	<b>-</b>

<b>R Street Area Tax Increment</b>	<b>Set-Aside</b>	<b>Unrestricted</b>
Sources (year ending 6/30/2010)		
Current Year	\$177,926	\$711,701
Prior Year (unexpended)	-	314,884
<b>Total</b>	<b>\$177,926</b>	<b>\$1,026,585</b>
Uses		
Bond Debt Service	\$9,961	\$42,054
Direct Expenditures	-	984,531
Reserved	167,965	-
<b>Total</b>	<b>\$177,926</b>	<b>\$1,026,585</b>
<b>Net</b>	<b>-</b>	<b>-</b>