2018 Annual Report

CADALYST for revitalization
The Capitol Area Development Authority (CADA) is a joint powers authority that the State of California and the City of Sacramento created in 1978 to implement and oversee the residential and neighborhood commercial elements of the State’s Capitol Area Plan. The Capitol Area Plan is intended to cultivate and maintain housing that is accessible for a wide range of income levels and maintain the vitality of the urban 24-hour community.

OUR MISSION
CADA provides mixed-income housing with superior property management, develops complex infill projects, builds neighborhood amenities, advances its Joint Powers Authority priorities, and facilitates the relationship between the Sacramento community and the State of California and City of Sacramento.

OUR VISION
CADA aims to build and serve a vibrant Capitol neighborhood. CADA is a nimble organization that maintains focus on its purpose, seeks creative solutions, and responds to opportunities.

CADA strives to foster a culture that encourages collaboration both internally and with community stakeholders.

OUR VALUES
Collaboration
Community Stewardship
Creativity
Fiscal Responsibility
Quality
Urban Development Leadership
CONTENTS

CADA 2018 ANNUAL REPORT

2  CADA Mission, Vision, Values
   Learn more about what we do, who we aspire to be and what shapes our culture

4  Executive Director Letter
   Transforming the Mirage into a Reality: How CADA is addressing the housing affordability crisis in Sacramento

5  department updates: Administration
   Read a brief overview of what the CADA administrative departments have been up to

7  effective teamwork: maintenance
   View a snapshot of CADA’s maintenance repairs and improvements in infrastructure and energy efficiency

8  CADA Geographic Area Map
   Map highlighting CADA’s project boundaries as well as development activities

10 neighborhood building: development
    Learn about CADA’s development activities in the Capitol Park neighborhood

13 a neighborhood for all: affordable housing
    Explore our affordable housing requirements and reporting

14 financials
    See CADA’s cash flow, income and balance statements

17 CADA highlights 2018
    Check out thumbnail photos of CADA’s progress throughout the year

Neighborhood Builders Since 1978
For swelling ranks of Californians, affordable housing has become as elusive and unattainable as a shimmering mirage on a stretch of hot desert blacktop. California is experiencing an acute affordable housing crisis that stifles economic growth, contributes to homelessness, consumes an ever-growing share of the paychecks of working families, and prevents millions of households from attaining the California dream.

Gov. Gavin Newsom said so in January 2019 in an executive order calling on the California Department of General Services and the Department of Housing and Community Development to identify surplus state-owned property on which affordable housing could be built cost-effectively.

CADA is well positioned to help fulfill that directive. Development of affordable housing has been CADA's principal role throughout the past four decades. CADA already is gearing up for predevelopment work on at least two underutilized state-owned sites on which construction of affordable housing projects could begin as soon as 2020.

The gap in the city of Sacramento is daunting, according to a staff report that the city's Community Development Department presented to the City Council in April 2019. The California Department of Housing and Community Development periodically issues what it calls a Regional Housing Needs Allocation (RHNA) identifying the amount of new housing needed in each municipality. The RHNA for Sacramento for the eight-year planning period ending 2021 shows that the city must add 8,411 housing units that would be affordable to lower-income households. But since October 2013, Sacramento has issued building permits for only 555 low-income housing units.

That formidable chasm underscores the importance of the work that CADA does in responding to the need for housing for people of all walks of life. When Gov. Newsom delivered his State of the State Address in February 2019 to a joint session of the Legislature, he characterized the housing shortfall as “perhaps our most overwhelming challenge right now.” He pointed to a recent survey showing that 61 percent of young adults in California say they can’t afford to live in our state.

“We all know the problem. There’s too much demand and too little supply,” the governor said, adding, “If we want a California for all, we have to build housing for all.” Sacramento has the brain trust to lead the way — exemplified by the governor’s appointment of Mayor Darrell Steinberg to head a newly formed statewide Commission on Homelessness and Supportive Housing.

CADA has succeeded on many levels not only by stimulating and participating in development of new residential and mixed-use projects, but also by championing adaptive reuse of existing structures. But structures are only the skeletons of civic life. CADA is a catalyst for revitalization of parks, streetscapes and other amenities, nurturing a sense of purpose, of community, of belonging, among all the residents, business owners and workers who breathe life into the CADA neighborhood.

In 2018 and throughout each of the years before, CADA has focused on transforming housing affordability from a mirage to reality. As much as we’ve done, we have much more work to do — together.

Wendy Saunders
Executive Director
DEPARTMENT UPDATES

ADMINISTRATION

PROPERTY MANAGEMENT

Popularity of residential properties within CADA’s area remains high, with 97 percent average occupancy during 2018.

Staff members welcomed 116 new households to the CADA community. CADA added no new or newly acquired properties in 2018.

To enable demolition of the property at 1320 N Street in preparation for development of the Vantage housing project, residents had to vacate. The CADA leasing staff efficiently found new quarters in other CADA properties for 25 of the 30 residents, while five relocated elsewhere, and the building was vacated two months ahead of schedule.

RETIREMENTS

Carol Hirano retired in January after impressively serving for 35 years as an Administrative Assistant. Carol saw CADA through times of great change from the early days of using typewriters to our current use of computer technology. She was incredibly conscientious and consistent in her work being one of the most thorough employees on staff.

Kris Fasnacht retired in December after serving for 34 years in CADA’s accounting office. CADA Finance Director Noelle Mussen praised Fasnacht’s diligence in handling all of CADA’s accounts payable transactions.

In Maintenance, CADA said farewell to three staff members with a combined experience of over 100 years. Byron New, Journeyman HVAC Technician, retired in August after 35 years, Rick Tercero, Journeyman Carpenter, retired after nearly 33 years and Jerry Uribe, Journeyman Electrician, served for 37½ years. Byron graciously volunteered to occasionally work as a retired annuitant in order to impart his institutional knowledge to CADA’s new HVAC Technician. For the past 18 years, Rick gallantly took on an additional role as CADA’s Journeyman Plumber after his predecessor, Brian Puiia, was promoted to Facilities Maintenance Manager. Jerry was steadfast at keeping the lights on throughout CADA’s housing portfolio and strived to upgrade electrical systems in keeping pace with the changing technology he experienced over his nearly four decades of service.

All five of these retirees will be greatly missed by all CADA staff and we wish them all continued health, happiness and prosperity.

HUMAN RESOURCES

The Maintenance Department welcomed five new staff members. Photographed above from top left to right: HVAC journeyman Ricardo Zavala, plumber journeyman Ron Baker, painter Robert Jordan, maintenance specialist Kevin Hollman, and maintenance specialist George Fredericks.

Joining the administrative staff were: Tara Gandara in Accounts Payable (replacing retiree Kris Fasnacht), and Tria Lor, administrative assistant in Property Management.
EXECUTIVE STAFF

CADA executive staff members participated in the O Street Workshop on June 28, 2018. About 300 community members attended the event, in which they explored several design concepts and submitted their opinions about numerous elements and amenities, including pedestrian, bicycling and public transit safety, seating, lighting, shade structures, public art displays, greenery, water fountains and signage.

CADA Executive Director Wendy Saunders and Development Director Todd Leon participated in the Sacramento Metro Chamber of Commerce’s study mission to Brooklyn, New York. Strategic planning has made Brooklyn a magnet for major investments in commercial development that has stimulated employment, revitalized residential neighborhoods, and sparked commercial and entertainment activity. Innovative ideas that have energized sectors of Brooklyn are applicable in the CADA neighborhood. “Key take-aways included the emphasis on beautification of public spaces and parks, and reuse of industrial facilities,” Saunders observed.

COMMUNICATIONS

In honor of its 40th anniversary, CADA hosted a classic community celebration, the highlight of which was a sing-a-long inspired by tunes from the musical Grease on September 8. The 1978 motion picture based on the Broadway musical was drawing capacity crowds to theaters in Sacramento and elsewhere as creation of CADA was under way. Performers at the CADA celebration in Fremont Park included some of northern California’s finest drag kings and queens. Attendance at the celebratory event was free of charge.

CADA hosted a more formal 40th anniversary celebration at the Fox and Goose Public House on November 15. CADA unveiled its commemorative anniversary book and video at the event, guest speakers at which included Councilmember Steve Hansen, Mayor Darrell Steinberg, State Senator Richard Pan, and Assembly member Kevin McCarty.

RESIDENT SERVICES

The average length of occupancy rose from 3 years in 2017 to 4 years among CADA residents for 2018. “We attribute the lengthening duration of occupancies in CADA buildings to the fact that rents in the central city and elsewhere in the region have been rising steadily — and, in fact, faster than the rest of the nation — encouraging tenants to remain in their CADA apartments,” explained CADA Deputy Executive Director Marc de la Vergne.

As always, CADA’s resident services manager and resident services representatives responded to resident questions and concerns, continually monitor buildings for any needed repairs (See “Maintenance” in the “Effective Teamwork” section for examples). Resident service representatives alert CADA’s maintenance staff about any areas that need their attention.

CONTRACTS

Rachel Mercurio, CADA’s office manager and board secretary, amended CADA policy to make advertising requirements for formal bids more flexible. By advertising in construction-specific trade periodicals rather than general-circulation publications, CADA can efficiently reach more contractors, while saving advertising costs. As a result of casting a wider net and inviting more bidders, pricing of submitted bids becomes more competitive.

She also streamlined the work flow of the maintenance and accounting departments by converting more of CADA’s hired services from per-job bids to annual contracts; that change reduced CADA’s staff time for contract production by 40 percent. The increased use of the informal bidding process has further made the maintenance department more efficient.

As a result of switching to new document software, CADA has been able to reduce the amount of paper for its Board meeting packets by 70 percent. To date (including previous years’ efforts), a total of 17,922 documents have been scanned, indexed and archived. This massive undertaking has re-organized 40 years of CADA documents and subsequently helped free up space in the CADA office building. Conversion to digital records has greatly eased the process of searching for individual documents by any of several parameters. Retrieving digitized documents through CADA’s computers rather than digging through filing cabinets has vastly increased CADA employee efficiency.
CADA processed more than 12,000 maintenance work orders in 2018, and continued to replace aging appliances and infrastructure throughout CADA properties with more energy-efficient models and systems. Maintenance and upgrades that CADA performed during 2018 included:

- Repair of dry rot and glazing all the windows in the Lombard Building at 15th and N Streets.

- Continued installation of energy-efficient sink faucet aerators, shower heads and low-flow toilets. That project initially required replacement of about 20 fixtures per month, but with more properties updated, the maintenance staff is only having to replace about two per month.

- Continued removal and replacement of exterior material damaged by dry rot at the front of the building at 1619 Q Street.

- Upgraded electrical wiring in the apartment building at 1625 O Street. Constructed in 1946, the building had outdated 30-amp circuits, inadequate for the wide range of contemporary electrical appliances and electronic devices. CADA committed $134,000 in funding to pay for replacement of the old wiring with 100-amp circuitry in each of the 20 apartment units in the building. Breaker boxes previously were in a locked electrical equipment room inaccessible to renters. As part of the upgrade project, breakers instead were installed in individual apartments, enabling residents to reset their own circuits. The upgrade resulted in dramatically improved safety and convenience for the building’s residents.

- Renovation of Biele Place, a 35-year-old apartment building at 1421 15th Street. The exterior of the building had been scheduled to be repainted in 2017, but when CADA’s attentive maintenance staff discovered dry rot that presented structural safety hazards, extensive repair work was given priority. Tom Van Syoc, CADA’s facility maintenance manager, reported that the project encompassed replacement of rotted material; pouring of new concrete walkways on the second and third floors; a new roof above the third floor walkway; construction of an attractive new façade; new apartment door numbers; and installation of new wrought iron railings and wooden posts and beams throughout the courtyard. The repair work on the 35-unit building was completed by the end of 2018, enabling the building to be subsequently painted in a vibrant new paint palette.

- Replacement of cracked and defective concrete at various locations throughout the CADA neighborhood.

- Installation of new air conditioners throughout CADA’s apartment portfolio.
2018 Development Activities

We marked our 40th anniversary of downtown Sacramento urban property management and welcomed the construction and completion of new mixed-use and community amenity developments during 2018. During the past four decades of “smart growth” advocacy, CADA has developed more than 1,100 new housing units and renovated 400 others. We invite you to review these 2018 highlights of the CADA community — a neighborhood for all.
2017 CADA Development Activities Map

- Future Development
- In Predevelopment
- Under Construction
- Completed Project
- Park

- Capitol Area
- R Street Area

- RT Light Rail
- Freight Rail

Activities

- Coming Soon: Vantage
- Eviva Midtown
- Legado 38
- Fremont Park
- 16th Street Greenscape Project
- 16 Powe’house
- Truitt Bark Park

Locations

- WAL
- R St. Streetscape Phase I
- R St. Streetscape Phase II
- R St. Streetscape Phase III
- 1717 S St.
EVIVA MIDTOWN CHANGES HANDS

The developer of Eviva Midtown at 16th and N streets sold the fully leased innovative modular building to Sequoia Properties on terms that were acceptable to CADA. Jimmy John’s sandwich shop opened on the 16th Street side of the building.

Roosevelt Park improvements under way

Roosevelt Park, on the block bounded by P, Q, 9th and 10th streets, is popular among many state workers as well as nearby residents. CADA took the lead and partnered with the City of Sacramento and the Sacramento Kings in renovating the Roosevelt Park basketball courts in 2015. In 2018, CADA and the City partnered in funding and installing new energy-efficient streetlights around the perimeter of the park. The light fixtures enhance safety within the park and along the sidewalk surrounding it. These improvements are paving the way for planned upgrades to the park’s softball field in 2019 and renovation of the restrooms.

1717 S Street

The partnership between the Capitol Area Community Development Corporation (CACDC) and CFY Development Inc. made significant progress toward development of the 1717 S Street mixed-income, mixed-use project. The partnership completed groundwater monitoring, soil and vapor testing, and closure of an underground storage tank, to the satisfaction of local and state regulatory officials. Financing has been secured for the project, which will include 159 housing units. Construction of the project is expected to begin in the autumn of 2019.

Vantage

Construction of the Vantage ownership condominium project is scheduled to begin in the autumn of 2019 at the southwest corner of 14th and N Streets, on the parcel formerly known as CADA Site 21. The new structure will encompass 87 residential units and a café with outdoor seating. The Vantage, developed in partnership with Cresleigh Homes, will help satisfy the growing demand for urban ownership housing. Construction is anticipated to be completed in October 2021.
R Street parking structure

CADA and the California Department of General Services (DGS) still plan to erect a parking structure with 11,000 square feet ground-floor retail space on R Street between 8th and 9th streets. The project encountered delays during 2018 due to complications in securing two adjacent properties necessary for this development. Project planners are optimistic that momentum will be regained shortly after an agreement is reached.

Changes on 16th Street

CADA, in partnership with the City of Sacramento, completed new sidewalk bulb-outs to improve pedestrian safety at the intersection of 16th and N streets. Two blocks down the street, new storm water retention planters were built along Fremont Park’s 16th Street frontage. These improvements complete a four-part improvement project on the 16th Street Corridor that included storm water retention planters and bulb-outs at previous CADA development projects Legado de Ravel, 16 Powerhouse and Eviva Midtown. Meanwhile, CADA completed interior demolition at the former Golden Gate Cleaners site on 16th Street, making way for a yoga studio.

New state office buildings coming

The California Department of General Services began construction in 2018 on two new state office buildings on O and P streets, with completion anticipated for 2021. Another state office building will be constructed at 11th and O streets. CADA and DGS are working cooperatively to promote walkability and beautification of O Street in conjunction with these projects (as the next item describes).

O Street redesign underway

In 2018, CADA hired design firm MIG to prepare a streetscape design to reconfigure O Street for 21st-century multimodal transportation needs. The project is intended to improve pedestrian and bicycle safety and enhance water efficiency. Planners envision art installations, new public gathering spaces, micro retail and numerous other enhancements. CADA led a robust public engagement process, including a workshop survey in which members of the public were invited to suggest ideas to make the street safer, attractive and more environmentally sustainable. “The comments and suggestions we received already are influencing next steps, notably integration of concepts in three Department of General Services projects now under construction on O from 7th to 8th, at 10th and O, and at 12th and O,” noted Wendy Saunders, CADA executive director.

We attribute the lengthening duration of occupancies in CADA buildings to the fact that rents in the central city and elsewhere in the region have been rising steadily — and, in fact, faster than the rest of the nation — encouraging tenants to remain in their CADA apartments.”

— CADA Deputy Executive Director Marc de la Vergne
The art of CADA

Sacramento painting legend Gregory Kondos and Creative Services Manager Karen Ulep art-directed muralist Stephen V. Williams in the creation of a mural along the façade of the 10th Street commercial buildings facing Roosevelt Park. The mural depicts indigenous Sacramento-area wildlife. Residents of the adjacent CADA Somerset Parkside apartments were so impressed with the mural that CADA commissioned Williams to expand the artwork by 700 square feet along an exterior wall of Somerset Parkside. The total mural size, with the extension, is approximately 3,024 square feet. This project was co-funded by CADA and a City of Sacramento Creative Economy Grant. CADA helped bring four other new murals to the R Street Corridor as part of the Wide Open Walls art and mural festival. Art wraps also were added to locations near Capitol Park and the 16th Street light rail Station. CADA additionally sponsored neighborhood art and culture events Chalk It Up and the OuR Street Night Market.

R Street’s long road back to vitality

In June 2018, the R Street Phase 3 Streetscape Improvement Project was completed and marked the end of an undertaking to improve an important eight-block section of the city’s R Street corridor. CADA piloted this substantial redevelopment initiative, which took nearly two decades of planning, designing and construction to complete. The time, energy and investment in the R Street enhancement vision were worthwhile — the finished public improvements have spurred significant investments in the area and have transformed once-neglected R Street into one of the Sacramento region’s most hip and popular places to live, work and visit.

Thoroughly modern CADA

After four decades of building and improving residential, office and retail structures, CADA was ready for a facelift of its own. A major renovation of the CADA administrative office at 1522 14th Street began in 2017 and was completed in early 2018. The boardroom has upgraded equipment and the administrative office now has colorful artwork adorning its walls to compliment the new work stations. The renovated space enables CADA staff members to work more efficiently, and is more welcoming to CADA residents, business owners and guests.
A NEIGHBORHOOD FOR ALL

AFFORDABLE HOUSING

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

Affordability of CADA Managed & Initiated Units

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

CADA AFFORDABLE HOUSING SUBSIDY for FY 2017–18: $726,962

While CADA is required to rent 25 percent of its housing at affordable rates, 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, CADA’s housing portfolio consists of older units with rental rates notably lower than many other rental properties in the commercial marketplace. 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 that are affordable to occupants whose income is at or even below the statutory required 80 percent AMI level. The accompanying table at the top of this page illustrates the actual affordability of the CADA-managed and initiated units.

*R Street Regulated Affordable Housing

- Assumes all units built in the R Street area are developed by entities other than CADA.
The balance sheet indicates positive net results. In fact, CADA has achieved positive net results throughout each of the past five years.

CADA receives no operational financial support from either the State of California or the City of Sacramento, and develops and manages its own budget. CADA's primary revenue stream is the rental income it receives for the apartments, commercial properties and parking spaces that it manages.

The low-income rent assistance component encompasses the CADA Scattered Site Program (CSSP), which is CADA’s internal affordable housing program — the majority of which CADA funds from its own revenue streams. CSSP, established in 1982, is structured to assist households at the very low and extremely low-income levels. Tenants who qualify for the CSSP rent assistance program pay a fluctuating rent based on 30 percent of household income (or up to 40 percent of income for Section 8 households), less a utility allowance. Funding affordable housing within operational expenses has been a core function of CADA throughout the past four decades.

In addition to preserving critically needed affordable rental units, CADA’s rehabilitation, maintenance and management of the housing stock that it has overseen since 1978 maintains the neighborhood stability necessary to attract private investment.

### Statement of Revenues & Expenses 2018

<table>
<thead>
<tr>
<th><strong>Revenues:</strong></th>
<th><strong>Expenses:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental of property and equipment</td>
<td>Employee services and benefits 3,841,068</td>
</tr>
<tr>
<td>Less: low-income rent assistance (726,962)</td>
<td>Services and supplies 2,228,090</td>
</tr>
<tr>
<td>Property tax revenue 4,687,176</td>
<td>Development projects 3,346,658</td>
</tr>
<tr>
<td>Interest on investment 344,137</td>
<td>Repairs and maintenance 1,498,208</td>
</tr>
<tr>
<td>Development revenue and grants 1,308,648</td>
<td>Bad debt expense 65,326</td>
</tr>
<tr>
<td>Other 51,723</td>
<td>Depreciation 741,451</td>
</tr>
<tr>
<td><strong>Total revenues 14,326,731</strong></td>
<td>Interest expenses 532,048</td>
</tr>
<tr>
<td></td>
<td><strong>Total expenses 12,252,849</strong></td>
</tr>
</tbody>
</table>

**Net results** 2,073,882
Neighborhood Builders Since 1978
Property taxes are used to help fund affordable housing, building maintenance, and neighborhood improvements. Bond debt service, which CADA repays over time, is a means through which CADA secures funds to underwrite new development projects.

### Property Tax Sources & Uses 2018

<table>
<thead>
<tr>
<th>Source</th>
<th>Capital Area Property Tax:</th>
<th>R Street Area Property Tax:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>For Affordable Housing</td>
</tr>
<tr>
<td>Current year</td>
<td>2,676,284</td>
<td>1,073,457</td>
</tr>
<tr>
<td>Prior year (unexpended)</td>
<td>649,521</td>
<td>957,215</td>
</tr>
<tr>
<td>Total</td>
<td>3,325,805</td>
<td>2,030,672</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Use</th>
<th>Bond debt service</th>
<th>Direct Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>528,059</td>
<td>1,366,547</td>
</tr>
<tr>
<td>I-Bank Note Debt Service</td>
<td>39,133</td>
<td></td>
</tr>
<tr>
<td>Direct expenditures</td>
<td>1,392,066</td>
<td>1,392,066</td>
</tr>
<tr>
<td>Reserved</td>
<td>261,323</td>
<td>957,215</td>
</tr>
<tr>
<td>Contribution to fund balance</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3,325,805</td>
<td>2,030,672</td>
</tr>
</tbody>
</table>

### Property Tax Sources & Uses 2018

<table>
<thead>
<tr>
<th>Use</th>
<th>Bond debt service</th>
<th>Direct Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>35,204</td>
<td>417,785</td>
</tr>
<tr>
<td>Direct Expenditures</td>
<td></td>
<td>968,215</td>
</tr>
<tr>
<td>Reserved</td>
<td>261,323</td>
<td>1,027,253</td>
</tr>
<tr>
<td>Total</td>
<td>2,030,672</td>
<td></td>
</tr>
</tbody>
</table>

| Net                     | -                           | 20,000                      |

**Property taxes are used to help fund affordable housing, building maintenance, and neighborhood improvements. Bond debt service, which CADA repays over time, is a means through which CADA secures funds to underwrite new development projects.**
January  CADA staff members were in the process of moving back into the remodeled administrative office. Even though full function of the phone system wasn’t restored until the following month, CADA continued responding to the needs of the neighborhood with minimal interruption.

February  The last of three phases of reconstruction of R Street brought the comprehensive project to completion.

March  The California Department of General Services selected AC Martin and Turner Construction Company as the design-build team for a new 20-story, office tower on the block bounded by 7th, 8th, O and P streets. The construction of this zero net energy building coincides with CADA’s O Street streetscape improvements. As such, CADA staff is coordinating with DGS regarding beautification and infrastructure improvements and CADA is participating on the art panel for DGS’ public art selection. Anticipated to be completed in 2021, this building will house the following departments: California Natural Resources Agency, Water Resources, Parks and Recreation, Fish and Wildlife, Forestry and Fire Protection, Conservation, and the Wildlife Conservation Board.

The makeover helped transform R Street from a timeworn industrial zone to a vibrant, welcoming entertainment and business district. Cement replaced weathered asphalt, and pedestrian bulb-outs and new lighting greatly improved safety for pedestrians, cyclists and motor vehicles.
April: Comstock’s magazine published a Q-and-A conversation in late April with CADA Executive Director Wendy Saunders about real estate trends in the Sacramento region. She pointed to increasing demand for urban living, to which several recent residential developments in the CADA neighborhood have responded. “If this dynamism continues, our central city will be transformed in a very positive way over the next decade,” Saunders told Comstock’s. She said the urban residential movement will prompt creation of new amenities, adding, “I think there is going to be great demand for entertainment, shopping, beautiful streets and safe routes for pedestrians and bikes.”

May: CADA and R Street neighbors enthusiastically welcomed Market 5-ONE-5, an 11,000-square foot grocery store specializing in fresh, minimally processed, organic, sustainably sourced and synthetic-free foods. CADA played a role in attracting Market 5-ONE-5, the name of which is a reference to the five senses and the five essential nutrients for human health, with “ONE” serving as an acronym for “organic, nutrition and education.” Market 5-ONE-5, in stylishly renovated quarters at 10th and R that California Office Furniture previously occupied, is under the Raley’s umbrella but independently managed.

CADA and the City of Sacramento sponsored an R Street Block Party and invited the entire city to celebrate completion of the two-year comprehensive $8.4 million streetscape renovation and improvement project between 13th and 16th streets. The OuR Street market photographed above was subsequently sponsored by CADA and attracted quite a crowd to the renovated R Street corridor.

June: CADA hosted an outdoor pop-up workshop to introduce the O Street Project to the public and invite public comment about ways to improve the street.

July: Artist Stephen V. Williams completed the 10th Street mural on commercial buildings between P and Q streets, with art direction by legendary Sacramento artist Gregory Kondos and CADA Creative Services Manager Karen Ulep. CADA was a recipient of the city’s Creative Economy Pilot grant, which contributed to funding the mural’s commission. Those involved in the project hope the mural will create diverse awareness of local environmental conservation efforts, encourage artistic expression, and inspire community dialogue.
**August** CADA sponsored four murals as part of the 3rd Wide Open Walls Mural Festival.

**September** CADA transported celebrants to a bygone era with its 40th anniversary festivities in Fremont Park on September 8. Inspired by the musical motion picture Grease — a box-office smash as CADA was being formed in 1978 — CADA staffers dispensed popcorn, snow cones and lots of great tunes. Many of the party-goers were costumed like the film’s Pink Lady Sandy (played by Olivia Newton-John) and Danny (John Travolta’s character), and entertainment at the free event included a sing-along led by spectacularly attired drag queens. Commemoration of the anniversary included release of an anniversary video and publication of a 52-page book, CADA — the First 40 Years: A Legacy of Neighborhood Renovation and Innovation.

**October** The grand opening of the Kaiser Permanente Fitness Court 9th and P streets on October 6 marked one of several milestones in the rebirth of Roosevelt Park. The outdoor Fitness Court is free of charge for use by adults and youths age 14 and over, at all fitness levels. CADA has been instrumental in revitalizing the park, and has helped fund many of its new amenities.

**November** CADA’s 40th anniversary commemoration continued at the Fox & Goose Restaurant to celebrate this landmark moment with a celebratory anniversary video and commemorative book to learn about CADA’s 40-year history, relive memories, and reflect on all that CADA has accomplished in downtown Sacramento over the years.

**December** The Sacramento City Council unanimously approved a policy that CADA endorses as a means to encourage development of new affordable housing units. Effective since the close of December 2018, development impact fees are no longer being charged to developers for constructing new affordable apartment units and single-family homes. Mayor Darrell Steinberg explained, “If you’re willing to come on in and help us build desperately needed workforce and affordable housing, we’re going to give you a significant break on your fees and, in fact, in many instances we’re going to waive the fees.” The savings will help CADA develop more affordable housing units.