



# 2015

Year End Report







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CADA Chalk It Up To Sacramento! Square  
by Artist Steven Cook

## EXECUTIVE DIRECTOR MESSAGE

In January, CADA's R Street Corridor street infrastructure improvements and newly developed 116-unit Warehouse Artists Lofts created a catalytic effect much like the arena construction has done for all of downtown, spurring significant new interest and investment in the corridor. However, it was CADA's other two projects along 16th Street, Legado de Ravel and 16Powerhouse, that were mentioned in "Multifamily housing gets red-hot," as part of the Sacramento Business Journal's "Editor's pick: 10 most important Sacramento business stories of 2014." Both new residential projects were quickly fully leased. This addition of 134 units of housing on 16th Street also brought wonderful new retail venues to the neighborhood. While all three of these projects helped to advance Mayor Johnson's 10,000-unit downtown housing initiative and attracted premium commercial tenants to the Central City, CADA decided to go a step further with its next venture.

In October, the EVIVA Midtown building became more than the latest mixed-use midrise project to go up as part of CADA's East End Gateway initiative; it is also Sacramento's first modular construction. Prefabricated apartments were assembled in a controlled indoor manufacturing environment and trucked into downtown to be stacked six stories high by a 250-ton crane. The EVIVA Midtown project completes four of the five development sites along downtown's 16th Street corridor, which total 400 new housing units and a score of restaurants and retail shops.

CADA's activities and accomplishments have only been possible through collaboration and partnership with many stakeholders. I would like to thank all of the individuals and organizations who have played such an instrumental role in helping CADA achieve its vision for our Capitol Park Neighborhood. And we are just getting started! I look forward to the opportunities and challenges that lie ahead and hope to see you at our special events in the near future.

*Wendy Saunders*

**Wendy Saunders**  
Executive Director

## CAPITOL AREA DEVELOPMENT AUTHORITY BOARD OF DIRECTORS

Ann Bailey,  
Board Chair  
State Appointee

Bob Lagomarsino,  
Board Vice Chair  
City Appointee

Capt. David Smith,  
Board Member  
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Kristan Otto,  
Board Member  
City Appointee

Page Robbins,  
Board Member  
Board Appointee

Wendy Saunders  
Executive Director



CADA Staff, Photographs by Rudy Meyers

One challenge of a small institution like CADA is handling turnover as each individual fulfills multiple roles. Therefore, staff departures must be carefully planned. CADA has benefitted from having seasoned maintenance and administrative staff with experience and knowledge gained over many years. The retirement of several long-time staff members, promotions, and new hires this year add up to significant changes in CADA's organizational structure.

## RETIREMENTS

In 2015, CADA celebrated and honored four individuals retiring from both the maintenance and administrative offices. Representing 94 combined total years of service, retirees included: Brian Puia, CADA Facilities Maintenance Manager (1979, 36 years of service), Joan Haney, CADA Accounts Receivable, (1990, 25 years of service), Sheli Varshawsky, CADA Executive Assistant (1993, 22 years of service), Mike Rice, CADA Maintenance Specialist (2004, 11 years of service). CADA would like to extend its sincere gratitude to these individuals for their dedication and thanks them for their individual contributions, accomplishments, and leadership during many years of service. We will certainly miss them all and wish them happy, fulfilling retirements.

## PROMOTIONS

In January, Rachel Mercurio was promoted to Board Secretary/Support Services Manager.

## NEW HIRES

In March, Rachael Blankenship was hired for the Accounts Receivable position and Kendra Macias was hired to fill the Executive Assistant position. In July, Frank Czajka was hired for CADA's Vacancy Prep Coordinator position. In September, AJ Jimenez was hired to fill the Maintenance Specialist position. Finally in November, Maria Santos was hired as CADA's newest Resident Services Representative.

## BOARD CHANGES

In December of 2015, Page Robbins was honored with a resolution for her 17 years of service on the CADA Board of Directors. Ms. Robbins resigned her Board-appointed seat after accepting a job with the U.S. Department of Housing and Urban Development in San Francisco as a Multifamily Project Manager in December of 2014.

In January of 2015, Bob Lagomarsino, who has served on the CADA board since 2008, accepted the CADA Board-appointed seat. The recruitment led by the City of Sacramento for Mr. Lagomarsino's former City-appointed seat resulted in the appointment of Steve Maviglio on May 22, 2015.



CADA is delighted to report that Mr. Maviglio has more than 30 years of public affairs experience and has lived and worked in Sacramento for nearly two decades. He served in two posts in the Clinton Administration and later worked on Capitol Hill for Rep. Vic Fazio (D-Sacramento). Before starting his own public affairs firm, Forza Communications, Mr. Maviglio served as press secretary for Governor Gray Davis and for three Speakers of the California Assembly. CADA staff welcomes Mr. Maviglio to its Board of Directors and looks forward to the addition of his public affairs and political expertise to its already robust Board.



## GREEN INITIATIVES

Under the Governor's Executive Order B-18-12 and the Green Building Action Plan, CADA has been mandated to reduce and report energy use in its new building design and construction, renovations, and new and renegotiated state building leases. CADA has met or exceeded the 20 percent energy reduction mandate set forth in the Executive Order mandate and will continue to pursue energy and water-use reduction projects.

As of calendar year end 2014, CADA had reduced grid-based electrical purchases (SMUD usage) by 20 percent across the portfolio from the baseline 2003 year, as well as an average 20 percent reduction for the individual buildings.

Over the past year, CADA has replaced 3,000 square feet of irrigated turf at six properties with drought-tolerant plants watered by drip systems. CADA is experimenting with different types of plants to determine which varieties look and thrive best.

In August of this year, CADA applied for and was awarded a \$17,000 Department of General Services (DGS) grant for two water conservation projects. These funds allowed CADA to implement two projects with a combined estimated annual water usage reduction of over 1.2 million gallons. The first project included the purchase and installation of weather-based smart irrigation timers for two CADA properties — Biele Place and 17th Street Commons. The second project was replacement of high-capacity toilets with WaterSense rated high efficiency low-flush toilets at Biele Place (1421 15th Street).

In addition to the DGS grant funds, CADA staff sought and obtained rebate funding from the City of Sacramento for the installation of the high efficiency fixtures, reducing the total cost of the project. While not included in the grant funding, CADA also took the opportunity to replace the residents' showerheads with low-flow fixtures and installed low-flow aerators on all the sink faucets as part of this conservation project. The toilet fixture replacement portion of the project is estimated to reduce water usage at the property by just over 340,000 gallons annually.



CADA has replaced 3,000 square feet of irrigated turf at six properties with drought-tolerant plants watered by drip systems.



20% reduction  
in grid-based electrical purchases

22

toilet fixture replacements

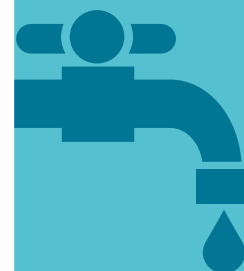


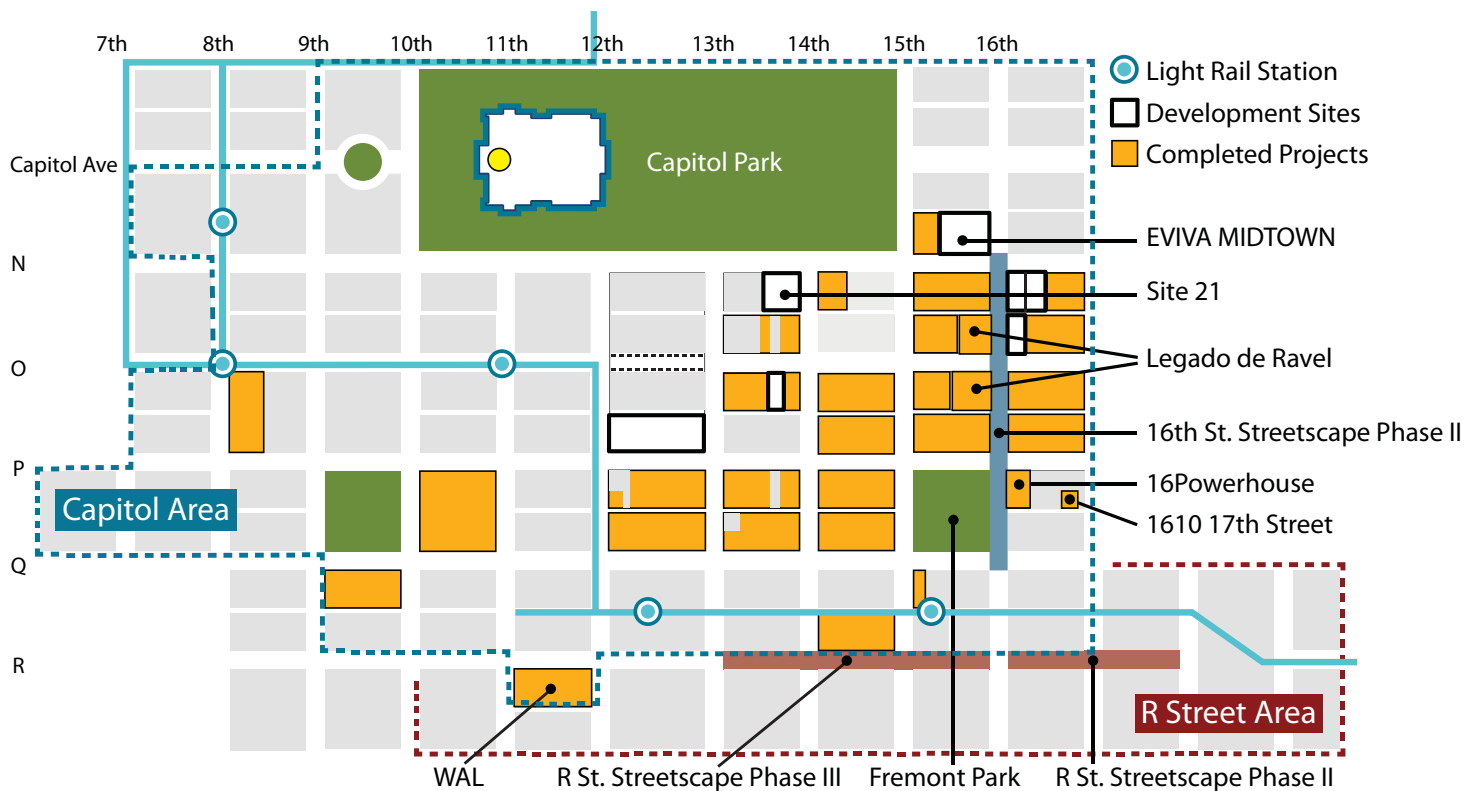
22

low-flow showerheads installed



1.2 million gallons  
of water conserved annually





## 16TH STREET STREETScape

In 2012, CADA received funding from the California Strategic Growth Council's Urban Greening Grant Program to construct pedestrian safety improvements and install 16 stormwater planters along 16th Street. The construction of the first six planters was completed in January of 2014 as part of the Legado de Ravel project at 16th and O Streets. In May 2015, three more planters were constructed at 16th and P Streets as improvements to the 16Powerhouse project. The stormwater planters on 16th Street will help reduce drainage impacts to the City's combined sewer system, especially during large storm events.

## R STREET INFRASTRUCTURE

Construction was completed on the R Street Phase II Streetscape project in July. This \$3.5 million project made needed transportation and utility improvements to R Street between 16th and 18th Streets, and will support the new development planned for the Ice Blocks Project located on the south side of 1600 Block and both sides of the 1700 Block R Street. CADA sponsored the creation of a temporary art and place-making project called Portal to give a preview of how the design of the Phase II project could be utilized. Produced and managed by visionaries Tre Borden and Kimberly Garza, the Portal installation was successful in bringing crowds of onlookers to R Street and activating a currently barren section of the corridor over its 4-week run. As the final designs for the Phase III Streetscape Project progressed in 2015, the City of Sacramento and CADA were successful in securing a grant from the Sacramento Area Council of Governments for the project's construction. Once the final design for Phase III is completed in 2016, construction of the project will begin in early 2017.



16th Street Stormwater Planters, Photograph by Nicholas Wray



Temporary Place-making Art Project, "Portal," Photograph Courtesy of Quadriga



## DEVELOPMENTS

### 16 POWERHOUSE

Located at 16th and P Streets, this project was completed in May 2015 and features 50 market-rate one and two bedroom apartment units, with balconies and 5th floor penthouse units. 16 Powerhouse was developed by D&S Development with materials and processes that leave a minimal carbon footprint, meeting the requirements for Platinum Leadership in Energy and Environmental Design (“LEED”) certification. The design responds to its context with a blend of traditional and modern materials. The detailed stucco and brick façade and the floor to ceiling glazing system highlights the significance of the building’s corners and provides views of Fremont Park from the interior. This project includes four ground floor retail tenants: Magpie Cafe, Orchid Thai Cuisine, Insight Coffee Roasters and Sun & Soil Juice Company. 16 Powerhouse received a “Best Projects of 2015 Award” from the Sacramento Business Journal.



16Powerhouse, Photograph by Nicholas Wray

### B & G / ROCHDALE

Restoration of the Rochdale building, formerly known as Building and Grounds building, began in June 2014 and has experienced a number of delays due to complications associated with the rehabilitation of the historic building. The project is close to completion and will be finished in spring of 2016. The two upper floors of the three-story building will be converted to office space while the ground floor will house Amaro, an Italian restaurant, to be owned and operated by the proprietors of the popular Shady Lady Saloon, located 3 blocks to the east at 14th and R Streets.



B & G / Rochdale Building, Photograph by Nicholas Wray

### BROOKS TRUITT PARK

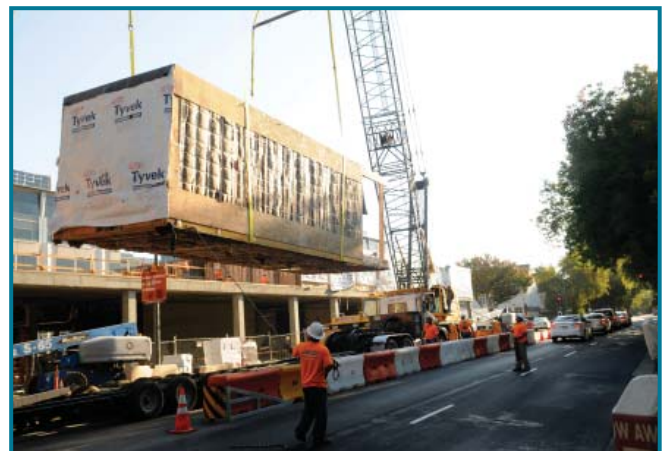
In October of 2015, the International Downtown Association (IDA) awarded the Midtown Business Association a Downtown Merit Award for its mobile Pop-Up Dog Park, launched in Sacramento in 2014, demonstrating a need for a permanent dog park.

Also in 2015, CADA partnered with the City of Sacramento to design a dog park containing large and small dog runs and a small plaza. The new city park will be located on the southwest corner of 19th and Q Streets. The dog park plans received unanimous support of the City of Sacramento’s Parks and Recreation Commission. The plans were finalized by the Sacramento City Council on September 29th, which also approved naming the park after the former Capitol Area resident and Central City advocate Brooks Truitt. City Councilmember Steve Hansen asked CADA to manage construction of the park on behalf of the City. The new facilities are expected to be completed in the fall of 2016. The website, [www.MidtownSacDogPark.com](http://www.MidtownSacDogPark.com) was launched in December of 2015 and features a donation page for community contributions to the project.

### EVIVA MIDTOWN

Starting in early October and continuing through December, a six-person crew assembled the apartment modules for Sacramento’s first modular project. Located at the corner of 16th and N Streets, this 118-unit CADA project, a partnership with Integral Group, the project developer, features prefabricated apartment modules built by Guerdon Enterprises of Boise, Idaho.

The six-story mixed-use building has 9-foot floor to ceiling heights and 5,195 square feet of ground floor retail. Once the modules are installed, the building’s exterior finishes and roof will be constructed. Guerdon Enterprises’ in-factory recycling and waste



EVIVA Midtown placing of the modular units, Photograph by Dennis McCoy



Fremont Community Garden Shade Structures, Photograph by Karen Ulep

elimination programs and use of highly efficient products and materials result in an ultra-green building process. The project is anticipated to be complete in late June 2016, and rents are expected to range from about \$1,700 for one-bedroom apartments and \$2,200 for two-bedroom units.

## FREMONT COMMUNITY GARDEN

Bocce ball court shade structures were installed in September. In early 2016, the City will install CADA-created scoreboards and signage. A grand opening is being planned for spring of 2016.

## LEGADO DE RAVEL

Unfortunately, the ground floor restaurant Noodles and Company closed shop six months after opening, but due to the buzz on 16th Street, the developer is getting a huge amount of interest in the vacated space. Legado de Ravel's other retail tenants, Fit Eats, Mercury cleaners, and Togos report that their businesses are doing well.

## MERCURY CLEANER'S MOVE

CADA facilitated the move of its longstanding tenant Mercury Cleaners to a new location in Legado de Ravel. CADA also decided to spearhead the renovation of the cleaner's historic sign. CADA retained Pacific Neon to restore and reinstall the vintage 1940's Mercury Cleaners neon sign onto the Legado de Ravel building.

## MERCURY CLEANER'S SIGN RESTORATION

16th & O Streets never looked so good as when CADA lit the newly renovated Mercury Cleaners neon sign on June 26th. The celebration was the cat's meow and CADA would like to thank the Sacramento Art Deco Society for wearing authentic 1940s attire and providing cars from the era. CADA also thanks the Sacramento Studebaker Drivers Club for bringing their 40's-era fleet, and SacModern for inspiring the post-war party atmosphere.



Legado de Ravel, Photograph by Karen Ulep

If you would like to see the photodocumentary of the sign's restoration, you can Google the July 7, 2015 "Photos: Mercury Cleaners Neon Renovation" in Comstock's Magazine, or simply purchase a copy of Joan Cusick's Mercury Cleaner's Sign coffee table book on her Facebook page: <https://www.facebook.com/joancusickphoto>



Mercury Cleaners Restored Neon Sign, CADA Staff, & Sacramento Art Deco Society, Photograph by Carol Herzog

## O STREET STREETSCAPE

In December, staff prepared and submitted a grant proposal to Caltrans seeking funding to pay for the preparation of the O Street Corridor Streetscape Activation and Connectivity Plan, which would include design for an upgraded streetscape from 7th to 16th Streets along O Street. RT is sponsoring the application. Caltrans should announce grant recipients in April 2016. If CADA is selected to receive a grant, staff will seek Board approval of a consultant at the June meeting. Once started, the work will take approximately eighteen months to complete.



## DEVELOPMENTS

### ORCHARD SUPPLY GROUND WATER REMEDIATION

In June 2014, CADA agreed to act as trustee for implementation and disbursement of funds to remediate the groundwater under the former Orchard Supply property located at the northeast corner of 17th and R Streets. The groundwater treatment was completed in October 2015 and will be monitored for two years. Development of the site will begin in February 2016 and will not impact monitoring of the water remediation program.

### ROOSEVELT PARK

Inspired by the power of teamwork and sportsmanship, CADA's summer public-private partnership made the renewal of the Roosevelt Park basketball courts possible at 10th and Q Streets, during the summer of 2015. The collaboration included the Sacramento Kings, Sacramento Kings Foundation, the City of Sacramento, Good Tidings, Crown Downtown, and the Greater Sacramento Urban League, and resulted in two renewed basketball courts. All of the partners are committed to healthy lifestyles and were pleased to contribute to this effort to keep downtown Sacramento moving! The partnership also yielded two new custom benches thanks to the fundraising efforts of the Sacramento Kings 'U' interns, comprised of current college students and regent graduates from throughout the United States and contributions made by CADA.

In addition to the refreshed basketball courts, CADA has issued an RFP for final plans and construction drawings for a complete renovation the historic park. CADA is developing a fundraising plan to implement Phase I of the project.

### SITE 21

CADA initiated the development of Site 21 at the end of the year. This highly sought development site is located at the corner of 14th and N Streets across from Capitol Park. The Capitol Area Plan contemplates a mid-rise condominium project for the site. CADA hopes to choose a developer for Site 21 by the end of 2016.

### WAL

It was a very productive year for the Warehouse Artist Lofts (WAL). In February, WAL was fully leased and became the recipient of Regional Transit's Transit-Oriented Project of the Year award. In April, WAL held its grand opening, which was attended by over 500 people. WAL was also selected in June as one of five finalists for the Urban Land Institute's National Jack Kemp Excellence in Affordable and Workforce Housing Award from among a broad mix of exemplary projects across the country. In July, the highly anticipated bar and barbershop concept, Bottle and Barlow, opened its doors and was followed by the opening of the WAL Public Market. The public market features seven retail businesses including: Fishface Poke Bar, Metro Kitchen and Drinkery,



Grand Re-opening of the Roosevelt Park Basketball Courts, Photograph by Karen Ulep



WAL receives Regional Transit's Transit-Oriented Project of the Year Award

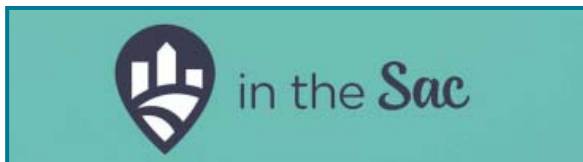


Warehouse Artist Lofts (WAL), Photograph by Nicholas Wray





WAL Grand Opening Ribbon Cutting Ceremony, photograph by Nicholas Wray



New CADA Resident Move-in Tote Bags Provided by Natural Food Co-op



Ice Blocks Project

Old Gold, Benjamins Shoes, Kechmara, Kicksville Vinyl & Vintage, and Medium Rare Records & Collectibles. On August 11th, WAL was prominently mentioned in the New York Times as the latest renovation of an industrial area into a “young, hipster neighborhood.” In September, WAL received the 30th Business Journal Award for Best Adaptive Reuse Project and in November, it received Urban Land Institute’s Building Healthy Places Project of the Year Award.

## WESTMINSTER CHURCH PARKING LOT DEVELOPMENT

CADA staff initiated discussions with Westminster Presbyterian Church regarding development of the church’s parking lot as a mixed-use affordable housing and public parking project. CADA and Westminster have executed an MOU that commits the parties to exploring the development potential, and CADA has engaged architectural, legal and financial planning consultants to assist in the analysis. Completion of a feasibility study for CADA and Westminster consideration is expected to be completed in mid-2016.

## IN THE SAC APP

In May, CADA sponsored the mobile app, in the Sac. Created by Jessica Kriegel and Eric McIntosh, in the Sac was created both for Sacramento locals and visitors. It highlights Sacramento’s local hot spots and hidden gems as determined by the votes of Sacramentans. The app is currently in its beta testing phase with the goal of a spring 2016 release to the public. For more information about the app, visit: [www.inthesacapp.com](http://www.inthesacapp.com)

## PARTNERSHIP WITH NATURAL FOOD CO-OP

In June 2015, CADA partnered with The Sacramento Natural Food Co-op, which specializes in 100% organically grown produce and also offers imaginative cooking classes. Each of CADA’s new residents now receives a free tote bag chock-full of handy move-in items and a \$10 off coupon for any purchase of \$10 or more.

## LOOKING FORWARD

As we celebrate the completion of the WAL and the R Street Phase II infrastructure, we must also acknowledge the devastating blow to R Street between 16th and 18th Streets; the loss of the historic Ice Blocks project. Sadly, the 82,000-square-foot historic building was lost when fire reduced it to ashes. However, hope remains as CADA is confident that visionary developer Mike Heller will spare no effort to revitalize the project into something worthy of its predecessor.

CADA hopes to commemorate the completion of EVIVA Midtown in July of 2016 with a grand opening celebration followed by the initiation of predevelopment work for Site 21. We’re excited about the continued progress being made around downtown and are truly proud to be part of this exciting time of change in Sacramento. CADA anticipates forging new collaborations as we continue to improve our downtown core through creativity and the standard of excellence we bring to all of our ventures.

# AFFORDABILITY

## AFFORDABLE HOUSING

In the Capitol Area, 25% of the units located on property leased by CADA from the state or on property purchased by CADA and sold to private developers must be affordable to low income households earning no more than 80% of the area median income (AMI). CADA meets this requirement by providing rent assistance to qualified residents occupying apartments it manages, or by facilitating the inclusion of affordable units in privately owned projects initiated by CADA. The table below demonstrates CADA's compliance with this statutory mandate.

### Capitol Area Regulated Affordable Housing

Dwelling Units	Regulated	Non-Regulated	Total
Managed by CADA	194	556	750
Initiated by CADA*	132	430	562
Total	326	986	1,312
Percentage Split	25%	75%	100%

\* Units initiated by CADA and subsequently sub-leased or sold to other parties.

While CADA is required to provide 25% of its housing at affordable rents, in actuality, the number of affordable CADA units greatly exceeds the statutory mandate, many at deep levels of affordability. This is the case for two reasons. First, because CADA's housing portfolio consists of older units, they command lower prices in the market place. Second, due to restrictions related to affordable housing construction financing (e.g., tax credits and affordable housing loans), most of the CADA managed and initiated units are rented at rates at or below the statutory required 80% AMI level. The table to the right illustrates the actual affordability of the CADA managed and initiated units.

In the R Street Area, CADA is required to ensure that at least 15% of all new housing units initiated by CADA are affordable to low and moderate income households. In 2010, CADA continued to set aside funds to facilitate the future production of housing affordable to low and moderate income households in the R Street Area. The table to the right shows how CADA meets these requirements.

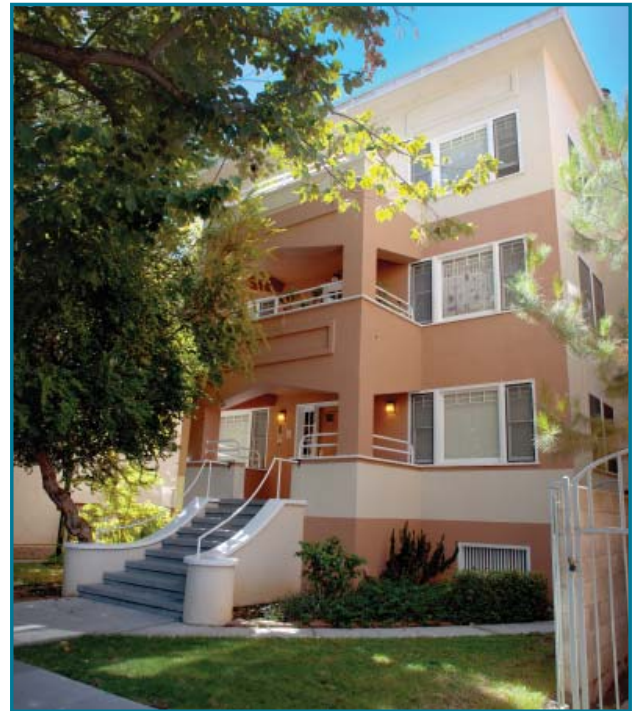
### Affordability of CADA Managed & Initiated Units

	At or below 30% AMI	Between 31 and 50% AMI	Between 51 and 80% AMI	Greater than 80% AMI	Total
CADA Regulated Units	105	56	24		194
CADA Non-Regulated Units		225	312	19	556
CADA Initiated/Private Regulated Units		84	48		132
CADA Initiated/Private Non-Regulated Units				430	430
Total	114	365	384	449	1312
Percent of Total	9%	28%	29%	34%	

### R Street Regulated Affordable Housing

Dwelling Units	Total	Regulated
Produced since 2002	22	0
Projected in 2032*	797	119

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



1614 O Street," Photograph by Wil Wells



Don Carlos Apartments



## Property Tax Sources & Uses

2015

Capital Area Property Tax: For Affordable Housing Unrestricted

Source		
Current year	416,620	1,666,481
Prior year (unexpended)	46,553	528,633
<b>Total</b>	<b>463,173</b>	<b>2,195,114</b>

Use		
Bond debt service	163,162	627,427
I-Bank note debt service		39,160
Direct expenditures	217,582	1,024,028
Reserved	82,429	504,499
Contribution to fund balance	-	-
<b>Total</b>	<b>463,173</b>	<b>2,195,144</b>
<b>Net</b>	<b>-</b>	<b>-</b>

R Street Area Property Tax: For Affordable Housing Unrestricted

Source		
Current year	119,262	477,049
Prior year (unexpended)	-	-
<b>Total</b>	<b>119,262</b>	<b>477,049</b>

Use		
Bond debt service	10,149	42,704
Direct expenditures	-	162,824
Reserved	109,113	271,521
<b>Total</b>	<b>119,262</b>	<b>477,049</b>

## Statement of Revenues & Expenses

2015

### Revenues:

Rental of property and equipment	\$7,984,810
Less: low-income rent assistance	(764,662)
	7,220,148
Property tax revenue	2,679,412
Interest on investment	203,666
Development revenue and grants	322,549
Other	102,537
<b>Total revenues</b>	<b>10,528,312</b>

### Expenses:

Employee services and benefits	3,372,419
Services and supplies	1,996,351
Development projects	956,092
Repairs and maintenance	1,064,079
Bad debt expense	53,230
Depreciation	865,500
Interest expenses	897,870
Total expenses	9,205,541
<b>Net results</b>	<b>1,322,771</b>



16 Powerhouse Alley Improvements, Photograph by Nicholas Wray

CADA would like to thank IBank for financing the \$600,000 low interest loan, which made these improvements possible and inspired other area improvements.



Residents of WAL Enjoying the Rooftop Deck, Photograph by Nicholas Wray



Temporary Place-making Art Project, "Portal," Photograph Courtesy of Quadriga

Capitol Area Development Authority

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