

Board of Directors

Ann Bailey, Chair
Bob Lagomarsino, Vice-Chair
Randall Winston, Member
Nick Avdis, Member
Vacant, Member
Jill Azevedo, Acting Board Secretary

CADA Administration

Wendy Saunders, Executive Director
Marc de la Vergne, Deputy Executive Director
Noelle Mussen, Finance Director
Tom Kigar, Special Projects Director
Todd Leon, Development Director

Legal Counsel

Jeff Mitchell
Kronick, Moskovitz, Tiedemann & Girard

Phone: (916) 322-2114

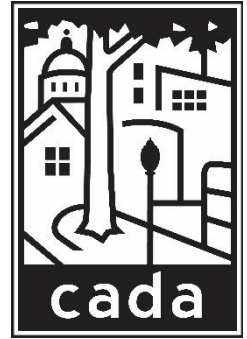
Web: www.cadanet.org

AGENDA REGULAR MEETING

THE CAPITOL AREA DEVELOPMENT AUTHORITY BOARD OF DIRECTORS

**FRIDAY, MARCH 19, 2021
10:00 A.M.**

**CADA ADMINISTRATIVE OFFICE
1522 14TH STREET, SACRAMENTO, CA 95814**



In light of COVID-19 restrictions on public gatherings, the Board and Members of the Public are invited to participate via ZOOM.

To join via Zoom:

Go to: <https://zoom.us/join>

Or join by phone: (669) 900-9128 (Pacific Coast)

Find your local number: <https://zoom.us/j/9009128>

Meeting ID: 811 2539 4906

Request Password (prior to start of meeting):

jazevedo@cadanet.org

- 1. Roll Call**
- 2. Approval of Minutes: February 12, 2021 Regular Meeting**
- 3. Chair's Oral Report**
- 4. Executive Director's Oral Report**
- 5. 10 Year Financial Forecast**

Recommended Action: Review and Comment.

Contact: Noelle Mussen, Finance Director

6. Approval of Dean Electrical Upgrade Project Contract

Recommended Action: Adopt resolution authorizing the Executive Director to enter into a construction contract for the 2021 Dean Electrical Upgrade Project at 1400 N St. with Buskirk Construction, Inc. in the amount of \$124,000.00

Contact: Frank Czajka, Construction Manager

7. Exclusive Negotiating Agreement for the 14th & N Street Development Site (formerly Site 21)

Recommended Action: Adopt resolution authorizing the Executive Director to enter into an Exclusive Negotiating Agreement (ENA) with D & S Development to negotiate a Disposition and Development Agreement (DDA) for a mixed-use condominium/apartment project at the 14th & N Street Development Site.

Contact: Tom Kigar, Director of Special Project
Renée Funston, Development Manager
Wendy S. Saunders, Executive Director

8. 1322 O Street Pre-Development Loan

Recommended Action: Adopt resolution authorizing the Executive Director to increase the \$850,000 Predevelopment Loan from CADA to 1322 O St Investors LP ("the Partnership") by \$250,000 and to assign the Predevelopment Contracts from CADA to the Partnership for the 1322 O Street Affordable Housing Project.

Contact: Renée Funston, Development Manager
Tom Kigar, Director of Special Project
Wendy S. Saunders, Executive Director

9. Oral Staff Reports/Updates

- A. Downtown Sacramento Partnership: See Agenda Item 4
- B. Downtown Sacramento Revitalization Corporation: See Agenda Item 4
- C. Midtown Association: See Agenda Item 4
- D. O Street Streetscape (7th – 17th Streets)
- E. Other Neighborhood Improvements
- F. 1322 O Street: See Agenda Item 8
- G. R Street Affordable Housing (1717 S Street)

10. Transmittals

- A. Ombudsman Report: February 2021
- B. Apartment Status Report: February 2021
- C. Affordable Housing Report: February 2021
- D. Commercial Leases/Vacancies: None
- E. CADA Neighborhood Incident Report: February 2021
- F. Contracts Log: February 2021
- G. Financial Report: See Agenda Item 5
- H. City Treasurer Monthly Investment Report: February 2021

11. Opportunity for the Public to Address the Board Regarding Matters Not on the Agenda

12. Adjournment

Approved for Transmittal:



Wendy S. Saunders, Executive Director

NOTE: THE BOARD MAY TAKE ACTION ON ANY MATTER LISTED ON THE AGENDA. ADDITIONALLY, THE BOARD MAY TAKE ACTION ON ANY MATTER NOT LISTED ON THE AGENDA TO THE EXTENT PERMITTED BY APPLICABLE LAW. PURSUANT TO STATE AND FEDERAL LAW, IF YOU HAVE A REQUEST FOR A DISABILITY-RELATED MODIFICATION OR ACCOMMODATION IN ORDER TO ASSIST YOU IN PARTICIPATING IN THE MEETING, PLEASE CONTACT JILL AZEVEDO, ACTING BOARD SECRETARY AT (916) 322-2114 TO MAKE SUCH A REQUEST. IN ORDER TO ALLOW ADEQUATE TIME TO ACCOMMODATE ANY REQUESTS, CADA ASKS THAT THE REQUEST BE MADE AT LEAST 24 HOURS PRIOR TO THE MEETING.

**MINUTES
OF
REGULAR BOARD MEETING

BOARD OF DIRECTORS
CAPITOL AREA DEVELOPMENT AUTHORITY**

February 12, 2021

ITEM 1 – ROLL CALL

Chair Bailey called the Board Meeting of the CADA Board of Directors to order at 10:00 a.m. at 1522 14th Street, Sacramento, CA 95814 and via public video conference.

Present: Avdis, Baime Michaels, Lagomarsino, Winston, Bailey
Absent: None

ITEM 2 – APPROVAL OF MINUTES: December 18, 2020

Member Avdis moved approval of the December 18, 2021 CADA Board Meeting minutes. Member Winston seconded the motion.

AYES: Avdis, Baime Michaels, Lagomarsino, Winston, Bailey
NOES: None

ITEM 3 – CHAIR’S ORAL REPORT

Chair Bailey reported that she and CADA Executive Director, Wendy Saunders had a meeting with Jennifer Osborne, the new Acting Director of General Services. Chair Bailey and Ms. Saunders stated that Ms. Osborne is very familiar with and supportive of CADA. They further stated that they expect she will continue on as Deputy Executive Director once a new Director is appointment, so it was good to establish a relationship.

ITEM 4 –EXECUTIVE DIRECTOR’S ORAL REPORT

Wendy Saunders reported the following: She, Marc de la Vergne, and Karen Ulep recently had a meet and greet with new Councilmember, Katie Valenzuela, and gave her an overview of the agency. Ms. Saunders stated that there were no updates on Downtown Sacramento Partnership or Midtown, who are both continuing to support local businesses during COVID.

Member Lagomarsino recused himself at 10:03am due to a conflict of interest with the 1322 O St project.

ITEM 5 – 1322 O STREET AFFORDABLE HOUSING PROJECT – ARCHITECTURAL PLANS UPDATE

Recommended Action: For review and comment only.

Contact: Renée Funston, Development Manager,
Tom Kigar, Special Projects Director
Wendy S. Saunders, Executive Director

Member Baime Michaels stated Midtown is grappling with the City’s current initiative to move to full electric with new projects, and anticipates that it may be a future challenge for CADA as well in identifying restaurant tenants for this and other projects, as they typically want gas for cooking. Ms. Baime Michaels reported that Midtown had taken up this very issue at the Planning Commission last night and is hopeful they can work on a good path forward.

Ms. Baime Michaels also shared that the new Paragray hotel is fully booked for Valentines, and mentioned how that project did a good job of bringing in local artists to decorate each floor, which has been very well-received and stated she would provide support for such an effort in this project as it evolves.

Karen Ulep shared that there have been a lot of discussions around art for this and the 1717th S Street project as well, so this is already being considered.

Tom Kigar stated that staff would also be working on the possibility of running gas lines to the commercial spaces in the project as well.

There was also discussion about the 5th floor deck and the challenges of putting such a space on the roof instead, including OSHA requirements, and elevator access.

No public comments.

ITEM 6 – AUTHORIZATION TO AMEND CONTRACT WITH GENERAL CONTRACTOR FOR 1322 O STREET AFFORDABLE HOUSING PROJECT

Recommended Action: Staff recommends the Board adopt a resolution authorizing an amendment to the contract with General Contractor for the 1322 O Street Affordable Housing Project

Contact: Renée Funston, Development Manager,
Tom Kigar, Special Projects Director
Wendy S. Saunders, Executive Director

The Development and Construction Committee did not meet.

No public comments.

Member Avdis moved approval of amendment to Resolutions 21-02 attached hereto and incorporated herein. Member Winston seconded the motion.

AYES: Avdis, Baime Michaels, Winston, Bailey
NOES: None

Member Lagomarsino rejoined the meeting at 10:58am.

ITEM 7 – CADA TAX ALLOCATION BOND BUDGET REVISION

Recommended Action: Staff recommends the Board adopt a resolution approving a revision to the FY 20-21 Annual General Operation Budget to revise Bond Interest Payable and Tax Increment Revenue of \$325,271.

Contact: Noelle Mussen, Finance Director

The Operations Committee did not meet.

No public comments.

Member Lagomarsino moved approval of Resolution 21-01 attached hereto and incorporated herein. Member Winston seconded the motion.

AYES: Avdis, Baime Michaels, Lagomarsino, Winston, Bailey
NOES: None

ITEM 8 – ORAL STAFF REPORTS/UPDATES

A. Downtown Sacramento Partnership: Reported on in Agenda Item 4.

- B. Downtown Sacramento Revitalization Corporation: Reported on in Agenda Item 4.
- C. Midtown Association: Reported on in Agenda Item 4.
- D. O Street Streetscape (7th – 17th Streets): Marc de la Vergne reported that staff is working on a change order with the design consultants so they can work together. Staff is also having Atlas extend its 3D design of the 900 block to the intersection at 10th street. Design consultant Miridae will be handling the soft-scape portion of the design, so there is now more work for both teams than originally anticipated. Renee Funston reported that, as part of RT grant for 1322 O St, staff submitted a proposal for 11th and O Streets and the 16th St RT station. The award included 5% for public art, and staff is working on a mural at 1108 O St and also the Posey's restoration. Marc de la Vergne reported that the current construction in Roosevelt Park is for the City's budgeted replacement of the restrooms. The new restrooms will be more secure with lighting, and automatic locking features, which will make it easier to lock and unlock in the mornings and evenings.
- E. Other Neighborhood Improvements: Renee Funston reported that for the 10th and P commercial spaces, staff has put the construction drawings out to bid, with a job walk scheduled for next week, and a contract in place by the end of the month. Staff will then submit the plans for City review. Staff has also commissioned the artist to extend their mural to the space occupied by Yummy Choice on 9th Street.
- F. Site 21 – (Southwest corner of 14th and N Streets): No Report
- H. CADA Courtyard Site (1322 O Street): Reported on in Items 5 and 6.
- I. R Street PBID: Todd Leon reported that there is discussion about what to do as spring approaches and the continuation of al fresco dining given the financial strain experienced by the restaurants, and how to fully reopen when able. The PBID is also grappling with questions about City assistance, and the blight that has occurred over the last year due to homelessness. Mr. Leon also stated there is a lot of discussion about the City's all-electric approach to all new projects and the impacts on restaurants who typically like to use gas for cooking. The City's all-electric requirement also impacts future project, especially concerning retail, as incorporation of the all-electric initiative is a major component for receiving Affordable Housing and Sustainable Communities funding.
- J. R Street Affordable Housing (1717 S Street): Todd Leon reported that the weather has caused some issue, but only pushed the construction schedule back by 2 weeks. Soil remediation should be finishing up by next Friday. Staff is working with the Water Board to get a letter stating we have completed our obligations, which will make the investors and banks happy. Grading work will begin right after that, in March the project should be getting ready for foundation work, including lots of alley closures and construction in relation to utility prep. The current schedule is to have the foundation and podium built by July, at which point framing will start on all different components, and be substantially topped out by December. Everything is looking pretty good right now.

ITEM 9 – TRANSMITTALS

Received as transmitted.

ITEM 10 – OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD REGARDING MATTERS NOT ON THE AGENDA

None.

ITEM 11 – ADJOURNMENT

The meeting adjourned at 11:08 am

Jill Azevedo
Acting Secretary to the Board of Directors

RESOLUTION NO. 21 - 01

Adopted by the Capitol Area Development Authority

February 12, 2021

**RESOLUTION ADOPTING
REVISION TO THE GENERAL OPERATIONS BUDGET**

WHEREAS, the FY 2020-2021 General Operations Budget and Capital Investment Program Budgets are prepared in accordance with the business development goals set forth in the Authority's Strategic Plan and the Annual Business Plan for FY 2020-2021 and were adopted at the June 2020 Board Meeting; and

WHEREAS, at the time of the Mid-Year Budget Revision, staff had only the estimated total annual debt service schedule as regards the Tax Allocation Bond issued in December 2020, and

WHEREAS, subsequent to the bond being issued on December 3, 2020 staff received the final debt service schedule, which exceeded the estimates presented in the Mid-Year Budget Revision by \$325,271; and

WHEREAS, the revision recommended for adoption has been presented and reviewed at this meeting of the Board of Directors,


NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Capitol Area Development Authority that this Revision effects the following changes, as presented at this meeting, and is hereby adopted:

Revision to the FY 20-21 Annual General Operation Budget to increase the Bond Interest Payable and Tax Increment Revenue by \$325,271.



Ann Bailey, Chair

ATTEST:



Jill Azevedo
Acting Secretary to the Board of Directors

RESOLUTION NO. 21 - 02

Adopted by the Capitol Area Development Authority

February 12, 2021

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO AMEND THE CONTRACT WITH TRICORP GROUP INC. AND ALLOCATE DEVELOPMENT RESERVES FOR THE 1322 O STREET AFFORDABLE HOUSING PROJECT

WHEREAS, CADA entered into a Consultant Agreement for Design-Assist Services with Tricorp Group Inc. (Tricorp) on February 18, 2020 to assist the architect in the preparation of the plans from schematic design through final construction drawings, as well as preparation of the Guaranteed Max Price (GMP) Proposal, at a cost of \$47,000; and

WHEREAS, on February 13, 2020, Youngdahl Consulting Group, Inc. completed a Phase II Environmental Site Assessment, which identified a geotechnical anomaly on the existing site; and

WHEREAS, on December 9, 2020, the 1322 O Street affordable housing project was awarded tax credits and bonds, which requires close of financing within 180 days; and

WHEREAS, on January 28, 2021, the project was also awarded HCD Transit-Oriented Development program award; and

WHEREAS, on February 5, 2021, Tricorp submitted a cost proposal on a time-and-materials basis not to exceed \$10,000 for exploratory excavation of the existing site conditions to identify and evaluate the geotechnical anomaly.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority Board of Directors that the Board authorizes the Executive Director to:

1. Amend the contract with Tricorp in the amount of \$10,000 to cover the cost of Tricorp completing exploratory excavation and allow for a contingency of \$10,000 for soil testing, and
2. Authorize an allocation of \$20,000 from the Development Reserves.


Ann Bailey, Chair

ATTEST:


Jill Bagley-Azevedo
Secretary to the Board of Directors

RESOLUTION NO. 20 - 30

Adopted by the Capitol Area Development Authority

December 18, 2020

**RESOLUTION ACCEPTING AND AUTHORIZING RELEASE OF
INDEPENDENT AUDITOR'S REPORTS – FISCAL YEAR 2019-2020**


WHEREAS, the certified public accounting firm of CohnReznick has audited the Authority's finances and prepared its Authority's Independent Auditor's Reports for Fiscal Year 2019-2020; and

WHEREAS, CohnReznick has prepared an unqualified opinion letter that is incorporated into this annual report.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority, that the Authority's Independent Auditor's Reports for Fiscal Year 2018-2019 audited by CohnReznick are hereby accepted and authorized for release.


Ann Bailey, Chair

ATTEST:


Jill Azevedo
Acting Secretary to the Board of Directors

RESOLUTION NO. 20 - 31

Adopted by the Capitol Area Development Authority


December 18, 2020

**RESOLUTION ACCEPTING AND AUTHORIZING RELEASE OF
INDEPENDENT AUDITOR'S REPORTS – FISCAL YEAR 2019-2020
FOR SOMERSET PARKSIDE APARTMENTS**

WHEREAS, the certified public accounting firm of CohnReznick has completed its audit of the Authority's Independent Auditor's Reports for Fiscal Year 2019-2020 for Somerset Parkside Apartments; and


WHEREAS, CohnReznick has prepared an unqualified opinion letter which is incorporated into this annual report.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority, that the Authority's Independent Auditor's Reports for Fiscal Year 2019-2020 for Somerset Parkside Apartments audited CohnReznick is hereby accepted and authorized for release.



Ann Bailey, Chair

ATTEST:



Jill Azevedo
Acting Secretary to the Board of Directors

RESOLUTION NO. 20 - 32

Adopted by the Capitol Area Development Authority

December 18, 2020

**RESOLUTION ACCEPTING AND AUTHORIZING RELEASE OF
INDEPENDENT AUDITOR'S REPORTS – FISCAL YEAR 2019-2020
FOR BIELE PLACE APARTMENTS**


WHEREAS, the certified public accounting firm of CohnReznick has completed its audit of the Authority's Independent Auditor's Reports for Fiscal Year 2019-2020 for Biele Place Apartments; and

WHEREAS CohnReznick has prepared an unqualified opinion letter which is incorporated into this annual report.

NOW, THEREFORE, BE IT RESOLVED by the Capitol Area Development Authority, that the Authority's Independent Auditor's Reports for Fiscal Year 2019-2020 for Biele Place Apartments audited by CohnReznick is hereby accepted and authorized for release.


Ann Bailey, Chair

ATTEST:


Jill Azevedo
Acting Secretary to the Board of Directors

RESOLUTION NO. 20 - 33

Adopted by the Capitol Area Development Authority

December 18, 2020

**RESOLUTION ACCEPTING AND AUTHORIZING RELEASE OF
INDEPENDENT AUDITOR'S REPORTS – FISCAL YEAR 2019-2020
FOR SEVENTEENTH STREET COMMONS
(Contract Number 99-024-N)**


WHEREAS, the certified public accounting firm of CohnReznick has completed its audit of the Authority's Independent Auditor's Reports for Fiscal Year 2019-2020 for Seventeenth Street Commons (Contract Number 99-024-N); and

WHEREAS, CohnReznick has prepared an unqualified opinion letter which is incorporated into this annual report.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority, that the Authority's Independent Auditor's Reports for Fiscal Year 2019-2020 for Seventeenth Street Commons (Contract Number 99-024-N) audited by CohnReznick is hereby accepted and authorized for release.


Ann Bailey, Chair

ATTEST:


Jill Azevedo
Acting Secretary to the Board of Directors

RESOLUTION NO. 20 - 34

Adopted by the Capitol Area Development Authority

December 18, 2020

RESOLUTION ADOPTING THE EMPLOYEE HANDBOOK

WHEREAS, at the December 18, 2020 Board Meeting, staff presented the CADA Board of Directors ("Board") with proposed revisions to the CADA Employee Handbook ("the Handbook") for Board approval; and

WHEREAS, the Board has considered staff's recommendation to adopt the revisions to the Handbook; and


WHEREAS, on December 18, 2020, the Board adopted a new Handbook.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority as follows:

1. That the draft Handbook dated January 1, 2021, is hereby adopted as the Employee Handbook.
2. That the draft Handbook dated January 1, 2021, supersedes all previous Handbooks adopted by the Board.
3. That the draft Handbook dated January 1, 2021, shall be effective January 1, 2021.


Ann Bailey, Chair

ATTEST:


Jill Azevedo
Acting Secretary to the Board of Directors

RESOLUTION NO. 20 - 35

Adopted by the Capitol Area Development Authority

December 18, 2020

RESOLUTION ADOPTING THE 2021 COMMITTEE MEETINGS SCHEDULE

WHEREAS, the Board of Directors for the Capitol Area Development Authority will hold regular committee meetings during the calendar year 2021; and

WHEREAS, the meeting schedule has been established for the purpose of establishing when these meetings will occur.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority, that the Regular Committee Meetings Schedule for 2021 is as follows:

Operations Committee: 2:00 p.m.
Neighborhood Development Committee: 3:00 p.m.

Tuesday, January 19th
Tuesday, February 9th
Tuesday, March 16th
Tuesday, April 13th
Tuesday, May 11th
Tuesday, June 22nd
July --- NO MEETING
Tuesday, August 17th
Tuesday, September 14th
Tuesday, October 19th
November --- NO MEETING
Tuesday, December 7th

Development and Construction Committee: 9:30 a.m.

Wednesday, January 20th
Wednesday, February 10th
Wednesday, March 17th
Wednesday, April 14th
Wednesday, May 12th
Wednesday, June 23rd
July --- NO MEETING
Wednesday, August 18th
Wednesday, September 15th
Wednesday, October 20th
November --- NO MEETING
Wednesday, December 8th

All meetings of the CADA Board of Directors are publicly announced and open to the public in accordance with the Ralph M. Brown Act.

The regular committee meetings will take place at the CADA Administrative Office, 1522 14th Street, Sacramento, CA at the designated times set forth above unless otherwise announced.


Ann Bailey, Chair

ATTEST:


Jill Azevedo - Acting Secretary to the Board of Directors

RESOLUTION NO. 20 - 36

Adopted by the Capitol Area Development Authority

December 18, 2020

RESOLUTION ADOPTING THE 2021 BOARD MEETINGS SCHEDULE

WHEREAS, the Board of Directors for the Capitol Area Development Authority will hold regular Board meetings during the calendar year 2021; and

WHEREAS, the Board of Directors must establish when these meetings will occur.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority, that the Regular Board Meeting Schedule for 2021 is as follows:


Friday, January 22nd
Friday, February 12th
Friday, March 19th
Friday, April 16th
Friday, May 14th
Friday, June 25th
July---NO MEETING
Friday, August 20th
Friday, September 17th
Friday, October 22nd
November ---NO MEETING
Friday, December 10th

All meetings of the CADA Board of Directors are publicly announced and open to the public in accordance with the Ralph M. Brown Act.

The regular Board meetings will take place at the CADA Administrative Office, 1522 14th Street, Sacramento, CA beginning at 10:00 a.m. unless otherwise announced.


Ann Bailey, Chair

ATTEST:


Jill Azevedo
Acting Secretary to the Board of Directors

RESOLUTION NO. 20 - 37

Adopted by the Capitol Area Development Authority

December 18, 2020

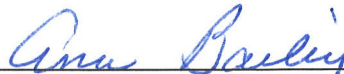
RESOLUTION ADOPTING THE FISCAL YEAR 2020 -2021 MID-YEAR REVISION TO THE GENERAL OPERATIONS BUDGET AND CAPITAL INVESTMENT PROGRAM (CIP) BUDGETS

WHEREAS, the FY 2020-2021 General Operations Budget and Capital Investment Program Budgets are prepared in accordance with the business development goals set forth in the Authority's Strategic Plan and the Annual Business Plan for FY 2020-2021 and were adopted at the June 2020 Board Meeting; and


WHEREAS, the Mid-Year Revisions recommended for adoption have been presented and reviewed at this meeting of the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Capitol Area Development Authority that the Mid-Year Revisions that affect the following changes, as presented at this meeting, are hereby adopted:

- Revise the FY 20-21 General Operations Budget to affect a net increase of \$30,936,836. This net increase is the result of tax increment received but not utilized in the prior year, adjustments to revenue, bond proceeds and drawdowns on reserves. This revision is proposed to fund increases for CIP budgets, reserve contributions, and general expense accounts.
- Revise Development CIP Budgets to
 - Increase the FY 04-05 Budget by \$55,000
 - Increase the FY 08-09 Budget by \$1,929
 - Increase the FY 19-20 Budget by \$70,000
 - Proposed new project in FY 20-21 of \$202,500
- Revise Bond Issue CIP Budgets to
 - Proposed new FY 20-21 Bond Issue Budget of \$30 million
- Revise Reserves to
 - Increase the Development Reserve by \$115,406
 - Increase the Debt Retirement Reserve for Somerset Parkside and Biele Place by \$212,000
 - Increase the Debt Retirement Reserve for Somerset Parkside and Biele Place by \$212,000


Ann Bailey, Chair

ATTEST:


Jill Azevedo
Acting Secretary to the Board of Directors

RESOLUTION NO. 20 - 38

Adopted by the Capitol Area Development Authority

December 18, 2020

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO AMEND THE CONTRACT
WITH CARTWRIGHT NOR CAL, INC. FOR THE 1322 O STREET AFFORDABLE
HOUSING PROJECT**

WHEREAS, CADA entered into a Consulting Agreement for Civil Engineering Services with Cartwright Nor Cal, Inc. (Cartwright) on November 22, 2019 for preliminary design through bidding and construction at a cost of \$42,000; and

WHEREAS, on March 24, 2020, the Executive Director executed Amendment #1 to the contract with Cartwright to remove budgeted optional tasks and to add responsibility for preparation of the application package and submission of the On-Site Civil improvement plans to the City of Sacramento bringing the total budget amount to \$48,000; and


WHEREAS, on July 30, 2020, Staff submitted a competitive HCD Transit-Oriented Development Housing Program application for \$10 million, which awards points for encouraging higher densities, including performing a Lot Line Adjustment to increase the Project site to .26 acres; and

WHEREAS, on October 9, 2020, Cartwright submitted a cost proposal of \$6,500 for revising the plans based on the increased Project site bringing the total budget amount to \$54,500.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority Board of Directors that the Board authorizes the Executive Director to amend the contract with Cartwright in the amount of \$6,500 to cover the cost of Cartwright revising the plans to increase the Project site to .26 acres, and to authorize an allocation of \$6,500 from the Fiscal Year 2020-2021 Tax Increment Income.


Ann Bailey, Chair

ATTEST:


Jill Bagley-Azevedo
Secretary to the Board of Directors

RESOLUTION NO. 20 – 39

Adopted by the Capitol Area Development Authority

December 18, 2020

APPROVING AN ADMINISTRATIVE SERVICES AGREEMENT WITH THE CAPITOL AREA COMMUNITY DEVELOPMENT CORPORATION

WHEREAS, in 2014 CADA sponsored the creation of the Capitol Area Community Development Corporation ("CACDC") as a non-profit public benefit corporation created to "combat community deterioration, lessen the burdens of government and relieve the poor and distressed" by participating in the ownership, development, financing and management of residential and commercial projects in proximity to the State Capitol; and

WHEREAS, in 2014, the CACDC was determined to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code; and

WHEREAS, since its incorporation, the administrative needs of the CACDC have been minimal and CADA staff has provided those services at on an as-needed basis at no charge; and

WHEREAS, the previous Administrative Services Agreement has successfully led to the financing and construction of an affordable housing project on real property described as the half block of property located between 17th and 18th Streets and S Street and the R/S alley (the "Property"); and

WHEREAS, the CACDC and CADA now desire to continue the existing framework that governs the services to be provided by CADA to the CACDC and identifies those project- and asset-specific services for which CADA will be entitled to receive compensation from the CACDC.

NOW THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority that the Board of Directors hereby:

1. Authorizes and directs the Executive Director to enter into an Administrative Services Agreement between CADA and the CACDC in substantially the form presented to the Board on this date, together with such changes, insertions, revisions, corrections or amendments as may be approved by CADA's General Counsel.

2. Authorizes and directs the Executive Director or her designees, in the name and on behalf of CADA, to take any and all actions and to execute and deliver any and all certificates, contracts and other documents which they might deem necessary or appropriate in order to consummate the execution of the Administrative Services Agreement and to otherwise effectuate the purposes of this Resolution.

The foregoing Resolution was duly passed and adopted at a meeting of the Board of Directors of the Capitol Area Development Authority held on December 18, 2020, by the following vote:

AYES:

NOES:


ABSENT:

ABSTAIN:



Ann Bailey, Chair

ATTEST:



Jill Azevedo
Secretary to the Board of Directors

RESOLUTION NO. 20-05

Adopted by the Capitol Area Community Development Corporation

December 18, 2020

APPROVING AN ADMINISTRATIVE SERVICES AGREEMENT WITH THE CAPITOL AREA DEVELOPMENT AUTHORITY

WHEREAS, as stated in the Articles of Incorporation, the specific purposes of the Capitol Area Community Development Corporation ("CACDC") are to "combat community deterioration, lessen the burdens of government and relieve the poor and distressed" by participating in the ownership, development, financing and management of residential and commercial projects in proximity to the State Capitol; and

WHEREAS, since incorporation, the administrative needs of the CACDC have been minimal and CADA staff has provided those services on an as-needed basis; and

WHEREAS, the previous CACDC and CADA Administrative Services Agreement has successfully led to the financing and construction of an affordable housing project on real property described as the half block of property located between 17th and 18th Streets and S Street and the R/S alley (the "Property"); and

WHEREAS, the CACDC and CADA now desire to continue the existing framework that governs the services to be provided by CADA to the CACDC and identifies those project- and asset-specific services for which CADA will be entitled to receive compensation from the CACDC.

NOW, THEREFORE, BE IT RESOLVED by the Capitol Area Community Development Corporation that the Board of Directors hereby:

1. Authorizes and directs the President to enter into an Administrative Services Agreement between the CACDC and CADA in substantially the form presented to the Board on this date, together with such changes, insertions, revisions, corrections or amendments as may be approved by the CACDC's General Counsel.

2. Authorizes and directs the President or her designees, in the name and on behalf of the CACDC, to take any and all actions and to execute and deliver any and all certificates, contracts and other documents which they might deem necessary or appropriate in order to consummate the execution of the Administrative Services Agreement and to otherwise effectuate the purposes of this Resolution.

This Resolution shall be effective immediately upon its approval and adoption.

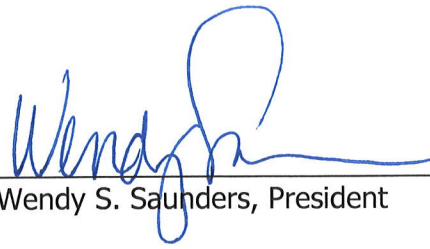
The foregoing Resolution was duly passed and adopted at a meeting of the Board of Directors of the Capitol Area Community Development Corporation held on March 25, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:



Wendy S. Saunders, President

ATTEST:


Jill Azevdo, Secretary



March 12, 2021

TO: CADA Board of Directors

SUBJECT: **March 19, 2021, Board Meeting**
AGENDA ITEM 5
CADA FINANCIAL FORECAST (FY 2021-2022 THROUGH FY 2030-2031)

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RECOMMENDED ACTION: For information only. This report provides CADA's annual Ten-Year Financial Forecast for discussion as CADA plans its business priorities for Fiscal Year 21-22 through Fiscal Year 30-31.

BACKGROUND

Each year, CADA updates its ongoing Ten-Year Financial Forecast. The Forecast reflects changes in financial and economic conditions that affect CADA's general operations and development projects. The Forecast is a tool that aids in the preparation of the annual CADA budget proposal made by staff for review by the Board in June.

Because development projects require advance funding and the timing of the resulting tax increment is uncertain, the Forecast analyzes the impact of all development projects on CADA's overall operations, including General Operations and Major Construction.

POLICY ISSUES

CADA is charged with implementing the residential and commercial components of the State's Capitol Area Plan and the City of Sacramento's R Street Corridor Master Plan in a manner that is fiscally, socially, and environmentally sustainable, and that results in an attractive urban neighborhood that is affordable to a diverse population.

To accomplish its mandate, CADA must ensure that its property management activities are cost-effective and that its urban development activities are fiscally prudent. As a tool for ensuring that it is pursuing its mission in a fiscally responsible manner, CADA prepares a Ten-Year Financial Forecast each year. The Forecast enables CADA to consider the needs of its aging housing stock and the implications of development and neighborhood investments on its long-term fiscal stability. The Forecast also provides the basis for CADA's annual budget, which is presented to the CADA Board of Directors each June.

Because Capitol Area Tax Increment (TI) cannot be used in the R Street Area without prior approval from the Department of General Services (DGS), and the two areas have different restrictions with regard to the use of 20% affordable housing set-aside funds, separate Forecasts are provided for the Capitol Area (**Attachment 1**) and the R Street Area (**Attachment 3**). Attachment 2 provides detailed assumptions regarding planned development projects in the Capitol Area.

CAPITOL AREA FORECAST (ATTACHMENT 1)

This Forecast presents CADA operations and fiscal responsibilities in the Capitol Area in three segments: General Operations, Major Construction, and Development. With regard to Tax Allocation Bond activities, CADA's on-going bond debt service is reported as an expense within General Operations.

CADA has established a threshold for the Capitol Area below which its cash reserves should not fall. This threshold represents six months of expenses, or approximately \$4.7 million, which is an increase from the prior year's threshold of \$4 million. The last Forecast, which was prepared in 2020, projected a decline in available funds between Year 1 through Year 2, with smaller decreases in Year 5. Reserves in the last Forecast started at \$14.1 million with steady increases from Year 5 to Year 10.

This year's Forecast shows a more gradual decline in available funds between Year 1 through Year 4 and a slight increase in Years 4 through Year 6, with starting reserves at \$14 million. As compared to the prior year Forecast, the current Forecast projects a slight decrease of available funds from Year 6 to Year 10.

The differences from the prior year are due to net changes in assumptions regarding General Operations, Major Construction, Development; project completions; economic changes; changes in development project requirements; and changes in funding needs.

Compared to the prior year, Year 1 in the current Forecast begins with about \$1 million more in beginning balance of available reserves.

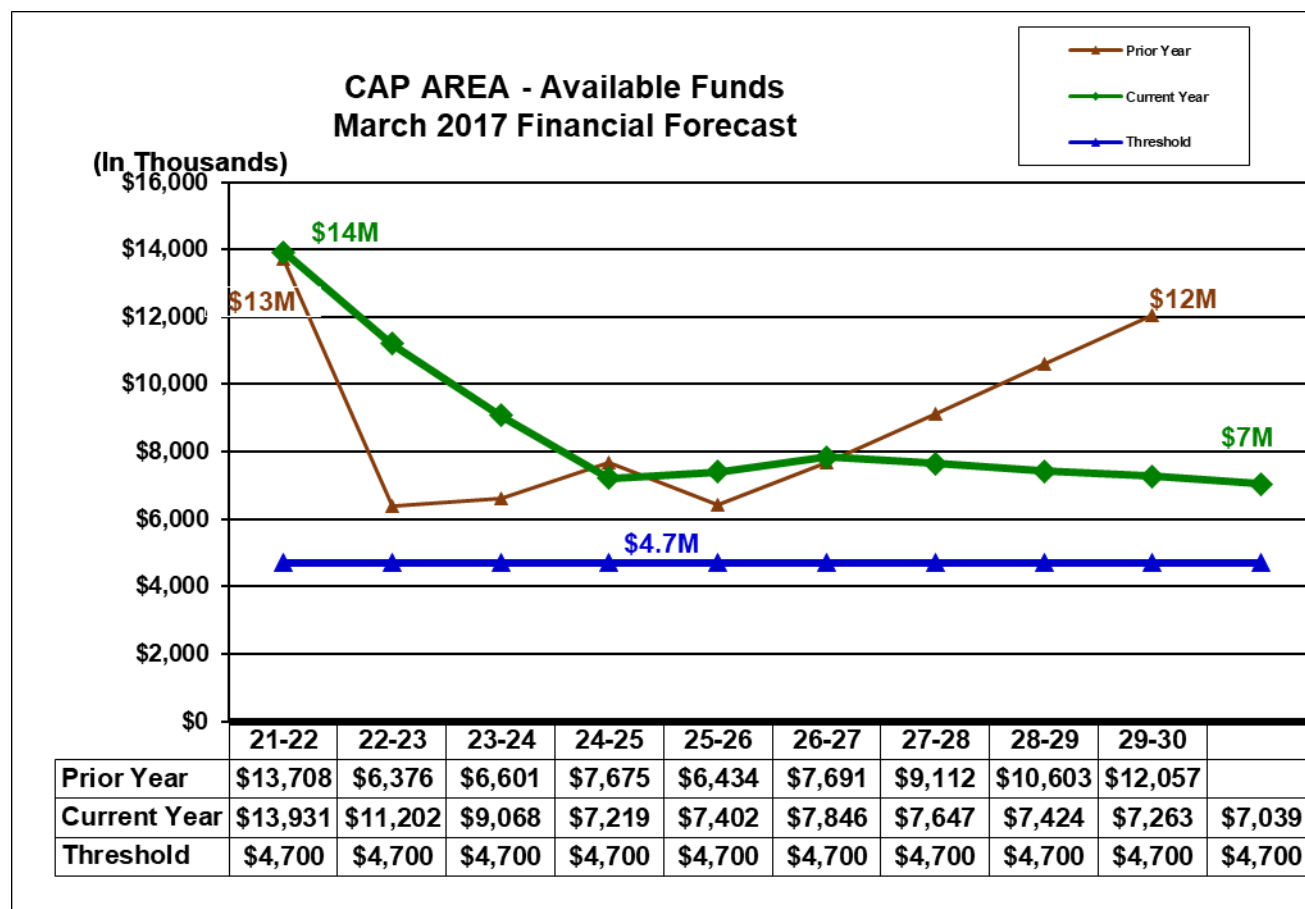
Changes in assumptions were made to General Operations in regards to revenue collection and growth. Rental Revenue in the current year and following years is lower than in the prior Forecast, with slower growth leading to a decrease in rental revenue collectively over the whole ten-year period. For Tax Increment (TI), collection has been steady but growth is lower in the current year and in Year 1 leading to lower revenue over the whole ten-year period as compared to the prior year Forecast. The current Forecast, incorporates the new CADA bond debt service for an average debt service amount of \$513,000 per year over the whole ten-year period.

The decline of available funds between Years 1 through 4 is due to General Operations assumptions changes and changes to Development programs assumptions. In the current Forecast for Site 21, an offsite expense of \$400,000 in Year 1 is included along with \$2.4 million promissory note to CADA for the sale of the property with payments due in Years 4 through 10, which was not incorporated in the prior Forecast.

For East End Gateway Site 5/6/7, the prior year Forecast assumed that in Years 1 and 2, the affordable housing project would need \$5 million for predevelopment and subsidy expenses, this being one of the major reasons for the sharp available funds decline in those two years reflected in that Forecast. The current Forecast assumes the project will use 2020 bond proceeds for these expenses.

Similar to the East End Gateway project, the prior year Forecast assumed the Courtyard project would need a subsidy of \$2.5 million in Year 2. The current Forecast assumes that \$2 million of the \$2.5 million will be funded using bond proceeds. These changes, along with the continued large expenditures for major construction in Year 1 through Year 5, have adjusted the funding needs over a longer period of time as compared to the prior Forecast.

Given these changes, together with the \$300,000 Eviva tax increment pledge maturing in Year 5, no new development projects in later years, as well as the projected positive affordable housing impact in Year 6 from the East End Gateway Site 5/6/7 and Courtyard projects, the Forecast projects a decline in available funds but stays above the \$4.7 million threshold throughout the 10-year period and reflects available funds in year 10.



The Capitol Area Forecast covering the period of FY 21-22 (Year 1) through FY 30-31 (Year 10) is presented in **Attachment 1**. In keeping with past Forecast practices, this Forecast does not include the operation of CADA's Special Management properties. As reported in Attachment 1, the General Operations segment of the Forecast remains positive across the ten-year period.

Key assumptions, by segment, having a financial impact on Capitol Area cash reserves during the Forecast period of FY 21-22 through FY 30-31 are as follows:

GENERAL OPERATIONS

General Operations consists of Property Management revenue and expenses (residential and commercial activity), Tax Increment revenue, and Administrative and Development Support activities for the organization. General Operations can be impacted by Major Construction and Development projects, increases or decreases in Tax Increment and Property Management revenue, and changes in the number of affordable housing units maintained within CADA-managed properties.

Key Assumptions

- The Forecast assumes Rental Income in the current year is lower than what was assumed in the prior year forecast with no increase in Year 1. The assumption for Year 1 is of FY 19-20

full year revenue reduced by half a year of commercial and ground lease revenue reflecting continued pandemic-related relief to these tenants to the end of 2021. From Year 2, or FY 22-23, the Forecast assumes the full FY 19-20 revenue amount increasing by 2% per year. In Year 2 the Forecast assumes rental income will decline reflecting the potential loss of Commercial and Parking revenue from development of the Site 5/6/7 project.

- Within the current year, the Forecast has taken into account the reduction in revenue related to COVID over the last 12 months. Residential revenue has stayed fairly steady with collections going from an average of 98% of what was billed to 94% of what was billed. Larger reductions have occurred in the commercial and ground lease revenues, which are down to 28% of what was billed.
- The Forecast assumes CADA's Low Income Subsidy Program will remain in place during the entire 10-year period, with the subsidy balance increasing 2% per year.
- Tax Increment (TI) revenue in the Capitol Area in Year 1 is increased to reflect FY 20-21 estimated levels, with an additional increase after review of the current tax assessor's reports, followed by a 1% increase in Year 1 and 2% increases each year thereafter.

TI revenue generated by development projects that are in progress is not included in this segment of the Forecast. That revenue is reported by project in the Development segment of the Forecast. However, the Eviva Midtown TI pledge payment has been included in this section at \$300,000 annually until Year 5, after which the subsidy ends.

- Investment Earnings have stayed flat over the last few years. Consequently, the Forecast assumes a decrease in the anticipated annual investment earnings rate, due to a decline in projected cash reserves. In addition to interest earned on operating reserves, the Forecast reflects investment earnings from the 2020 unspent bond proceeds to fund major construction and development needs.
- All Notes Receivables to CADA have been paid off, so no receivables have been incorporated into this Forecast.
- The Forecast assumes Salaries and Benefits will increase 3% per year with the exception of Retirement Benefits and Other Post Employment Benefit (OPEB) liabilities. Those have been adjusted based on information from CalPERS and current actuarial reports from CADA's consultants. There are no staffing changes assumed over the forecast period.
- For retirement benefits, according to the latest CalPERS actuarial report, CalPERS is billing CADA for the normal cost, or "retirement cost", for active employees estimated to vest in a given year as a percentage of payroll. Any unfunded liability is being billed at the calculated annual dollar value, which currently is amortized over 30 years.

In this Forecast, staff has incorporated assumptions from CalPERS actuarial reports pertaining to the normal cost rates and the annual unfunded liability payment. As new staff members have come on board, the number of PEPRAs employees has increased over Classic employees, and now comprises approximately 50% of staff in each category. As a result, this Forecast takes in to account both pools of employees. This is important because the employer normal cost rate and the unfunded accrued liabilities are different between the two classifications, with the PEPRAs employees being lower in both categories.

For Classic members, the normal cost rate assumed in the CalPERS actuarial report is 11.6% in Year 1, with an assumed increase of .5% each year thereafter. The unfunded liability

amount is based on an adjusted 25-year amortization schedule. For PEPRAs members, the normal cost rate assumed in the CalPERS actuarial report is 7.73% in Year 1, with an assumed increase of .2% each year thereafter. The current unfunded liability for PEPRAs members is \$5,158 in Year 1 with a remaining balance of \$21,000 to be paid over the next four years until FY 24-25.

- OPEB Liabilities are projected to continue to be fully funded in a trust fund established through CalPERS. CADA's current OPEB annual amount is calculated by using the estimated Annual Required Donation (ARD) from the FY 20-21 Actuarial Report, and growing the liability 3% per year. The Forecast assumes CADA will continue to reimburse current retirement health benefits from the trust, starting at \$166,000 and increasing by 3% per year thereafter.
- The Forecast assumes Outside Services accounts and Maintenance and Repair accounts will increase 3% per year.
- The Forecast assumes Utilities and Overhead will increase 2% per year, with one exception. The CADA Administrative Office lease was renegotiated in 2017 as part of the renovation of the space. DGS approved tenant improvements done by CADA and they will be reimbursed through a rent reduction over 10 years totaling \$200,000. This Forecast reflects the negotiated lease terms with rent at the negotiated term of \$87,340 from Years 1 to 4, a rent increase to \$89,600 from Year 5 to Year 8, and then a 3% increase from Year 8 to Year 10.
- CADA Debt will decrease in Year 3 when the debt payments CADA is making on the first Capitol Lofts Brownfield Loan cease. Thereafter, CADA's continuing debt will consist of the I-Bank loan, the 2017 private placement bond, and the land loan debt paid by CADA to DGS for the East End Gateway Sites 1- 3 projects until Year 9 when the DGS loans will be paid off.
- Tax Allocation Bond Debt Service has increased by the debt service payments from the new 2020 taxable bond issued in December 2020. This will be a constant expense over the whole ten year Forecast period based on the Bond debt service schedules.
- Also included in the Forecast is the debt service reserve for two Special Management properties, Somerset Parkside and Biele Place. The existing annual reserves contributions are assumed to be \$212,000 and will be set aside to pay the deferred debt CADA will owe to HCD at the end of the revised regulatory periods for these projects. The Forecast assumes debt will be paid off before the CADA-DGS master lease for CADA-managed properties expires.

As reported in **Attachment 1**, The net cash flow of this segment of the Forecast fluctuates between positive and negative ending balances across the ten-year period.

MAJOR CONSTRUCTION

For Major Construction, the CADA Maintenance Department continues to review and update its needs assessment documentation for CADA's whole portfolio. These assumptions have been incorporated into this Forecast along with the assumption that the currently-budgeted Major Construction projects will be completed in Years 1 and 2.

Typically, Special Management construction projects are funded through those properties' operations. In this case, three of CADA's Special Management buildings - Somerset Parkside, Biele Place, and 17th Street Commons - do not generate sufficient revenues to fund required repairs. This requires capital improvements in an estimated amount of \$300,000 to be funded through CADA's General Construction budget over the ten-year period.

Major Construction budgets remain active and open for three years and the cash flow for these expenditures is usually expensed over a three-year period. Therefore, from Years 3 to 10, to better reflect the cash flow of CADA's Major Construction projects, total estimated project expenditures in each Forecast year are expended over a three-year period, generally with 25% expended in the first year, 50% in the following year, and 25% in the 3rd year. These assumptions yield a total Major Construction outlay of \$13.3 million over the ten-year period, with \$8 million of these expenditures occurring between Years 1 through 4. This is a \$3.2 million increase in expenditures over the prior year Forecast.

DEVELOPMENT

In this Forecast, Development projects are categorized as either "Current" or "Neighborhood and Infrastructure Improvements Projects." While the Forecast includes some of the same projects as in prior years, some projects have had modifications due to varied issues including timing delays, project restructuring, and financing restructuring.

For the current Forecast, assumptions for each development project are estimates based on information received from CADA project managers as of the end of February. Therefore, changes to development project assumptions that have occurred since February may not be reflected in the Forecast.

Key assumptions for development projects (timing, revenues and expenditures) reflected in the current Forecast are shown below. Further detail for each development project is provided in **Attachment 2**.

Current CADA Development Projects

Current CADA Projects consist of Site 21 (14th & N), East End Gateway Site 5/6/7, and Courtyard Site 16A projects.

For these projects, the Forecast projects \$1.8 million in additional CADA resources will be expended in Years 1 through 4. This is a reduction of \$7 million from the prior Forecast, which is due to a change in funding assumptions reflecting a shift from the use of Tax Increment (TI) revenue to the use of the 2020 bond proceeds for these projects. This is offset by \$4.7 million in the potential Tax Increment to be generated from completed projects, revenue from the anticipated sale of Site 21, and the positive affordable housing impact from new low-income units not managed by CADA, with almost all of this being generated in Years 6 through 10. The TI generated, or to be generated, by the projects and the loss of revenue due to the projects has been incorporated in the General Operations segment of the Forecast.

Site 21

- This Forecast assumes completion of a rental condominium project consisting of 99 market rate units with no retail component. The project is similar to the prior Forecast, with a few changes to assumptions.
- Similar to the prior Forecast Tax Increment is calculated using annual Net Operating Income (NOI) multiplied by a 5% cap rate. With the change of developers, the new NOI is lower

than in the prior Forecast resulting in a lower annual TI amount of \$160,000 per year.

- The Forecast assumes that construction will be complete in FY 24-25, two years later than the prior Forecast, and assumes the full annual amount of Tax Increment will begin in FY 26-27.
- This year's Forecast now includes a note receivable for the purchase of this property. CADA purchased the Site back from the previous developer in 2020 and the State did not purchase it back from CADA. This Forecast assumes the new developer would purchase the land with a promissory note to CADA for \$2.4 million at an interest rate of 4.3%. The developer proposes to sell 9 units to pay CADA \$1.2 million on the note in FY 25-26, another \$600,000 in FY 26-27 and with the remaining \$600,000 to be paid over a period of time at the 4.3% interest rate.
- The negative affordable housing impact resulting from construction of an all-market rate project is assumed to be 25 units, yielding an annual impact of \$114,000 per year increasing at 2% per year starting in FY 24-25. The impact reflects the cost to CADA of having to subsidize 25 market rate units elsewhere in its portfolio down to a below-market rate rental level.
- The Forecast now assumes there will be a \$400,000 offsite subsidy to the developer from CADA as part of this project.

East End Gateway Site 5/6/7

- The Forecast changes the prior year's assumption of the project from a 30% market rate and 70% affordable project to an 100% affordable project financed through tax credits, for a total of 154 units. This project will meet its own affordable housing requirement and create 115 additional affordable units on top of its own requirements. In the prior Forecast the project proposed a net investment outlay of approximately \$4.9 million over the five-year period. The current Forecast assumes the predevelopment and gap loan expenses will be funded by the new 2020 bond proceeds.
- This Forecast removed the prior year proposed Tax Increment generated by the 60% market rate units but increased the positive affordable housing impact from 15 units to 115 units. The loss of the commercial and parking revenue upon demolition of existing structures and parking spaces is contained within the Operations section of the Forecast in Year 2.
- There is no assumption for land acquisition as it is assumed this property would fall under the Governor's Executive Order and will be leased to CADA for \$1.
- The Forecast assumes construction will start in FY 22-23, one year later than in the prior Forecast, and be completed by FY 24-25, with the positive affordable impact phased in over the last 5 years of the Forecast.

Courtyard Site

- The Forecast assumes this project will be 100% affordable using tax credit financing, and will contain 57 units, which is similar to the prior year. This project will meet its own affordable housing requirement and create 42 additional affordable units.
- In the prior Forecast, this project was assumed to require a net investment outlay of approximately \$3.2 million over a two-year period. This Forecast assumes that in the current year, CADA will contribute \$149,000 in pre-development costs and \$1.5 million in equity gap financing for the project, with the gap financing being funded through the 2020 bond

proceeds.

- There is no assumption for land acquisition as it is assumed this property would fall under the Governor's Executive Order and will be leased to CADA for \$1.
- The Forecast assumes the Capitol Area Community Development Corporation (CACDC), CADA's nonprofit sister organization, will partner with a developer to develop this property, with construction beginning in FY 21-22, a one-year delay from the prior Forecast and be completed by winter of FY 22-23.

Neighborhood and Infrastructure Improvement Projects

Neighborhood and Infrastructure projects currently consist of Roosevelt Park, O Street Streetscape, Street Light Improvements, 16th Street Streetscape, The Dean, and 10th Street Streetscape projects. For these projects, \$1 million in CADA net resources will be expended during the ten-year period, which is a \$1 million decrease from the prior Forecast.

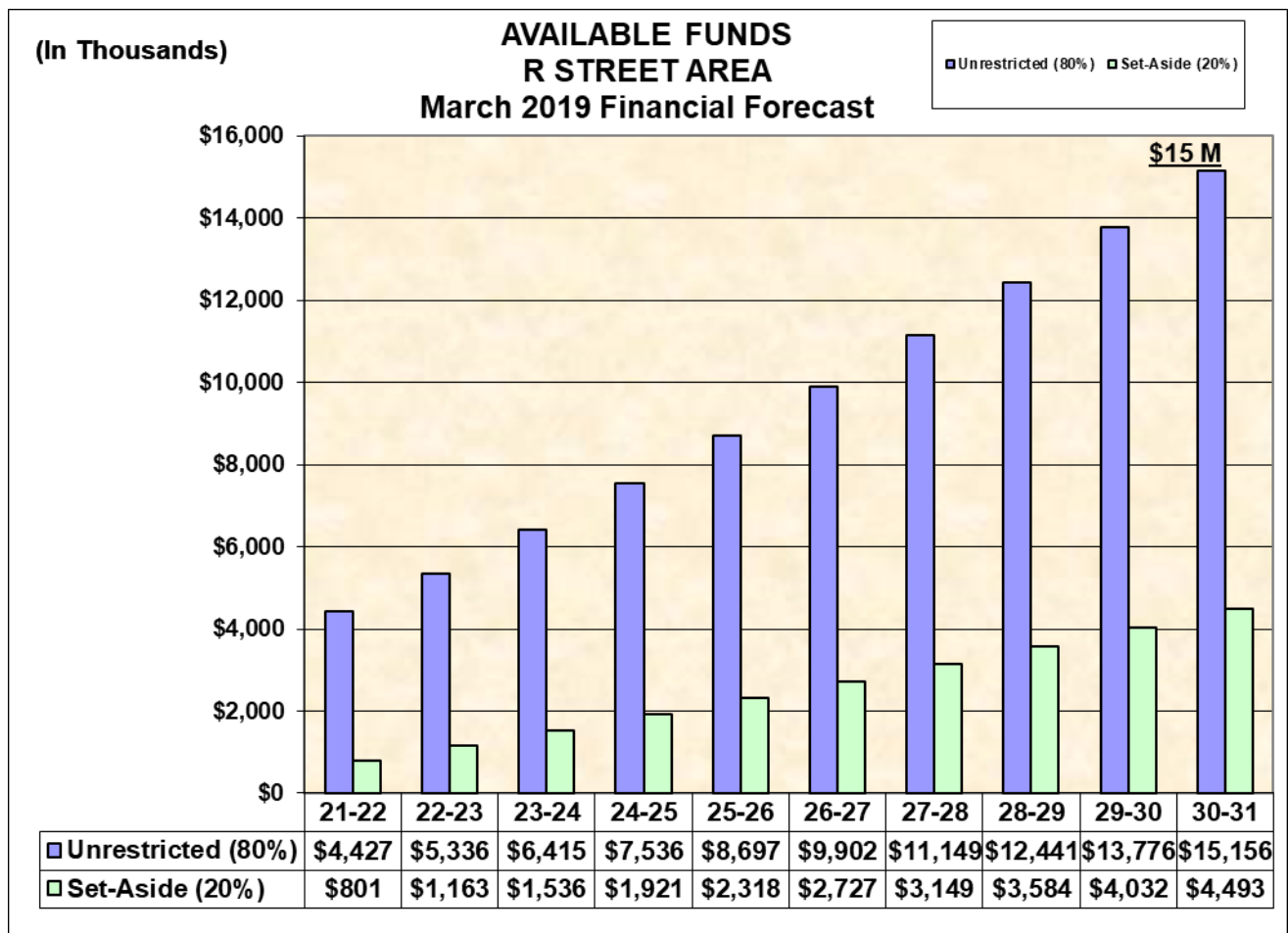
- The infrastructure improvement projects in the Capitol Area – Roosevelt Park and O Street Streetscape – are collectively projected to require a \$500,000 investment for potential infrastructure and site improvement costs. This is a \$1 million decrease from the prior year Forecast, mostly due to the changes in assumptions for O Street Streetscape project applying for grants and using 2020 bond proceeds.
- The project at the Dean is assumed to need additional funds in Years 1 and 2 to rewire the remaining units once the initial three units are completed in the current year.
- For the Street Light Improvements project, this Forecast assumes it has been closed and remaining funding of \$50,000 will be used for the O Street Streetscape improvements.
- The 10th Street Streetscape project reflects site improvements to CADA's commercial buildings on 10th Street to complement improvements planned within and around Roosevelt Park.
- The Block 222 project is considered inactive for this Forecast.

R STREET FORECAST (ATTACHMENT 4)

Due to restrictions on CADA's utilization of Tax Increment generated within the R Street Area, the R Street Area Forecast is presented separately from the Capitol Area Forecast. The R Street Forecast includes two segments -- Unrestricted Funds (80% of TI) and Set-Aside Funds (20% of TI).

As illustrated in the table below, the net result of the activities planned on R Street in this year's Forecast is positive cumulative fund balances in both the Unrestricted and the Affordable Housing Set-Aside segments throughout the ten-year period.

The R Street Forecast presented in **Attachment 3** provides the revenue and expenses projected for this ten-year period. Project-specific detail for R Street Area Development Projects is provided in **Attachment 4**.



UNRESTRICTED SEGMENT ASSUMPTIONS

- For Tax Increment (TI), revenue in Year 1 is increased to reflect FY 20-21 estimated levels, with an additional increase after review of the current tax assessor's reports, followed by a 1% increase in Year 1 and 2% increases each year thereafter.
- Similar to the prior Forecast, \$500,000 of R Street Unrestricted Funds has been incorporated for streetscape improvements on the 900 Block, but the \$400,000 included in the prior Forecast for the 17th/18th & R blocks has been removed.
- The proposed purchase of property for an affordable housing project with a proposed outlay of \$5.7 million for purchase and development of the property has been removed in the current Forecast.
- The Forecast assumes no other major CADA projects will be developed in the R Street Area for the ten-year period. As a result, remaining funds in the reserve should be approximately \$15 million by Year 10.
- Tax Allocation Bond Debt Service increased by the amount of the debt service payments from the new 2020 taxable bond issued in December 2020, by the portion allocated to R Street's Unrestricted Funds. This will be a constant expense over the whole ten year Forecast period based on the 2020 Debt service schedules.
- Similar to the prior Forecast, an annual payment of \$132,550 was included for the reimbursement of funds advanced to the R Street Streetscape project for Phase III construction by the City of Sacramento.

AFFORDABLE HOUSING SET-ASIDE SEGMENT ASSUMPTIONS

- For Tax Increment (TI), revenue in Year 1 is increased to reflect FY 20-21 estimated levels, with an additional increase after review of the current tax assessor's reports, followed by a 1% increase in Year 1 and 2% increases each year thereafter.
- This Forecast proposes the development of a new affordable housing project on the site of the R Street Garage. Currently the Forecast only assumes an estimated outlay of \$648,000 for initial predevelopment expenses in Year 1.
- Compared to the prior Forecast, Tax Allocation Bond Debt Service is increased by the amount of the debt service payments from the new 2020 taxable bond issued in December 2020 by the portion allocated to R Street's Affordable Housing Set-Aside funds. This will be a constant expense over the whole ten year Forecast period based on the 2020 Debt service schedules.
- For the 1717 S Street project, the Forecast assumes no additional predevelopment or gap financing for this affordable housing project.

CONCLUSIONS

The Capitol Area Forecast indicates there will be sufficient funds to meet the projected needs of CADA's General Operations and Development Projects during the ten-year Forecast period. It is important to note that with the decrease between Years 1 and 4, available resources for larger expenditures in the near future are limited for any new projects or additional project subsidies.

However, with the current assumptions for Operations, Development and Infrastructure Projects, continued major construction improvement needs for CADA's aging buildings, and no new development or infrastructure projects planned to occur during the last five years of the Forecast period, it appears that expenses will start to grow faster than revenue, but the available funds will still remain above our required minimum reserve balance at Year 10.

With the flattening and decrease in the later years, CADA still needs to remain fiscally viable, so it is imperative that CADA continue to carefully consider its current and future commitments, that it secures infrastructure grants and outside development funding whenever possible, and undertakes actions to continue to keep revenue and expenses aligned to maintain a positive reserve balance into the future.

The R Street Area Forecast indicates that, in the short-run, the available affordable housing Set-Aside funds will be limited as a source of additional funding for current projects or new projects other than what is assumed in this Forecast. Unrestricted funds are available, but it is crucial that careful consideration and discussions occur regarding how the R Street Area resources should be utilized in the future.

However, assuming no new project or additional funding is available for current projects, funds could become available through growth in Tax Increment, resulting in a possible ending balance of \$15 million in Unrestricted Funds and \$4.5 million in Set-aside Funds in Year 10.

STRATEGIC PLAN

The Strategic Plan value that is most directly pertinent to this action is "Fiscal Responsibility." However, analyzing CADA's cash needs through an annual financial Forecast will also assist in the fulfillment of all of CADA's other Strategic Plan goals.

FINANCIAL IMPACT

The purpose of the Financial Forecast is to provide the Board and staff with a broad understanding of the overall impact of currently envisioned projects and programs on CADA's financial well-being. As with any Forecast, the impacts will be subject to refinement as projects are finalized and conditions change. Accordingly, while this document serves as a valuable reference, the specific financial impacts of proceeding on any project or program will be analyzed at the time decisions are made.

ENVIRONMENTAL REVIEW

Not applicable. The action before the Board is an administrative matter and is not a project subject to the guidelines of the California Environmental Quality Act.

CONTRACT AWARD CONSIDERATIONS

Not applicable. The action before the board does not involve contract awards.

Attachments:

1. Capitol Area Forecast
2. General Fund Development Detail
3. R Street Area Forecast
4. R Street Development Projects

**Capitol Area Forecast
2017 Financial Forecast**

Attachment 1

CAPITOL AREA (exclusive of Special Management Operations)	1 to 5 Year Forecast					6 to 10 Year Forecast				
	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
GENERAL OPERATIONS										
Operation Revenue	\$ 6,588,601	\$ 6,779,558	\$ 6,914,995	\$ 7,053,138	\$ 7,194,042	\$ 7,337,761	\$ 7,484,352	\$ 7,633,872	\$ 7,786,381	\$ 7,941,938
Low Income Subsidy (General Fund Only)	(362,100)	(369,342)	(376,729)	(384,264)	(391,949)	(399,788)	(407,784)	(415,940)	(424,259)	(432,744)
Tax Increment Revenue	3,942,000	4,026,840	4,113,377	4,201,644	4,291,677	4,683,511	4,777,181	4,872,725	4,970,179	5,069,583
Interest Income (from operations & unspent bond proceeds)	390,124	346,167	303,114	169,103	139,310	140,003	144,199	138,730	134,841	129,527
Notes Receivable Repayment	-	-	-	-	-	-	-	-	-	-
Total Revenue	10,558,625	10,783,223	10,954,757	11,039,621	11,233,080	11,761,487	11,997,948	12,229,387	12,467,142	12,708,304
Operation Expense	(8,556,924)	(8,894,028)	(9,180,540)	(9,453,508)	(9,739,948)	(10,022,589)	(10,319,028)	(10,627,062)	(10,944,350)	(11,271,176)
Continuing Debt Service	(197,972)	(197,878)	(172,782)	(172,683)	(172,581)	(172,477)	(172,369)	(172,259)	(39,546)	(39,429)
2016 & 2017 TAB Debt Service	(791,823)	(783,983)	(791,031)	(784,365)	(766,532)	(758,512)	(764,855)	(765,373)	(760,246)	(774,874)
2020 Bond Debt Service	(560,442)	(508,578)	(509,199)	(507,834)	(508,934)	(507,894)	(507,652)	(506,744)	(506,761)	(506,382)
Special management debt reserve	(212,000)	(212,000)	(212,000)	(212,000)	(212,000)	(212,000)	(212,000)	(212,000)	(212,000)	(212,000)
Total Expenses	(10,319,161)	(10,596,467)	(10,865,552)	(11,130,390)	(11,399,994)	(11,673,473)	(11,975,904)	(12,283,438)	(12,462,902)	(12,803,861)
Annual Net Cash Flow - General Operations	\$ 239,464	\$ 186,756	\$ 89,205	\$ (90,769)	\$ (166,914)	\$ 88,014	\$ 22,044	\$ (54,051)	\$ 4,240	\$ (95,557)
MAJOR CONSTRUCTION										
Annual Net Cash Flow - Major Construction	\$ (1,860,820)	\$ (2,362,149)	\$ (2,126,251)	\$ (1,787,703)	\$ (939,487)	\$ (750,968)	\$ (783,577)	\$ (761,090)	\$ (768,467)	\$ (776,353)
Annual Net Cash Flow after Major Construction	\$ (1,621,357)	\$ (2,175,392)	\$ (2,037,046)	\$ (1,878,472)	\$ (1,106,401)	\$ (662,954)	\$ (761,533)	\$ (815,141)	\$ (764,227)	\$ (871,910)
DEVELOPMENT (FN 1 - includes revenue loss and/or new debt service)										
CADA Projects										
Site 21 (14th & N)	(519,500)	(90,000)	(90,000)	-	1,200,000	1,017,000	460,340	468,847	477,524	486,374
East End Gateway - Site 5/6/7, Hand in Hand, Enterprise Site & Simor	-	-	-	9,120	18,605	27,907	37,210	46,512	55,814	65,117
Courtyard Site 16A	(80,000)	(80,000)	9,120	18,605	27,907	37,210	46,512	55,814	65,117	74,419
	(599,500)	(170,000)	(80,880)	27,725	1,246,512	1,082,117	544,062	571,173	598,455	625,910
Neighborhood and Infrastrctrue Improvement Projects										
Roosevelt Park	-	(139,000)	-	-	-	-	-	-	-	-
O Street Streetscape	(288,330)	(1,050)	-	-	-	-	-	-	-	-
16th Street Streetscape	-	-	(12,000)	-	-	(13,000)	-	-	(15,000)	-
10th Street Commerical	(61,561)	-	-	-	-	-	-	-	-	-
The Dean Improvement	(225,000)	(225,000)	-	-	-	-	-	-	-	-
	(574,891)	(365,050)	(12,000)	-	-	(13,000)	-	-	(15,000)	-
Interest Expense - Opportunity Cost	(41,104)	(18,727)	(3,251)	970	43,628	37,419	19,042	19,991	20,421	21,907
	(41,104)	(18,727)	(3,251)	970	43,628	37,419	19,042	19,991	20,421	21,907
Annual Net Cash Flow - Development	\$ (1,215,495)	\$ (553,777)	\$ (96,131)	\$ 28,695	\$ 1,290,140	\$ 1,106,536	\$ 563,104	\$ 591,164	\$ 603,876	\$ 647,817
ANNUAL NET CASH FLOW	(2,836,852)	(2,729,169)	(2,133,177)	(1,849,777)	183,739	443,582	(198,430)	(223,977)	(160,351)	(224,093)

CAPITOL AREA (exclusive of Special Management Operations)	1 to 5 Year Forecast					6 to 10 Year Forecast				
	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
ANNUAL NET CASH FLOW	-\$2,837	-\$2,729	-\$2,133	-\$1,850	\$184	\$444	-\$198	-\$224	-\$160	-\$224
CUMULATIVE IMPACT ON AVAILABLE OPERATING RESERVES										
Available Operating Reserves -Beginning of Forecast	\$16,768									
Available Bond Funds	\$0	\$0								
Available Operating Reserves - End of Year	\$13,931	\$11,202	\$9,068	\$7,219	\$7,402	\$7,846	\$7,647	\$7,424	\$7,263	\$7,039
Less: Operating Reserve Threshold	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700
Target Operating Reserve Excess <Shortfall>	\$9,231	\$6,502	\$4,368	\$2,519	\$2,702	\$3,146	\$2,947	\$2,724	\$2,563	\$2,339

Attachment 2

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Attachment 2

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Attachment 2

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Capitol Area Development Authority
2021 Financial Forecast
GENERAL FUND DEVELOPMENT DETAIL

Attachment 2

		Current Yr.	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
		20-21										
Neighborhood and Infrastructure Improvement Projects												
D807-00 - Roosevelt Park (D15 Project)												
FUNDING SOURCES												
TOTAL FUNDING SOURCES		-	-	-	-	-	-	-	-	-	-	-
USES OF FUNDS												
4758	Site Improvements - Streetlights	-	-	(100,000)	-	-	-	-				
4758	Other Professional Services	-	-	(35,000)								
4775	Miscellaneous	-	-	(4,000)	-	-	-					
TOTAL USES OF FUNDS		-	-	(139,000)	-	-	-	-	-	-	-	-
DEVELOPMENT CIP PROGRAM - Funding Sources, net of Uses		-	-	(139,000)	-	-	-	-	-	-	-	-
<ul style="list-style-type: none"> - In partnership with the City assume CADA will completed baseball field improvments in FY 19-20 and additional improvments of planitngs strip on the SE edge (\$50k) and Q st (\$50k) and a new entry on the south Side - Assume the City will improve the ball field lighting, sidewalks on 9th and P Stree, and new fencing along the park - Project improvements to the pedestrian spaces, athletic field and other improvements for signage; landscaping; and walkways 												
D801-00 - O Street Streetscape (D09 Project)												
FUNDING SOURCES												
Bond Funds			418,000	775,000	175,000	419,000	210,750					
3872	D&A Grant Proceeds - infrastructure grant		119,542	1,000,000		-	-					
TOTAL FUNDING SOURCES		-	537,542	1,775,000	175,000	419,000	210,750	-	-	-	-	-
USES OF FUNDS												
4703	Site Improvements - CADA funded - murals	-	(507,500)	(1,763,750)	(125,000)	(344,000)	(210,750)					
4709	Fundraising		(4,800)	(4,800)	-	-						
4751	Legal (Review of RT agreements		(2,500)	(2,500)	-							
4758	Other Prof. Svcs - CADA funded - Const concept and drawings	-	(285,000)	-	(50,000)	(75,000)	-					
4775	Miscellaneous Expense		(26,072)	(5,000)	-	-	-	-				
TOTAL USES OF FUNDS		-	(825,872)	(1,776,050)	(175,000)	(419,000)	(210,750)	-	-	-	-	-
DEVELOPMENT CIP PROGRAM - Funding Sources, net of Uses		-	(288,330)	(1,050)	-	-	-	-	-	-	-	-
<ul style="list-style-type: none"> - Assume CADA receives grant funding for Site Improvements with CADA matches - Project improvements to the pedestrian spaces and other improvements for signage; landscaping; Murals, and walkways. 												
D804-00 - 16th Street Streetscape (D10 Project)												
FUNDING SOURCES												
TOTAL FUNDING SOURCES		-	-	-	-	-	-	-	-	-	-	-
USES OF FUNDS												
4703	Site Improvements - refresh stormwater plant	(11,000)	-		(12,000)			(13,000)			(15,000)	
TOTAL USES OF FUNDS		(11,000)	-	-	(12,000)	-	-	(13,000)	-	-	(15,000)	-
DEVELOPMENT CIP PROGRAM - Funding Sources, net of Uses		(11,000)	-	-	(12,000)	-	-	(13,000)	-	-	(15,000)	-
<ul style="list-style-type: none"> - First phase of improvments is assume to be completed at the end of FY 15-16 with the reimbursement of funds to follow in FY 16-17 												

Capitol Area Development Authority
2021 Financial Forecast
GENERAL FUND DEVELOPMENT DETAIL

Attachment 2

	Current Yr.										
	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
10th Street Commerical (D19 Proposed Project)											
FUNDING SOURCES											
TOTAL FUNDING SOURCES	-	-	-	-	-	-	-	-	-	-	-
USES OF FUNDS											
Site Improvements - other	(198,439)	(61,561)									
TOTAL USES OF FUNDS	(198,439)	(61,561)	-	-	-	-	-	-	-	-	-
DEVELOPMENT CIP PROGRAM - Funding Sources, net of Uses	(198,439)	(61,561)	-	-	-	-	-	-	-	-	-
- For improvements to CADA's commerical units along 10ths street with proposed new metal awnings and signage; small artistic directory and other streetscape improvments											

Capitol Area Development Authority (CADA)
2019 Long-Range Forecast
R STREET AREA FORECAST

			1 to 5 Year Forecast					6 to 10 Year Forecast				
		20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
		Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection
R STREET AREA (80% Unrestricted Portion)												
Unrestricted (80%)												
Revenue												
	Tax Increment Revenue (2% annual increase)	2,200,000	2,222,000	2,266,440	2,311,769	2,358,004	2,405,164	2,453,268	2,502,333	2,552,380	2,603,427	2,655,496
	Taxable Bond Proceeds	-	-									
	Refunding for Improvements for Capitol Area porton of R street	-	-									
Expenses												
	2016 Bond Debt Service	(35,073)	(35,277)	(34,885)	(35,238)	(34,904)	(34,012)	(33,611)	(33,928)	(33,954)	(33,698)	(34,429)
	2020 Bond Debt Service		(1,083,522)	(983,250)	(984,452)	(981,812)	(983,938)	(981,929)	(981,461)	(979,704)	(979,737)	(979,006)
	Repayment to City for funds forward to R Street	(132,550)	(132,550)	(132,550)	-							
1%	Assistance to General Fund (Staffing Salaries & Benefits)	(141,000)	(201,000)	(207,030)	(213,241)	(219,638)	(226,227)	(233,014)	(240,005)	(247,205)	(254,621)	(262,259)
	Funds for Affordable housing project	-	-									
	General R Street Projects	(38,000)	(100,000)	-	-	-	-	-	-	-	-	-
	Streetscape Projects	-	-	-	-	-	-	-	-	-	-	-
	R Street Improvement - 900 Block	(50,000)	(500,000)	-	-	-	-	-	-	-	-	-
	R Street Improvement -	-	-	-	-	-	-	-	-	-	-	-
		(396,623)	(2,052,349)	(1,357,715)	(1,232,931)	(1,236,354)	(1,244,177)	(1,248,554)	(1,255,394)	(1,260,863)	(1,268,056)	(1,275,695)
Cash Flow		1,803,377	169,651	908,725	1,078,838	1,121,650	1,160,987	1,204,713	1,246,939	1,291,517	1,335,371	1,379,801
Cash Reserves Available - July 1, 2017		2,454,151	4,257,528									
CUMULATIVE YEAR END FUNDS AVAILABLE		4,257,528	\$ 4,427,179	\$ 5,335,904	\$ 6,414,742	\$ 7,536,392	\$ 8,697,379	\$ 9,902,092	\$ 11,149,031	\$ 12,440,548	\$ 13,775,919	\$ 15,155,720
R STREET SET-ASIDE (20% Portion)												
Affordable Housing Related												
Revenue												
	Tax Increment Revenue (2% annual increase)	550,000	561,000	572,220	583,664	595,338	607,244	619,389	631,777	644,413	657,301	670,447
	F20 CACDC funding	-	-									
Expenses												
	2016 Bond Debt Service	(7,014)	(7,056)	(6,977)	(7,047)	(6,981)	(6,803)	(6,723)	(6,786)	(6,791)	(6,740)	(6,886)
	2020 Bond Debt Service	-	(224,177)	(203,431)	(203,680)	(203,134)	(203,573)	(203,158)	(203,061)	(202,697)	(202,704)	(202,553)
	R Street Improvement - 805 R Street	(81,000)	(635,000)	-	-	-	-	-	-	-	-	-
	R Street Development Projects - 1717 S St - CACDC	-	-	-	-	-	-	-	-	-	-	-
		(88,014)	(866,233)	(210,408)	(210,727)	(210,115)	(210,376)	(209,881)	(209,847)	(209,488)	(209,444)	(209,439)
Cash Flow		461,986	(305,233)	361,812	372,938	385,223	396,868	409,509	421,930	434,924	447,857	461,008
Cash Reserves Available - July 1, 2017		644,210	1,106,196.00									
		-	-									
CUMULATIVE YEAR END FUNDS AVAILABLE		1,106,196	\$ 800,963	\$ 1,162,775	\$ 1,535,713	\$ 1,920,936	\$ 2,317,804	\$ 2,727,312	\$ 3,149,243	\$ 3,584,167	\$ 4,032,024	\$ 4,493,031

Capitol Area Development Authority (CADA)
2019 Long-Range Forecast
R STREET AREA FORECAST

		20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
		Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection
	CUMULATIVE YEAR END FUNDS AVAILABLE (In Thousands)	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
	Unrestricted	4,257,528	\$4,427	\$5,336	\$6,415	\$7,536	\$8,697	\$9,902	\$11,149	\$12,441	\$13,776	\$15,156
	Set-Aside	1,106,196	\$801	\$1,163	\$1,536	\$1,921	\$2,318	\$2,727	\$3,149	\$3,584	\$4,032	\$4,493
		5,363,724	\$5,228	\$6,499	\$7,950	\$9,457	\$11,015	\$12,629	\$14,298	\$16,025	\$17,808	\$19,649

Attachment 4

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Capitol Area Development Authority (CADA)
March 2021` Long-Range Forecast
R STREET DEVELOPMENT PROJECTS

		20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
	R Street Public Space Improvement - 900 Block											
	FUNDING SOURCES											
	TOTAL FUNDING SOURCES	-	-	-	-	-	-	-	-	-	-	-
	USES OF FUNDS											
4703	Site Improvments	-	(450,000)		-	-						
4758	Other profess	(50,000)	(50,000)	-								
	TOTAL USES OF FUNDS	(50,000)	(500,000)	-	-	-	-	-	-	-	-	-
	DEVELOPMENT CIP PROGRAM - Funding Sources, net of Uses	(50,000)	(500,000)	-	-	-	-	-	-	-	-	-
	805 R Street - Old R St Garage											
	FUNDING SOURCES											
	TOTAL FUNDING SOURCES	-	-	-	-	-	-	-	-	-	-	-
	USES OF FUNDS											
4710	D&A Engin/Architectural		(300,000)									
4720	D&A Environmental Assessments	(10,000)	(10,000)									
4751	Legal - Dev Project Related	(5,000)	(50,000)									
4752	D&A Project Financial Analysis	(15,000)	(50,000)									
4758	D&A Other Professional Services	(50,000)	(25,000)									
4775	D&A Miscellaneous Expense	(1,000)	(50,000)									
5343	Permits and Fees		(150,000)									
	TOTAL USES OF FUNDS	(81,000)	(635,000)	-	-	-	-	-	-	-	-	-
	DEVELOPMENT CIP PROGRAM - Funding Sources, net of Uses	(81,000)	(635,000)	-	-	-	-	-	-	-	-	-



March 12, 2021

TO: CADA Board of Directors

**SUBJECT: March 19, 2021 Board Meeting
AGENDA ITEM 6
DEAN ELECTRICAL UPGRADE PROJECT@ 1400 N ST**

CONTACT: Frank Czajka, Construction Manager
Tom Van Syoc, Facility Maintenance Manager

RECOMMENDATION

Staff recommends the Board adopt a resolution authorizing the Executive Director to enter into a construction contract for the 2021 Dean Electrical Upgrade Project at 1400 N St. with Buskirk Construction, Inc. in the amount of \$124,000.00.

BACKGROUND

Built in 1929, the 11-unit Dean Apartments property, located at 1400 N Street, is CADA's flagship property. The demand for power in the building has grown over the years and the current electrical system has reached its useful capacity. Efforts to plan various upgrades, such as more efficient air conditioning for the living units, have not been possible due to inadequate power supply to the building. The recent relocation/replacement of the SMUD transformer has now afforded CADA the opportunity to meet the increasing power demands of the residents at the Dean. The new transformer will provide 600 amps to the building compared to the current 400 amps. To fully utilize and accommodate the increase in capacity, the electrical wiring in the building must be upgraded.

After the contractor has completed the rewiring project, as apartments become vacant, CADA's staff electrician will perform the rewiring. The current project will enable the electrician to learn how long it will typically take to rewire each apartment, the materials required, and issues he is likely to encounter.

Staff solicited bids for the Dean Electrical Upgrade Project through CADA's formal bidding process. The bid package was released on January 27, 2021. The project scope of work calls for the following: bringing new electrical service from the electrical room to a chase in the lobby, bringing new electrical wiring to 3 apartments, (Apt 9, Apt 10 and Apt 1) installation of new 125 amp breaker boxes in each of the apartments, installation of all new wiring in each unit along with new receptacles and light switches., and running a new circuit to the 2nd bedroom of each apartment to provide power for much-needed window A/C units. Only one of the two bedrooms in each apartment currently has air conditioning. If an apartment lacks an outlet for a garbage disposal, one will be installed.

The mandatory Pre-Bid Job Walk was held on February 10, 2021 at 10:00 a.m., and was attended by six contractors (See **Attachment 1, Job Walk Sign-in Sheet**). Two bid submissions were received on the due date of February 17, 2021 at 1:00 p.m. (See **Attachment 2, Bid Tabulation Form 2.17.2021**).

Elite Service Experts submitted a bid of \$173,330.00, and Buskirk Construction, Inc. submitted a bid of \$124,000.00, which was determined to be the lowest responsive, responsible bid following staff review of the bid submissions. Accordingly, staff recommends the Board authorize the Executive Director to enter into a construction contract with Buskirk Construction for the amount of \$124,000.00.

If the Board approves this recommendation, staff will issue a notice of award to Buskirk Construction immediately. The work should commence by March 29, 2021 and take approximately six weeks to complete.

The approval of this contract will allow CADA to move forward with the 2021 Dean Electrical Upgrade Project and will allow our tenants to live in an upgraded building where the electrical power is safe, functional, and adequate. The increased power supply resulting from the transformer replacement that currently scheduled for March 22 may also provide enough additional power to allow CADA to install mini-split heating/cooling units in the apartments, which potentially could make it possible to heat and cool at least some portions of each apartment more efficiently and cheaply than through the use of steam radiators. The planned energy audit of six CADA buildings with high gas consumption, including the Dean, should provide useful information about how best to achieve this objective and possibly provide heating without the need to rely on the building's existing inefficient, old, steam boiler. The Dean steam boiler is among the two highest-consuming gas-fired boilers in our inventory.

POLICY

This item comes before the Board because the contract award amount exceeds the \$50,000 contract approval authority of the Executive Director. Construction contracts in excess of \$50,000 must be formally bid in accordance with CADA Contract Policy, and authorization for a contract award must be granted by the Board of Directors.

FINANCIAL IMPACTS

Work under this contract will be performed using funds allocated in the Development budget. The FY 19/20 Development budget, which was adopted by the Board in June 2019, contains a total of \$125,000.00 for these electrical upgrades.

ENVIRONMENTAL REVIEW

Not applicable. This is an administrative action and is not a project subject to the guidelines of the California Environmental Quality Act (CEQA).

STRATEGIC PLAN

The proposed action addresses the following 2016-2021 CADA Strategic Plan goal: "Provide Superior Property Management."

CONTRACT AWARD CONSIDERATIONS

Construction contracts that will be executed to carry out work under the Capital Investment Program are bid and awarded in accordance with CADA's Contract Policy and Outreach Procedures. If construction contract change orders are needed, CADA's contract policy allows the Executive Director to approve them in the cumulative amount of \$25,000 or 20% of the base contract amount, whichever is greater.

Attachments:

1. Dean Electrical Upgrade Job Walk Sign-in Sheet
2. Bid Tabulation Form -2.17.2021



PLEASE COMPLETE THE INFORMATION REQUESTED BELOW.

The preferred method of contact is email, so be sure to include the email contact information.

CAPITOL AREA DEVELOPMENT AUTHORITY -JOB WALK SIGN IN SHEET

Dean Building Electrical Rewire Project – 1400 N Street, Sacramento

Job Walk Date: Wednesday, February 10 @ 10:00 a.m. @ 1400 N Street, Sacramento

Bid Due Date: February 17 at 1:00 p.m. mdelavergne@cadanet.org

	Name and Address of Company	License Type and Number	Phone	Email	Signature/Date
1.	Aria Electric 6128 Palmaya Ln Orangevale, CA 95662	C10, C20 B 957366	916 213 7575	asiemengineering@gmail.com	 2/10/21
2.	Alexander Electric 6520 Lone tree Blvd #1013 Rocklin, CA. 95678	C10 1067031	(916) 502- 6166	Larry@AlexanderElectric.com	Larry Z 2/10/21
3.	Buskirk Construction Inc 10556 Compton Rd #6481 Auburn, CA, 95602	B 979434	916. 710. 5142	Dennis W buskirkconstruction.com	DWR 2/10/2021
4.	Rod's Electric 2309 Gila way sac 95864	C10	(916) 575- 8581	Rodselectric@comcast.net	 2/10/2021
5.	ELITE power 6530 ASHER LANE SAC 95828	C10 807924	916 7391580	mwilson@elitepower.com	 2/10
6.					

PLEASE COMPLETE THE INFORMATION REQUESTED BELOW.

The preferred method of contact is email, so be sure to include the email contact information.



	Name and Address of Company	License Type and Number	Phone	Email	Signature/Date
7. Le.	Elite Service Experts 725 Del Paso Rd Sac CA 95834	B 102 0975	(916) 568-1400	Roy@elite.gs	RL 2/10/21
8.					
9.					
10.					
11.					
12.					



CAPITOL AREA DEVELOPMENT AUTHORITY — Bids Received


Project: Dean Building Electrical Rewire Project – 1400 N Street, Sacramento

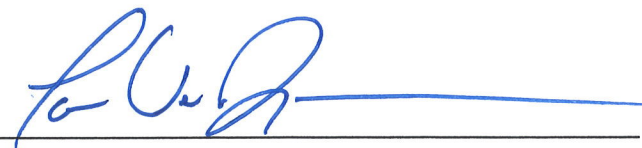
Job Walk: Wednesday, February 10, 2021 @ 10:00 a.m. @ 1400 N Street, Sacramento

Bid Opening: Wednesday, February 17, 2021 @ 1:00 p.m. @ 701 S Street, Sacramento

	Name of Company	Bid
1.	Buskirk Construction	\$124,000.00
2.	Elite Service Experts	173,330.00
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

Verified: 2/17/2021
Date


Signature


Signature

RESOLUTION NO. 21- 03

Adopted by the Capitol Area Development Authority

March 19, 2021

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A
CONSTRUCTION CONTRACT FOR THE 2019 DEAN ELECTRICAL UPGRADE PROJECT
(1400 N ST)**

WHEREAS, CADA conducted a formal bid process for the 2021 Dean Electrical Upgrade Project for the following address: 1400 N St; and

WHEREAS, Buskirk Construction, Inc. was the lowest responsive, responsible bidder with a bid of \$124,000.00 and has advised CADA of its interest in being awarded the contract and completing the work.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority Board of Directors that the Executive Director is hereby authorized, on behalf of the Authority, to enter into a contract with Buskirk Construction, Inc. in the amount of \$124,000.00.

Ann Bailey, Chair

ATTEST:

Jill Azevedo
Acting Secretary to the Board of Directors



March 12, 2021

TO: CADA Board of Directors

**SUBJECT: March 19, 2021 Board Meeting
AGENDA ITEM 7
EXCLUSIVE NEGOTIATING AGREEMENT FOR THE 14TH & N STREET
DEVELOPMENT SITE (formerly Site 21)**

CONTACT: Tom Kigar, Special Projects Director
Renee Funston, Development Manager
Wendy S. Saunders, Executive Director

RECOMMENDED ACTION

Staff recommends that the Board authorize the Executive Director to enter into an Exclusive Negotiating Agreement (ENA) with D & S Development to negotiate a Disposition and Development Agreement (DDA) for a mixed-use condominium/apartment project at the 14th & N Street Development Site.

BACKGROUND

In mid-2020, Cresleigh Homes notified CADA that it was unable to secure acceptable financing for its Vantage project and thus, could not meet the obligations under its DDA. CADA therefore exercised its option to repurchase the property from Cresleigh. CADA consummated the repurchase in September 2020.

Following repurchase of the site, CADA staff undertook various due diligence efforts to explore whether, given CADA's several unsuccessful attempts, it would be possible to find a developer to construct a condominium project at the site. Due diligence included meetings with real estate investment advisors, general contractors, architects, a real estate broker, two local developers with whom CADA had successfully partnered in the past, and one San Francisco developer. A number of significant barriers to success were identified through the due diligence discussions, including the following:

- Extraordinary increases in construction costs and increased demand for subcontractors during the three years of Cresleigh's endeavor had increased project costs to the extent that Cresleigh had been forced to eliminate parking spaces, reduce the quality of the finishes and fixtures, and eliminate project amenities in an attempt to make the project financially feasible. Lack of sufficient parking and desirable amenities may have impacted the ultimate success of the project, if it had been built.

- The Capitol Area View Protection Act, which governs the height of the project, impedes its financial feasibility by preventing construction of a building taller than 9 stories. In order to create a building over 75 feet (typically 8-stories) tall, it must be built of concrete which is more expensive than wood. In addition, a building exceeding 75 feet requires costly health and safety features such as an emergency generator, water storage for fire suppression, and a firefighters' rescue air system. Typically, concrete buildings with requisite life-safety features must be 12 to 15 stories at a minimum (depending on the footprint) to contain enough residential units to generate the revenue to cover the extra cost.
- Condominium developers are required to purchase expensive "wrap" insurance to address potential lawsuits resulting from California's construction defect laws. The wrap insurance covers not only the developer but also the professional consultants (architects, engineers, etc.), the general contractor and all subcontractors. Despite the availability of wrap insurance, many professional consultants, builders and subcontractors nevertheless decline to participate on condominium projects as the projects require extraordinary legal consideration and expense. Lack of consultant and contractor participation is especially an issue when there is a tight construction market and other simpler and less risky work is available. This has the effect of reducing bidding competition and driving up construction costs.
- None of the developers who initially submitted proposals had previously been successful in developing condominiums. CADA staff was advised that it should seek a Bay Area or Southern California company to build the project given the lack of local condominium experience. CADA's history with out-of-town developers, however, has not been successful. The staff believe this is because they lack the home-town community commitment that local developers have.

After completion of its due diligence, the staff concluded that an expensive concrete building, as proposed by all of the respondents to the RFP, was not the solution for creating a financially feasible condominium project. The staff was very pleased, therefore, at the suggestions made by D&S Development as a part of the staff due diligence exercise.

D&S stated that it could construct a building suitable for condominiums through the alternative construction means that it had recently pioneered at 1430 Q that allowed for increasing the maximum number of floor levels for a wood frame structure from 5 to 6. In fact, 1430 Q is the first building of its type constructed in the US (please see **Attachment 1**). The building's frame is light wood, but the flooring and shear walls have been substantially enhanced through extra layers of wood and drywall to increase the typical wood-frame fire-rating from 1-hour to 2-hour. The improved fire-rating system also achieves significant noise attenuation. Door frames and window frames are made of glued laminated ("glulam") beams that enhance the building's structural integrity. Extra care is given to water proofing since water intrusion is the biggest source of risk for condominium builders. D&S has completed a condominium map for 1430 Q and intends to convert the building to condominiums if and when the market conditions are supportive.

D&S's proposal for 14th and N is to build a 6 story light wood-framed building over a two-story concrete podium, similar to the approach they took at 1430 Q project. D&S proposes to design, build and map the project as condominiums, but sell only the top floor units upon project

completion. The balance of the units would be operated as apartments unless and until market conditions are favorable enough to convert the units to condominiums. D&S has requested that CADA finance the cost of the land, which would be repaid with the proceeds from the sale of the 9 penthouse units on the top floor.

The business terms included in the attached ENA are summarized below. In addition, the revised project design is described below.

Exclusive Negotiating Agreement

The ENA included as **Attachment 2** provides for both parties to negotiate diligently and in good faith regarding the preparation and terms of a DDA to be considered for execution. The Proposed Business Terms included in the ENA, as noted below, are considered the primary financial terms to be included in the DDA:

- Upon completion of construction, D&S is required to begin selling nine (9) units as condominiums and sell all nine (9) within twenty-four (24) months thereafter. If D&S fails to timely meet the sale requirements, CADA shall be entitled to liquidated damages in the amount of \$2.5 million for the lost opportunity to create ownership housing on the Property.
- D&S intends to file a Condominium Plan for a single building multi-phase condominium so that it can meet its obligation to sell the 9 condominium units. It may choose to convert the remaining 90 'for rent' units to condominiums depending upon future market conditions.
- The purchase price for the site will be the fair market value of \$2.4 million and CADA will carry back a land loan for such amount. The terms of the loan payback are set forth in the Financial Impact Section below.
- If D&S fails to timely begin construction, CADA has the remedy of repurchasing the property at the same purchase price.
- CADA will provide a \$400,000 grant for construction of off-site public improvements. Staff has reviewed the D&S proforma and confirmed the need for this assistance to achieve feasibility. Use of CADA funds to support the proposed project, make these neighborhood improvements and support the O Street Streetscape Plan is consistent with CADA's Strategic Goals.
- D&S will be required to pay \$5,000 per month in good faith deposits during the term of the DDA, which will be credited against the purchase price at close of escrow.

The ENA includes the following schedule:

Action	Finish
Board Approves ENA	March 19, 2021
D&S submits executed agreements for any of the identified service entities of the proposed development team, i.e., architect, engineer,	April 30, 2021

etc.	
D&S provides Development Proposal including Design Program, Estimated Sources and Uses, Development and Operating Pro Forma, Preliminary Development Schedule and Market Study	June 30, 2021
D&S provides Development Entity Formation Documents, Business Terms for the DDA, and Evidence of Project Financing	January 30, 2022
Board Approves DDA and D&S begins preparation of Design Development and Construction Documents, and Final Budget	March 2022

Based on this schedule, the staff anticipates transfer of the site to D&S in April 2023. D&S would start construction in May 2023 and complete construction in March 2025 assuming a 22-month construction period.

The CADA Executive Director would have the right to extend any of the ENA deadlines except the ENA expiration date. If the Developer fails to submit or resubmit the required items to CADA by the specified deadlines, CADA may at its option terminate the ENA by written notice.

The ENA expires 365 days after the ENA Effective Date, or upon execution of the DDA, whichever comes first. The Board of Directors retains sole authority to extend the expiration date of the ENA.

If the Developer and CADA do not successfully conclude negotiations of the Proposed Business Terms for the DDA during the ENA period, either the Developer or CADA may, at their option, terminate the ENA by written notice to the other party.

Design Program

The proposed project has 99 residential units of which 9 will be condominium loft penthouse units on level 8 and 90 'for rent' units on levels 2 through 7 as shown in the 50% schematic design plans included as **Attachment 3**. A breakdown of the Unit Type/Unit Count/Monthly Rent/Sales Price is shown below in **Table 1**

The building is a type IA and IIIA construction and will include 66 parking stalls on the basement and ground levels. Parking will be assigned, with stalls first designated for condo units and remaining stalls available on a 'first come' basis. The parking includes twenty electric vehicle charging stations and two ADA-accessible spaces. The building also includes secured indoor parking for bicycles.

Ground level will include 1,807 sq ft of light retail space at the corner of 14th and N Streets, lobby with possible coffee bar/lounge, package room, mail room and two studio units with live/work space. The public right of way includes a bulb-out at the corner of 14th and N Streets to provide safe and easy pedestrian crossing. The bulb-out also provides increased planting and seating. The second floor terrace and the eighth floor terrace are landscaped. The terraces provide a shaded perch for residents to take in views of the site and city-at-large. The 2nd floor terrace includes a pool with landscaping to provide shaded privacy for residents, a community lounge and gym. The 8th floor terrace will include a seating area, outdoor BBQ and community table, native planting with built-in seating, and a shade structure.

D&S has modeled the proposed design after the Vantage design except for incorporation of the same Type III-A wood-frame structure as used at its 1430 Q project, the first six-story light wood-frame residential building in the U.S. The six-story wood-frame residential component includes a mezzanine level for the penthouse units over a two-level concrete podium. The eight-story building makes the most of the small infill site while keeping control of construction costs.

As they did at 1430 Q, D&S plans to act as the General Contractor to save costs and ensure quality and timeliness. Having eight stories instead of the Vantage's nine will avoid having to comply with expensive high-rise health and safety requirements. D&S plans to use HGRA, the same architect that designed 1430 Q, and Murray-Smith, the civil engineer that Cresleigh used for the Vantage, to save costs.

The Vantage unit floorplans have been modified to reflect the downtown/midtown market and include living room spaces at corners to take advantage of views, studios adjacent to one-bedroom units to offer flexibility of converting to larger units if needed and a total of 64 private balconies (64% of units versus 23% for the Vantage). The residential units will have the same luxury finishes as those at 1430 Q including stainless steel appliances, waterfall islands, energy-efficient features, washers and dryers, walk-in/walk-through closets, floor-to-ceiling windows and 9' 6" high ceilings in units on floors 3-7 and 19' high for penthouse units.

The building will be constructed to meet the 2019 California building code and the equivalent LEED standard

The massing and design language marks the building as contemporary while referencing the existing surrounding context. The design emphasis is at the pedestrian level with transparent retail at the corner and residential lobby on the street to increase the vitality and energy to the street. The building's upper portions are broken into visually distinctive forms to the existing building scales around them. Exterior building materials will consist of a smooth cement board and smooth stucco finish in neutral colors contrasted by balcony elements. The building provides a porcelain tile finish on the ground level. The residential entrance/lobby and retail space are facing N Street.

The staff has engaged HKS Architects, the designer of the Vantage, to provide architectural exterior design review services in collaboration with HGRA, to make design modifications that would accomplish the following:

- Give the building a significant presence in the larger context of the neighborhood like the Vantage would have established.
- Give prominence to the northeast corner of the proposed building as did the Vantage design.
- Enhance the proposed contemporary design by giving it a more stately and timeless characteristics of the older more institutional buildings around Capitol Park.

It is expected that the proposed design modifications will fall within the realm of color changes, alternative materials, changes of planes on the exterior façade likely at locations where changes in materials occur, recessing windows and an alternative railing design. As shown in the

schedule below, the Design Program will incorporate these modifications by June 30, 2021 and presented to the Board at its August 2021 meeting.

Table 1 – Unit Type/Unit Count/Monthly Rent/Sales Price

Unit Type	Rental Unit Count	Monthly Rent	Condo Penthouse Unit Count	Condo Unit Sales Price
Studio with Live/Work Space	2	\$2,786	0	-
Studio	16	\$1,673 - \$1,894	0	-
1 Bedroom	18	\$2,265 - \$2,793	0	-
1 Bedroom + Den	26	\$2,674 - \$3,311	0	-
2 Bedroom	17	\$4,165 - \$4,221	6	\$695,240 - \$1,521,520
2 Bedroom + Den	11	\$3,696 - \$4,074	3	\$960,960 - \$1,085,630
Total # of Units	90	\$2,941 (avg.)	9	\$964,000 (avg.)

The average sq. ft. for rental units is 840 and the average sq. ft. for condominiums is 1,378.

FINANCIAL IMPACT

The annual tax increment generated if the project was operated as a 99-unit apartment property would be \$520,000. Selling 9 of the units as condominiums would generate an additional \$21,160 in annual tax increment. Should D&S sell the remaining 90 units as condominiums an additional \$74,872 in annual tax increment would be generated. The Annual TI generated by a 99-unit rental project would be \$520,000 versus \$616,032 by a 99 unit condominium project.

The \$2.4 million land loan and the \$400,000 grant for off-site improvements would come from the proceeds of CADA's Taxable bond issued in 2020. D&S intends to pay down the CADA land loan in its entirety with condo sales proceeds, but if sales fall short of projections, D&S would pay back the loan at a market interest rate over a 10-year period (amortized over 20 years) with a balloon payment in year 10.

CONTRACT AWARD CONSIDERATIONS

N/A

POLICY CONSIDERATIONS

When considering selection of a developer for a CADA site, CADA has historically issued a Requests for Proposals to the development community and conducted a selection process including presentations to and interviews by the CADA Board of Directors in a public forum. Nevertheless, it has been common for selected development teams to transition over time for various reasons, and many of CADA's projects have ultimately been delivered by teams that are different from those originally selected.

In the case of the East End Gateway projects (resulting in construction of 16 Powerhouse, Legado de Ravel and Eviva), following selection of developers for the three sites, the Great

Recession occurred and plans for all three projects were upended and the original developers were unable to perform. In these cases, the CADA either resolicited the sites through an open RFP process, resolicited the sites to a hand-selected set of developers, or allowed substantial modifications to partnerships to replace the controlling developer. In the case of WAL, CADA selected a developer who retained control of the CADA warehouse and site for almost 10 years before ceding control to another developer for three years. Finally, the second developer brought in CFY as a partner and CFY ultimately took over and built the project.

In the case of 14th and N, the withdrawal of Cresleigh, the onset of the Great Pandemic, and the pandemic-related market uncertainty, led CADA staff to determine that the time was not right to engage in a new public solicitation process. In addition, the staff due diligence evaluation led to the conclusion that a concrete-framed condominium development, as proposed by all of the developers who originally submitted proposals, was simply not viable. Returning to the same group of developers, thus, did not appear promising.

When staff met with D&S as a part of its due diligence, the staff was pleased and surprised by D&S's suggestion that they could approach the project with the unique and less-expensive building form described herein. In addition, their willingness to map the project for condominiums and sell the building's penthouse floor as condominiums immediately upon completion presented the staff with a compelling solution. The staff's decision to recommend that Board approve an ENA with D&S without undertaking a new public solicitation is a result of their unique and promising approach and CADA's interest in moving toward development of the site as expeditiously as possible.

With regard to the use of the site primarily for apartments, CADA has struggled for many decades to bring new home ownership opportunities to the Capitol Area. With the exception of the Capitol Park Townhomes, however, this goal has proven elusive. The recommended proposal would result in nine condominiums for sale immediately upon project completion, and hopefully, would also lead to conversion of 90 apartments to condominiums in the future. While this may not be the plan that CADA hoped for, obstacles to construction of condominiums in downtown Sacramento have proven to be difficult or impossible to overcome, and circumstances do not appear likely to change in the near future. The recommended solution would add much needed housing supply to the central city including desirable ownership housing, would utilize an underused property, and would result in substantial new tax increment for CADA. Given the dire need for affordable housing in Sacramento, the tax increment income will enhance CADA's ability to construct new affordable housing.

ENVIRONMENTAL CONSIDERATIONS

Staff previously determined, and the CADA Board has found, that development of a project consistent with the Site 21 RFP issued on December 5, 2016 is categorically exempt from the California Environmental Quality Act (PRC §21083.3, 2 CCR §15183) and filed a Notice of Exemption based on the expectation that the project is consistent with the City of Sacramento 2035 General Plan. CADA reserves the right to require additional environmental review to the extent CADA determines that the selected project is not consistent with the City of Sacramento General Plan. If required, CADA will contract with an environmental consultant to prepare any required CEQA documents and the foregoing process will be at the Developer's expense.

No additional environmental review is required for the proposed action

Attachments:

1. WoodWorks Council Article on 1430 Q Street
2. Exclusive Negotiation Agreement with Proposed Business Terms for the DDA
3. Schematic Design Plans



Reducing Carbon Footprint

The use of wood lowers a building's carbon footprint in two ways. Wood continues to sequester carbon absorbed by the trees while they were growing, keeping it out of the atmosphere for the lifetime of the building—longer if the wood is reclaimed at the end of the building's service life and re-used. Meanwhile, the regenerating forest continues the cycle of carbon absorption. Wood products also require less energy to produce than other building materials, and most of that comes from renewable biomass (e.g., bark and sawdust) instead of fossil fuels. Substituting wood for fossil fuel-intensive materials is a way to avoid greenhouse gas emissions and reduce embodied carbon.



Volume of wood products used:
1,708 cubic meters (60,334 cubic feet)



U.S. and Canadian forests grow this much wood in:
5 minutes



Carbon stored in the wood:
1,426 metric tons of CO₂



Avoided greenhouse gas emissions:
3,031 metric tons of CO₂



TOTAL POTENTIAL CARBON BENEFIT:
4,457 metric tons of CO₂

EQUIVALENT TO:

Source: US EPA



942 cars off the road for a year



Energy to operate 471 homes for a year

Estimated by the Wood Carbon Calculator for Buildings, based on research by Sarthre, R. and J. O'Connor, 2010, A Synthesis of Research on Wood Products and Greenhouse Gas Impacts, FPLInnovations. Note: CO₂ on this chart refers to CO₂ equivalent.

¹ www.woodworks.org/wp-content/uploads/Alternate-Means-Wood-Solution-Paper-by-WoodWorks-Final-for-web.pdf

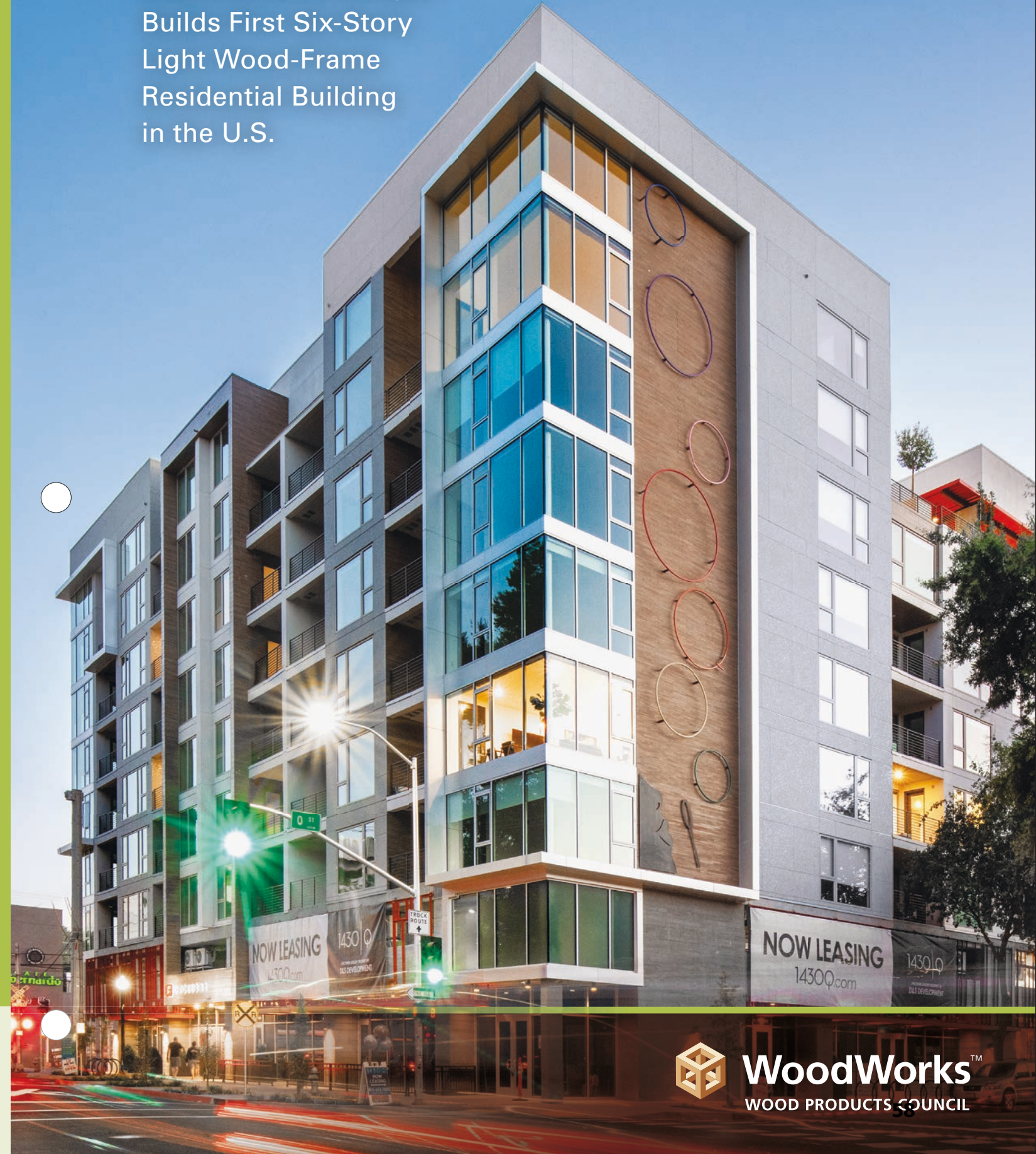
² www.woodworks.org/wp-content/uploads/wood_solution_paper-Accommodating-Shrinkage.pdf

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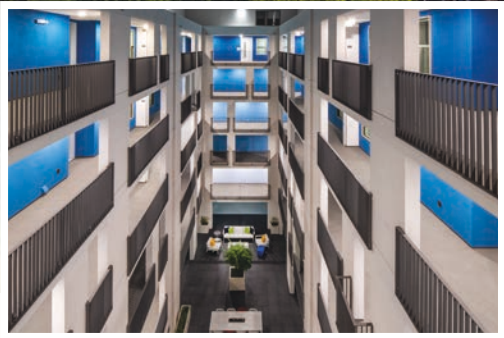


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PROJECT DETAILS

LOCATION:
Sacramento, California

STORIES:
Six stories of wood plus mezzanine over a two-level concrete podium

SIZE:
63,000 square feet

CONSTRUCTION TYPE:
Type III-A over Type I-A podium

COMPLETED:
2020

PROJECT TEAM

CLIENT/OWNER:
D&S Development, Inc.

ARCHITECT:
HRGA, The HR Group Architects

STRUCTURAL ENGINEER:
Buehler

CONTRACT MANAGER:
Tricorp Group, Inc.

CODE CONSULTANT:
Churchill Engineering, Inc.

When D&S Development decided to build a new multi-family, mixed-use project in Sacramento, the firm did something no one had done before. D&S and their design team worked with the City’s Building Department and built the country’s first residential structure with six stories of light wood-frame construction plus mezzanine over a two-level concrete podium. The eight-story building makes the most of its small but desirable site while maximizing its owners’ financial return.



For years, the International Building Code (IBC) allowed light wood-frame buildings up to five stories for residential occupancies (six for office) over a single-level podium. The 2015 IBC evolved to recognize multi-level podiums, which had been permitted in the Seattle Building Code for some time. Across the country, designers began maximizing the value of their mid-rise projects with 5-over-2 configurations; however, 5-over-2 still wasn’t sufficient to make the investment in 1430 Q pencil out.

Sacramento’s competitive building market required that 1430 Q have at least six floors of residential units to make the project profitable. By using the City’s Alternate Means and Materials Request (AMMR) process, the design team was able to successfully achieve the extra height and, in so doing, build the country’s tallest light wood-frame building.

“This building site provided a great opportunity, but it would have been tough to get the numbers to work in our market if we did things the traditional way,” said Steve Lebastchi, Principal of D&S Development. “We needed a sixth floor of residential units to make the project viable, but the costs of concrete and steel would have made it too expensive to build. So, we approached WoodWorks and they connected us with a code consultant who helped make it work using wood.”

The result is good news for owners and developers, since the process opens doors for more 6-over-2 buildings in the future. Since the overall building height exceeds code limits for Type III construction, the team had to demonstrate how to achieve code compliance—including required fire ratings and other fire-protection measures—through the AMMR process. 1430 Q also demonstrated that wood framing can be competitive for infill development, providing cost-effective building options for housing and retail in busy urban neighborhoods.

Location, Location, Location

1430 Q’s location is what initially sold D&S Development on the project. The site, which has direct freeway access, is adjacent to a light rail station and a popular city park.

The six wood-frame levels include one- and two-bedroom rental units, ranging from 580 to 2,200 square feet, surrounding a center courtyard. Units on the sixth-floor benefit from the mezzanine, with floor-to-ceiling windows providing expansive views. High-grade interior finishes and amenities, including a fitness room, bike storage, pet washing station, and outdoor lounge with BBQ, make 1430 Q a desirable place to live.

The two-story podium features a 9,000-square-foot ground-level retail space with outdoor dining area, which leased almost immediately. It also includes four accessible parking spaces on level one, and additional parking and storage on level two. The project also has one level of below-ground parking.

At approximately \$150/square foot (without finishes), Lebastchi said construction cost about \$15 per square foot more than a typical 5-over-2 project. However, the additional story with premium mezzanine space made the development an instant financial success.



Working through the AMMR Process

The AMMR process allows a building official to consider the intent of prescriptive code provisions when deliberating on new or existing technologies in materials, design and methods that are not explicitly addressed in the code. In this way, the building code can provide the flexibility to address new concepts, innovations, and developments that may not have been recognized or even existed during the code’s formal development process. Learn more about AMMRs in the WoodWorks paper, *Getting to Yes: Making Effective Use of the Alternate Means Process*.¹

1430 Q was designed under the 2013 California Building Code, which limits Type III-A buildings to a maximum of 85 feet above grade, five stories of wood-frame construction with sprinklers, 65 feet maximum height for wood shear walls, and a single-story podium.

To go beyond those limits, the design team turned to Churchill Engineering. “The building code is designed to allow alternates if the design team can show equivalency,” explained the firm’s President, James Churchill. “The 1430 Q project team wanted to build six stories of Type III-A construction instead of five, and they wanted to go up to 94 feet when the limit was 85. Most people consider those tough limits to overcome—but we looked at what we could do to enhance the building in terms of life safety, to make it equivalent or better than what the code intended.”

Together, the team studied the City of Sacramento’s Building Code, and determined that deviations were allowed with additional fire protection. “We proposed a mitigation that included 2-hour ratings for all corridor walls, unit separation walls, and bearing walls,” said Churchill. “So basically, the entire structural system was 2-hour rated. We also provided additional access to the roof from two separate exit stairways.” Because the code has limitations on floor area, the team also added a 3-hour firewall assembly to separate the structure into different “buildings” from a code perspective.



The design team submitted the AMMR report and received approval just three days later.

“We’ve submitted a number of AMMRs over the years, but this one was significant,” said Roland Ketelsen, a Principal at HRGA Architecture. “The process went smoothly in large part due to our collaboration with the City of Sacramento Building Department.”

In fact, the Building Department’s response was that “Fire-resistant elements are being added that make the Type III-A portion of the building better than Type II-A (in terms of fire rating of building elements)—almost Type I-B.”

The team also considered a structural AMMR but determined that a height increase could not meet the shear wall deflection limitation requirements. Since ASCE 7 Table 12.2-1 limits wood-frame walls sheathed with wood structural panels rated for shear resistance to a height of 65 feet, they instead decided to extend the concrete shear wall system up from the concrete podium to level four, leaving the wood shear wall above within code limitations.

“We considered using the AMMR process to increase the maximum height of the wood shear wall system and assumed we’d have to go through some testing to justify that,” said Ryan Miller, Associate Principal at Buehler. “Testing may have provided the results we were looking for, but we brought the concrete shear wall up one level from the podium into the wood framing as a more cost-effective alternative to testing.”

Efficient Design and Construction

Even though 1430 Q went taller than a standard light wood-frame construction project, the products used were typical. “Wood is the obvious choice for these types of buildings,” said Miller. “It’s lighter in weight than other materials and so reduces



the overall weight of the building, which reduces impact on the lateral system and the foundation, resulting in a more efficient structure. Plus, it’s easy to work with for the contractors, which made it the ‘go-to’ choice here.”

Plated dimension lumber floor trusses were spaced at 16-inches and roof trusses at 24-inches on center; roof trusses had sloped top chords for drainage. The team used prefabricated wall panels to speed construction. Corridor floors contained 2x8 joists spaced at 16 inches on center. Non-structural partition walls used 2x4s, and structural walls were framed with 2x6 and 3x6 dimension lumber, with some 2x8 and 3x8 in certain exterior conditions where a thicker wall was needed. Stud spacing varied depending on the floor; 3x6 at 12-inches on center was common for the lower levels. Door and window headers were framed with glued-laminated timber (glulam) beams or solid-sawn members. Standard 3/4-inch plywood was used for the floor sheathing, and 1/2-inch plywood for the roof sheathing and wood diaphragm.

Structural Design Took Some Unique Turns

The design team used standard wood framing design to reduce costs, with a few twists.

Two-Stage Analysis

First, while the code has some limitations governing when a two-stage analysis can be used, engineers at Buehler took this approach, though modified to reflect the unusual lateral system. “There are period and stiffness limitations in the code; however, once those were justified, we could use a two-stage analysis, which helped to simplify design,” said Miller.

Lateral System Design

The design team’s unique approach to lateral system design was another key to the project’s success. As noted, Buehler extended the concrete shear walls above the concrete podium, which allowed the wood shear wall system to comply with the code-prescribed height limitations.

“The podium transfers the gravity loads for the wood structure because all of the wood levels come down to level three,” said Miller. “Seismically speaking, the horizontal shear is transferred out at level four because that’s the top of our extended concrete system. So, the level three podium is still an overturning transfer level because the shear walls are discontinued at the podium slab; that’s where the wood system overturning was resolved.”

The approach was not without challenges, since the shear walls lined up above the podium slab, but not below.

“The lateral force from the double wood shear walls on level four is transferred into the single concrete shear wall on level

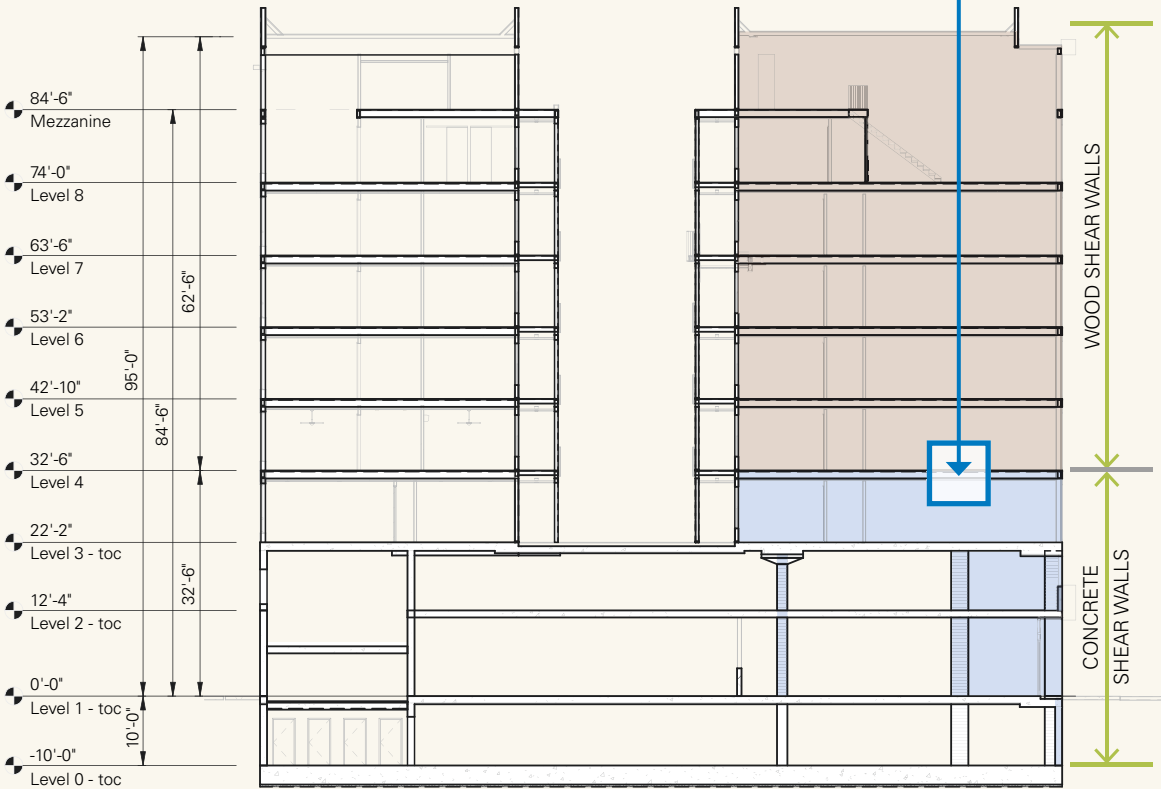
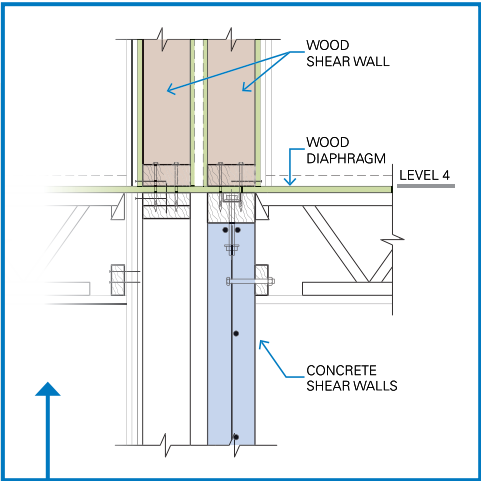
three, directly through the wall plates into a wood nailer on top of the concrete wall, which is bolted to the wall at 8-inches on center,” said Miller. “The wood wall that does not stack on top of the concrete wall transfers its load through the small segment of wood diaphragm over to the nailer on the concrete wall. And as a measure of redundancy, the wood shear wall that does not stack on the concrete shear wall continues its shear nailing down to the podium. We were able to resolve the overturning forces at the podium level by using wide concrete transfer slab beams.”

During installation, the lateral design also created some unique challenges in terms of construction sequencing. Wood-framed walls had been prefabricated; however, the contractor had to wait to install them until the concrete shear walls could be poured and cured.

Connecting a Wood Shear Wall to a Concrete Shear Wall

The unique concrete/wood shear wall configuration required a special detail to transfer load from the wood shear walls into the concrete shear walls. Buehler designed double-party walls—i.e., two wood-framed walls side by side—separated by a gap of about two inches. Both perform as shear walls and, once they hit level four, transfer their shear load into one concrete shear wall.

However, because the concrete shear wall is a single wall, it aligned with just one of the wood walls. Therefore, the wood shear wall on the left, which is not in alignment with the concrete shear wall below, transfers its load through a segment of the wood diaphragm sheathing, which then transfers the load a few inches until it reaches the wood nailers on the concrete wall.



Diaphragm Design

The team used an envelope solution for rigid and flexible wood diaphragm designs, which allowed a worst-case scenario for both the diaphragm and shear wall designs. “We needed to do that for 1430 Q because wood shear walls were only located at the party walls; the exterior walls of the building just didn’t have enough length to be considered as shear walls,” said Miller.

Since the design was limited to using interior walls, the wood diaphragm had to be cantilevered out to that exterior line. “We utilized some exceptions in the code that allowed us to increase that cantilever distance by maintaining a certain ratio of the length and width,” Miller added. “This was required due to overall layout of the building and the fact that we had a lot of windows on the exterior, not because of the extra height of the building.”

Seismic Design

Use of extra gypsum board allowed the team to achieve the 2-hour fire rating requirements, but this added more weight to the structure, creating extra challenges for shear wall and diaphragm designs, as well as shear transfer at the wood seismic base into the concrete shear wall system.

“We knew we could accommodate the extra weight, although it did make the seismic forces higher,” said Miller. “In addition to those higher forces, we had offsets in the shear walls, in the transfers from shear walls at level four into the concrete walls, and then the overturning forces onto the podium slab, which did not have stacked walls below. This created discontinuities in the concrete system. We were able to transfer those forces into the concrete system, but it was certainly more complicated than a usual podium.”

Acoustic Design

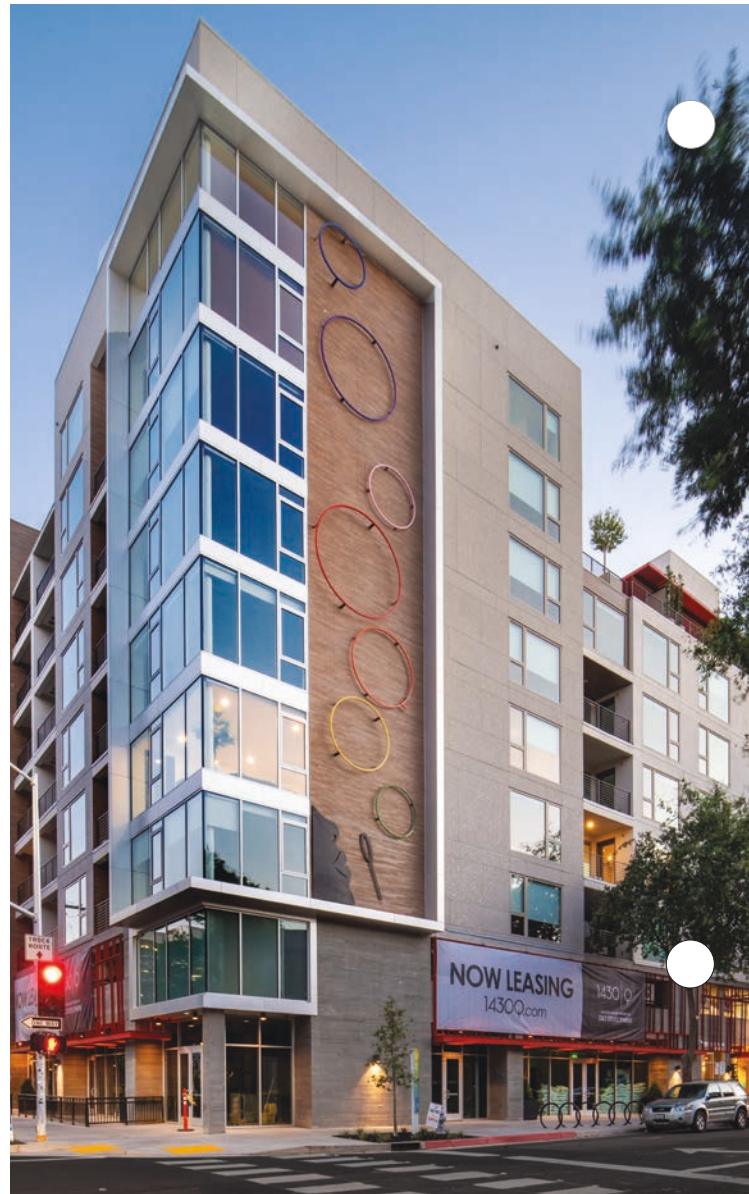
Acoustic and fire design solutions to some extent overlapped. For example, extra layers of gypsum board were required to meet the acoustic requirements for sound transmission through walls, which also made the 2-hour fire rating easier to achieve.

“We had already developed the partition assembly between apartments to include staggered studs and two layers of sheetrock on either side to achieve an STC rating in the mid-60s,” said HRGA’s Ketelsen. “So, all we needed for a 2-hour wall was to fire tape the sheetrock. The added cost to make the acoustic assembly work for the 2-hour fire assembly was minimal.”

“In some cases, we added resilient channels, even on the ceiling, so we had two layers of sheetrock, then a resilient channel, and then another layer of sheetrock,” added Michael Dobbin, a Senior Associate Architect at HRGA. “The code required an STC rating of 50 to 60, and we were around 63.”

Fire Safety

Because fire safety was one of the City of Sacramento’s main concerns with the increased height, the team designed 1430 Q to achieve the same level of protection as a Type II-B building. This was critical to the project’s approval.



In addition to the 2-hour corridor, unit separation, and bearing walls, the building includes 2-hour floor assemblies with three layers of 5/8-inch gypsum for the ceiling and 1-1/4 inches of concrete topping on the floors, which is common in residential projects. It also includes 2-inch autoclaved aerated concrete (AAC) panels, sandwiched between party walls, to meet 3-hour separation requirements at fire walls.

Taller Buildings Require Additional Measures

Shrinkage is a concern in any multi-story wood building, but the extra story in 1430 Q warranted extra care. Since designers estimated 1-3/4 inches total cumulative shrinkage at the roof, HRGA took several mitigation steps.

Designers specified wood with moisture content less than 19 percent and added a slip joint in the exterior stucco at each floor to allow for movement. Buehler also used a continuous tie-down system, which is common in multi-story buildings. “While the hold-down system is not unique, the fact that it had to go up one floor higher than the usual maximum was significant,” said Miller. “While it was an easy modification, the additional force is worth noting.”

He added, “Overall, the accommodations we needed to make were no different than for a five-story building. You have the same consideration with shrinkage on five stories that you do with six. You just have one more floor to deal with, and the total shrinkage at that top level becomes a little more than you’d see on a shorter building.” Detailed information on shrinkage can be found in the WoodWorks paper, *Accommodating Shrinkage in Multi-Story Wood-Frame Structures*.²

Taller buildings also have special safety requirements for building maintenance activities such as painting and window washing, so the design included tiebacks and davits on the roof. Loads imparted on the anchors needed to be considered in the roof truss design, but it was an easy modification to incorporate.

Constructability

While some local contractors were hesitant to be part of the country’s first 6-over-2 building, Tricorp Group was eager to take on the challenge.

“There were a few things that differed from construction of a shorter wood-frame building, including addition of a few concrete shear walls on the first floor of the wood-framed structure, but overall, we found the process to be easier than expected,” said Tony Moayed, Tricorp’s CEO. “The Building Department was extra cautious, so inspections took a bit longer; they even had a special inspection for fire caulking. But it wasn’t much more complicated than a five-story building. The key was to get the sequencing right.” A tower crane was used to lift prefabricated wood wall panels directly into place from the delivery trucks.

Both quality and speed were important. Tricorp built mock-ups of the concrete wall, shear walls, exterior finishes, window assemblies, framing assemblies on the third floor, and other project elements for owner approvals and to show tradespeople what was expected. “It was a challenge to coordinate the trades on this because 1430 Q was a first, but we learned a lot,” said D&S Development’s Lebastchi. “And now that we understand what’s involved, we expect future projects to go even faster.”

Lessons Learned

Every first has a list of lessons learned, and 1430 Q is no exception.

HRGA’s Ketelsen said, “Because it’s a gravity-loaded building, the wood dimensions were bigger in the lower floors, so we sometimes struggled to find room for things like mechanical ductwork to wind its way through the building. We learned we had to plan for that.” Miller agreed, adding that he’ll also look for refinements for connections at the seismic base on future projects. “While the concept we used is certainly applicable to similar and even taller buildings, there may be seismic limitations of connections where bolts in the nailers on top of the shear wall may not work,” he said. “Next time, we’ll consider using embedded steel plates.”

The team also learned from the AMMR process.

“We had gone through an AMMR before, but it was nothing like this; this was different,” said Lebastchi. “Before starting construction plans, we made sure to meet and strategize with building officials. They were supportive, saying that, if we could prove both safety and structure, then the fire marshal would approve it. We were able to prove both.”

“The AMMR process is about trying to make a building better than it would have been if it had been built prescriptively,” added Ketelsen. “Because it is 2-hour fire-rated throughout, we think 1430 Q is a better building. We’re grateful to the City of Sacramento Building Department for their support throughout this process.”

The team agreed that 1430 Q is an indicator of good things to come for light wood-frame construction, as evidenced by all the questions coming in from other developers. “It is certainly significant that a precedent has been set,” said Miller.

Moayed agreed, adding, “We learned that building six-story wood building is very doable, and we can count the lessons we learned on one hand. We showed that wood beats the price of steel and concrete for this type of construction, and, comparatively speaking, it was not difficult to add that one additional story.”



14TH AND N**EXCLUSIVE NEGOTIATING AGREEMENT**

This Exclusive Negotiating Agreement ("Agreement") is entered into as of _____, by and between the Capitol Area Development Authority, a California joint powers agency ("CADA"), and D&S Development, Inc. ("Developer").

RECITALS

- A. CADA is the owner of certain real property commonly known as 14th and N, located on the southwest corner of 14th and N Streets in the City of Sacramento, County of Sacramento, State of California, legally described on **Exhibit 1** attached hereto and made a part hereof ("14th and N" and/or "Property").
- B. Developer submitted to CADA a development concept for the development of a mixed-use project on 14th and N.
- C. On October 28, 2016, the CADA Board found that the development of a project consistent with the one described in the RFP issued December 5, 2016 is categorically exempt under the California Environmental Quality Act (PRC §21083.5 and CEQA Guidelines §15183), because it is consistent with the City of Sacramento General Plan 2035 and because all applicable General Plan mitigation measures will be incorporated into the project.
- D. The Development team for the development includes HRGA Architects, DASCO Commercial Construction, Inc., Inman Law Group, Engineering Systems Solutions (Structural and MEP Engineers) and MSA Civil Engineers (collectively the "Development Team").
- E. CADA and Developer intend to enter into a Disposition and Development Agreement ("DDA") for the development of rental and for-sale residential units and parking on the Property by Developer ("Improvements") (collectively, Property and Improvements shall be referred to as the "Project").
- F. The DDA shall set forth the terms and conditions for the development of the Project, construction of improvements on the Property, and shall provide for the transfer of title to the Property from CADA to Developer.
- G. The parties intend to enter into this Agreement to provide for a period of exclusive negotiations relating to the development of the Project, pursuant to the terms and conditions set forth below.

AGREEMENT

1. Negotiations.

1.1 Good Faith Negotiations. CADA and the Developer agree to negotiate diligently and in good faith regarding the preparation and terms of a DDA to be considered for execution between the CADA and Developer, in the manner set forth herein. The Proposed DDA Term Sheet is attached to this ENA as **Exhibit 2** and its terms and conditions shall be considered the essential points of a negotiated DDA.

1.2 Negotiation Period. This Agreement shall be effective upon the full execution by the parties ("Effective Date") and shall terminate on _____ ("Exclusive Negotiating Period") (Twelve months from the date of this Agreement). During the Exclusive Negotiating Period, CADA agrees not to negotiate with any other person or entity regarding development of the Property or any portion thereof. If upon expiration of the Exclusive Negotiating Period, the Developer has not signed and submitted a DDA to CADA, this Agreement shall automatically terminate.

If a DDA is signed and submitted by the Developer to CADA on or before expiration of the Exclusive Negotiating Period, this Agreement and the Exclusive Negotiating Period shall be automatically extended without further action by CADA or the Developer for thirty (30) days from the date of such submittal to enable CADA to (i) consider the terms and conditions of the proposed DDA, (ii) if appropriate, take the actions necessary to authorize CADA to enter into the DDA, and (iii) execute the DDA.

If CADA has not executed the DDA submitted above by the thirtieth (30th) day, then this Agreement shall automatically terminate.

1.3 Lack of Diligent Good Faith Negotiations.

1.3.1 Developer Lack of Diligent Good Faith Negotiations. In the event the Developer has not continued to negotiate diligently and in good faith the terms of a DDA, CADA shall give written notice thereof to the Developer who shall then have ten (10) working days to commence negotiating in good faith during the Exclusive Negotiating Period. Following the receipt of such notice and the failure of the Developer to thereafter commence negotiating in good faith within such ten (10) working days, CADA may, at its option, terminate this Agreement and neither party shall have any further rights against or liability to the other under this Agreement.

1.3.2 CADA Lack of Diligent Good Faith Negotiations. In the event CADA has not continued to negotiate diligently and in good faith the terms of a DDA, Developer shall give written notice thereof to CADA, which shall then have ten (10) working days to commence negotiating in good faith during the Exclusive Negotiating Period. Following the receipt of such notice and the failure of CADA to thereafter commence negotiating in good faith within such ten (10) working days, Developer may, at its option, terminate this Agreement and CADA shall reimburse the Developer the amount of the Negotiation Fee, without interest. Neither the failure of CADA to approve or execute a DDA signed and submitted by Developer, nor the failure of the Developer and CADA to reach agreement on a DDA by the end of the Negotiation Period, shall be considered a failure by CADA to negotiate diligently and in good faith.

1.4 Developer Studies. During the Exclusive Negotiating Period, the Developer shall, at its own expense, conduct any market, site, planning, or other studies it deems necessary, and provide the documentation required herein as a prerequisite to a DDA.

1.5 Right of Early Entry on Property. During the Exclusive Negotiating Period, the Developer may enter the Property for the purposes of conducting any surveys and appraisals, collecting soil samples and performing other studies which Developer feels are necessary for determining the suitability of the Property for development of the Project. The Developer shall provide CADA with information regarding the purpose of the entry, the location of any sampling to be performed, the time such entry will occur, and written copies of any reports and results. The Developer agrees to indemnify, defend and hold CADA harmless against claims for damages to persons or property which arise from on-site activities or omissions of the

Developer, its employees, officers, agents, representatives, contractors, subcontractors or consultants which are necessary to carry out the purposes of conducting surveys and appraisals, collecting soil samples and performing other studies necessary as set forth in the first sentence of this paragraph.

2. Development Concepts.

The negotiations hereunder shall be based on the development concepts outlined in the staff report presented at the March 19, 2021 CADA Board meeting, development concept provided by the Developer, and the requirement the project shall consist of residential rental and for-sale housing units. Development of the Project will also include appropriate parking and other amenities to provide for successful development, marketing, and ongoing operation.

3. Developer Team and Obligations.

3.1 Developer. The Developer is D&S Development, Inc. The principal who is the primary chief negotiator is Sara Lebastchi, and shall be the party responsible for the negotiation of the terms and conditions of the DDA on behalf of the Developer. During the term of this Agreement, no change may be made to the principals of the Developer without the prior written consent of CADA, in its sole discretion. Any modifications of the Developer prior to the expiration of this Agreement without the prior written consent of CADA shall constitute a material breach by Developer under this Agreement and CADA may, at its option, terminate this Agreement by written notice to the Developer and neither party shall have any further rights against or liability to the other under this Agreement.

3.2 Full Disclosure. The Developer has made full disclosure to CADA of its principals, officers, major stockholders, major partners, joint ventures, key managerial employees and other associates, and all other material information concerning the Developer and its associates. Any significant change in principals, associates, partners, joint ventures, negotiators, development manager, consultants, professional, and directly involved managerial employees of the Developer shall be subject to the written approval of CADA. Any modifications of principals, officers, major stockholders, major partners, joint ventures, key managerial employees and other associates, and all other material information concerning the Developer and its associates prior to the expiration of this Agreement without the prior written consent of CADA shall constitute a material breach by Developer under this Agreement and CADA may, at its option, terminate this Agreement by written notice to the Developer and neither party shall have any further rights against or liability to the other under this Agreement.

3.3 Development Team. The Developer shall submit to CADA for review and comment executed agreements for any of the identified service entities of the proposed development team, i.e., architect, engineer, etc. by April 30, 2021. CADA shall have the right to review and approve the identity of the proposed consultants and the related agreements.

In the event the Developer fails to submit or resubmit the required agreements to CADA within the time set forth in this Section, CADA may, at its option, terminate this Agreement by written notice to the Developer and neither party shall have any further rights against or liability to the other under this Agreement.

3.4 Development Proposal. The Developer shall prepare, at its sole cost and expense, and submit to CADA for review and approval, the required copies of a draft development proposal for the Project (the "Development Proposal") by June 30, 2021

The Development Proposal shall be consistent with Development concepts and

requirements set forth in Section 2 and shall include the following:

- Design Program
- Estimated Project Sources and Uses
- Development and Operating Pro Forma
- Preliminary Development Schedule
- Market Study

The primary objective of the Design Program is to present to CADA a clearly defined, feasible development project and to present it in a form that result in CADA's understanding and approval. The Design Program shall define the most appropriate Project. The Design Program shall establish the general scope and conceptual design of the Project illustrating the scale and relationship of the Project components. The Design Program shall include, but not be limited to, the planned number of residential units, number of parking spaces, and square footage of retail space.

The Design Program documents shall include a site plan, building plans with elevations and sections, a perspective sketch of the elevation and a statistical summary of the design area including, but not limited to, floor areas, unit floor plans, common areas, parking areas and unit mixes and types. Preliminary selections of major building systems and construction materials shall be set forth in the Design Program. The Design Program shall also note code references (seismic, UBC, City, etc.) and any significant variance thereto. The Design Program documents shall include light and shadow renderings, and color presentation poster boards depicting relationships and heights to adjacent properties and neighborhood.

The Project Sources and Uses submitted with the Design Program shall include projected soft and hard costs and sources of funding. The Development and Operating Pro Forma shall include estimated cost of sales and revenue projections. The Developer and its architect will participate in community workshops, organized by CADA, to obtain neighborhood input into the Design Program.

In the event the Developer fails to submit or resubmit the complete Development Proposal to CADA within the time set forth in this Section, CADA may, at its option, terminate this Agreement by written notice to the Developer. Neither party shall have any further rights against or liability to the other under this Agreement.

The Market Study shall be commissioned by the Developer and shall be completed by an independent, third-party real estate broker expert in downtown, infill projects.

3.5 Development Entity. The Developer shall submit to CADA for review and approval executed development formation documents for the specific development team or entity that is to enter into the DDA by January 31, 2022.

In the event the Developer fails to submit or resubmit the required development entity formation documents to CADA within the time set forth in this Section, CADA may, at its option, terminate this Agreement by written notice to the Developer. Neither party shall have any further rights against or liability to the other under this Agreement.

3.6 General Business Terms and Conditions. The Developer and CADA shall commence negotiations and preparation of an outline of the general business terms and conditions for a final DDA Term Sheet based upon the Proposed DDA Term Sheet attached hereto as **Exhibit 2**, for the acquisition and development of the Property. Such negotiations

shall result in completion of a final DDA Term Sheet by January 31, 2022. The final DDA Term Sheet will be used to prepare and enter into a DDA.

In the event that the Developer and CADA do not complete a final DDA Term Sheet within the time set forth in this Section, either the Developer or CADA may, at their option, terminate this Agreement by written notice to the other party. Neither party shall have any further rights against or liability to the other under this Agreement.

3.7 Other Completion Items. The Developer and CADA shall complete the Draft Disposition and Development Agreement (DDA) prior to the expiration of this Agreement. CADA will provide the first draft of the DDA.

3.8 Developer's Findings, Determinations, Studies and Reports. Notwithstanding any other time provisions in this Agreement, the Developer agrees to make oral and written progress reports from time-to-time as requested by CADA advising CADA on all matters and all studies being made by the Developer. In the event CADA and Developer do not enter into a DDA, the Developer shall submit to CADA copies of all studies and reports prepared for the proposed development of the Project by or for the Developer and all third-party service provider contracts, and CADA shall have the right to the use and benefit of all such studies and reports without limitation.

3.9 Evidence of Project Financing. No later than January 31, 2022 Developer shall submit an updated construction financing letter of interest and evidence of equity financing sufficient to develop the Project. Such evidence shall consist of commitment letters or equivalent commercially reasonable documentation evidencing Developer's financial ability to complete the Project. If financing is not available and a commitment letter cannot therefore be secured, then construction financing and equity financing letters of interest may instead be submitted. A verbal or written representation by the Developer that equity and construction financing are available will not constitute sufficient evidence.

4. CADA Obligations.

4.1 Development Team.

CADA shall review and tentatively approve or disapprove the identified service entities and related agreements submitted by the Developer in accordance with Section 3.3 of this Agreement within seven (7) days of the date such information is received by CADA.

In the event CADA disapproves any Development Team agreements, CADA shall give the Developer written notice of such disapproval. The Developer shall then have ten (10) working days from the date of the notice to resubmit one or more new agreements.

4.2 Development Proposal.

CADA shall review and either approve or disapprove the Development Proposal submitted by the Developer in accordance with Section 3.4 of this Agreement by September 30, 2021. CADA's review shall include presentation to, for review, comment, and recommendations, the City of Sacramento Design and Planning Commission and others at CADA's discretion.

In the event CADA disapproves the Development Proposal, CADA shall give the

Developer written notice of such disapproval. The Developer shall then have twenty (20) working days from the date of the notice to resubmit a new Development Proposal in accordance with Section 3.4.

4.3 Development Entity.

CADA shall review and either approve or disapprove the executed development entity formation documents submitted by the Developer in accordance with Section 3.5 of this Agreement within fourteen (14) days of the date such information is received by CADA.

In the event CADA disapproves the development entity formation documents, CADA shall give the Developer written notice of such disapproval. The Developer shall then have ten (10) working days from the date of the notice to resubmit new documentation in accordance with Section 3.5.

5. CEQA

5.1 As noted in Recital C, the CADA Board previously found that development of a project consistent with the project described in the RFP issued December 5, 2016 is categorically exempt under CEQA. CADA retains sole discretion in determining whether the Development Proposal presented by the Developer requires additional environmental review. In the event CADA determines that additional environmental review is required, CADA will undertake that review and prepare (or cause to be prepared) any environmental documentation required. The cost of such additional environmental review and documentation will be a project cost to be borne in full by Developer.

5.2 In the event of a CEQA challenge, CADA shall, in its sole discretion, determine the appropriate defense, if any, to such challenge.

6. Third Parties.

6.1 Third Party Costs. Each party shall be solely responsible for its own third-party expenses and costs.

6.2 Developer Third Party Contracts. Developer shall make a good faith effort to ensure that all third-party service provider contracts entered into by Developer for plans, specifications, studies, reports, surveys, and other documents relating to the development of the Project ("Development Documents") provide for the assignment to CADA of the contract and any copyrights associated with the materials prepared pursuant to the contract and shall indicate that CADA is a third-party beneficiary of the contract. Developer's assignment of the contracts and copyrights to CADA shall be without any representations or warranties on the part of the Developer or third parties as to the accuracy, completeness, or contents of such studies and reports.

7. Acquisition of the Property. The purchase price to be paid by the Developer for the Property shall be \$2,400,000.00 dollars.

8. DDA

8.1 DDA Entered Into. This Agreement shall automatically terminate upon execution of a DDA by both parties. Neither party shall have any further rights against or liability to the other under this Agreement.

8.2 DDA Not Entered Into - No-Fault of Either Party. If, despite diligent efforts, CADA and the Developer are unable to agree upon the final terms and conditions of the DDA, then either party may terminate this Agreement and neither party shall have any further rights against or liability to the other under this Agreement.

9. Real Estate Commissions. CADA and Developer each warrant to the other that no person or entity can properly claim a right to a commission, finder's fee, or other compensation with respect to the transaction contemplated by this Agreement. If any broker or finder makes any claim for a commission or finder's fee, the party through which the broker or finder makes such claim shall indemnify, defend and hold the other party harmless from all liabilities, expenses, losses, damages or claims (including the indemnified party's reasonable attorneys' fees) arising out of such broker's or finder's claims.

10. California Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

11. Limitations of this Agreement.

11.1 The sole purpose of this Agreement is to facilitate the timely preparation of a DDA for the development of the Property. This Agreement is not an Owner Participation Agreement, a Disposition and Development Agreement, or a Development Agreement (as that term is defined and used in Government Code Sections 65864 et seq.).

11.2 This Agreement does not commit CADA to entering into any further agreement with the Developer, nor does it commit CADA in any way to expending any funds in connection with the development of the Property, approving any request by Developer in connection with the development of the Property, or approving any proposed project, in whole or in part, on the Property. Except for the rights expressly granted herein, nothing contained in this Agreement shall be construed to grant Developer any vested rights.

11.3 This Agreement does not constitute a disposition of property or exercise of control over property by CADA and does not require a public hearing. Execution of this Agreement by CADA is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval, which is not guaranteed, by CADA as to any Disposition and Development Agreement and all proceedings in connection therewith.

12. Non-Assignability. This Agreement shall not be transferred or assigned by the Developer.

13. Authorization. CADA and Developer represent and warrant that this Agreement has been duly executed by CADA and Developer and that this Agreement is a legal, valid, and binding obligation of CADA and Developer and is enforceable in accordance with its respective terms. Concurrent with the Developer's execution of this Agreement, Developer shall deliver to CADA conclusive evidence that the person executing this Agreement on behalf of the Developer is fully authorized to bind the Developer.

14. Extension of Deadlines. Notwithstanding anything contrary in this Agreement, if extensions of the deadlines for performance as set forth in this Agreement are mutually agreed to by the parties, CADA's Executive Director shall have the authority, on behalf of CADA, to extend the deadlines for performance, excepting extensions of the Exclusive Negotiating Period

expiration date of _____, set forth in Section 1.2 of this Agreement. The CADA Board of Directors shall retain sole authority to extend the expiration date of this ENA.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set opposite their signatures. The effective date of this Agreement shall be the date this Agreement is signed by CADA.

DEVELOPER:

D&S Development,
a Limited Liability Corporation

By: _____
Name: Steve Lebastchi

Date: 3/8/2021

Title: Secretary

By: _____

Date: _____

Name: _____

Title: _____

CADA:

CAPITOL AREA DEVELOPMENT AUTHORITY,
a California Joint Powers Agency

By: _____
Wendy Saunders, Executive Director

Date: _____

APPROVED AS TO FORM BY:

By: _____
CADA Counsel

Exhibits

1. Property Description
2. Proposed DDA Term Sheet

PROPERTY DESCRIPTION

Real property in the City of Sacramento, County of Sacramento, State of California, described as follows: BEING A PORTION OF THE EAST 1/2 OF LOT 3 AS DESCRIBED IN THAT GRANT DEED RECORDED IN BOOK 5343, PAGE 188, OFFICIAL RECORDS OF SACRAMENTO COUNTY, ALL OF THE WEST 1/2 OF LOT 4 AS DESCRIBED IN THAT GRANT DEED RECORDED IN BOOK 5349, PAGE 174, OFFICIAL RECORDS OF SACRAMENTO COUNTY, THE EAST 1/2 OF THE NORTH 1/2 OF LOT 4 AS DESCRIBED IN THAT GRANT DEED RECORDED IN BOOK 5016, PAGE 477, OFFICIAL RECORDS OF SACRAMENTO COUNTY, THE NORTH 1/2 OF THE SOUTH 1/2 OF THE EAST 1/2 OF LOT 4 AS DESCRIBED IN THAT GRANT DEED RECORDED IN BOOK 4979, PAGE 492, OFFICIAL RECORDS OF SACRAMENTO COUNTY AND THE SOUTH 1/4 OF THE EAST 1/2 OF LOT 4 AS DESCRIBED IN THAT GRANT DEED RECORDED IN BOOK 4920, PAGE 571, OFFICIAL RECORDS OF SACRAMENTO COUNTY, ALL BEING IN THE BLOCK BOUNDED BY "N" AND "O", 13TH AND 14TH STREETS OF THE CITY OF SACRAMENTO, AS SHOWN ON THE MAP OR PLAN OF THE CITY OF SACRAMENTO, SITUATE IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, ALSO DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID OF LOT 4; THENCE FROM SAID POINT OF BEGINNING ALONG THE EASTERLY LINE OF SAID LOT 4 SOUTH 18°23'41" WEST 160.34 FEET TO THE SOUTHEAST CORNER OF SAID LOT 4; THENCE ALONG THE SOUTHERLY LINES OF SAID LOT 4 AND SAID EAST 1/2 OF LOT 3 NORTH 71°34'05" WEST 120.18 FEET TO A POINT ON SAID SOUTHERLY LINE OF SAID EAST 1/2 OF LOT 3, SAID POINT BEARS SOUTH 71°34'05" EAST 0.38 FEET FROM THE SOUTHWEST CORNER OF SAID EAST 1/2 OF LOT 3; THENCE LEAVING SAID SOUTHERLY LINE PARALLEL AND 120.18 FEET PERPENDICULAR WESTERLY FROM THE EASTERLY LINE OF LOT 4, NORTH 18°23'41" EAST 160.36 FEET TO A POINT ON THE NORTHERLY LINE OF SAID EAST 1/2 OF LOT 3, SAID POINT BEARS SOUTH 71°33'43" EAST 0.40 FROM THE NORTHWEST CORNER OF SAID EAST 1/2 OF LOT 3; THENCE ALONG THE NORTHERLY LINES OF SAID EAST 1/2 OF LOT 3 AND SAID LOT 4 SOUTH 71°33'43" EAST 120.18 FEET TO THE POINT OF BEGINNING.

THIS LEGAL DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN CERTIFICATE OF COMPLIANCE FOR CONDOMINIUM PURPOSES RECORDED AS DECEMBER 11, 2019, INSTRUMENT NO. 201912110821 OF OFFICIAL RECORDS.

APN: 006-0223-021-0000

PROPOSED DDA TERM SHEET

**PROPOSED DISPOSITION AND DEVELOPMENT
AGREEMENT (DDA) TERM SHEET for 14th and N**

Non-Binding Effect: This document is intended to be a non-binding statement of the terms of a proposed transaction, summarizing them for a proposed Disposition and Development Agreement ("DDA") between CADA and the Developer for the development of rental and for-sale residential units and parking on the property located at 14th and N ("14th and N" or "Property"). The DDA is subject to the approval, execution and delivery of various agreements consistent with the basic terms and conditions set forth herein. This document does not create a binding agreement of any kind, but is a good faith statement of the Developer's intent.

1. Land Description. 14th and N consists of one parcel, which consists of a vacant lot and a surface parking lot. The listed address is 1330 N Street, Sacramento, CA. The property is currently owned by CADA. The site is bounded to the west by an apartment building, to the north by N Street, to the south by an alley, and to the east by 14th Street. The Assessor's Parcel Number is 006-0223--021-0000.

2. Condominium Requirements.

2.1 Condominium Development. The Project is to be developed as a condominium Project and built to condominium standards as a "for-sale" project.

The architect is required to provide a certification that the project has been designed to be primarily residential in nature; consisting entirely of dwelling units that are one-family units; being in full compliance with applicable laws and local approval requirements with respect to the condominium plat and development plans; and once construction is completed per the architect's design, that the project is ready for occupancy and the project would not be subject to further rehabilitation, construction, phasing, or annexation. In addition, the certification is to include that the architect has designed the project so that each condominium has a separate water (sub) meter and separate electrical meters. Floor-to-floor and demising wall assemblies between each condominium unit meets the Sound Transmission requirements of the 2020 California Building Code, as prescribed in the Uniform Building Code.

2.2 Requirement to Sell Condominium Units.

Upon completion of construction, Developer is required to begin selling nine (9) units as condominiums and sell all nine (9) within twenty-four (24) months thereafter. If Developer fails to timely meet the sale requirements, Authority shall be entitled to liquidated damages

in the amount of \$2,500,000 for the lost opportunity to create ownership housing on the Property and as an estimate of the loss likely to be incurred by Authority in loss of tax increment.

2.3 Condominium Documents. Developer shall provide copies to Authority of all condominium documents submitted to any public or regulatory agency. Prior to issuance of the certificate of substantial completion, Developer shall (a) obtain and record its final condominium plan and map, (b) provide certification from the Project architect that the Project has been designed to condominium standards, and (c) provide certification from the general contractor that the Project has been built in accordance with the final design plans and specifications.

3. Number of Residential Units. In accordance with the adopted 1997 Capitol Area Plan (CAP) and the CAP Implementation Program, the density goal for the site is 110 DU/AC or 48 units. Recognizing the importance of financial feasibility, CADA will entertain proposals of greater or lesser density than those recommended in the CAP, however, a minimum of 40 units is required.

4. Developer. D&S Development or its designated affiliate entity.

5. Design Consultants. The Architect is HRGA, the Structural Engineer is Engineering Systems Solutions, the Civil Engineer is MSA, and the Landscape Architect is TBD.

6. CEQA Review and Approval. CADA has determined that development of a project consistent with this RFP is categorically exempt from the California Environmental Quality Act (PRC §21083.3, 2 CCR §15183), and filed a Notice of Exemption based on the expectation that the project is consistent with the City of Sacramento 2035 General Plan, and that all applicable General Plan mitigation measures will be incorporated into the project. CADA reserves the right to require additional environmental review to the extent CADA determines that the selected project is not consistent with the City of Sacramento General Plan. CADA Board approval of a DDA will be subject to completion of any additional analysis. If additional analysis is required for Developer's project, there could be a significant delay in CADA's ability to approve a revised project and to execute the related agreements, such as the DDA. Preparation of additional CEQA documents for a project with significant additional environmental impacts will take a minimum of 6 months from the time that CADA issues a Notice to Proceed. If required, CADA will contract with an environmental consultant to prepare any required CEQA documents. The foregoing process will be at the Developer's expense.

7. City Permitting Process. The proposed project will be subject to "review and comment" from the City Planning and Design Commission. Developer is responsible for paying City fees for such review. Developer is required to construct the project in compliance with all health and safety requirements of the City and its Building codes and standards. Developer is required to pay for all costs and fees related to obtaining a City Building Permit and to comply with that permit.

8. Project Timeline. If the Developer proposes a project that is approved by the CADA Board, CADA and the Developer anticipate that the DDA will be executed no later than _____ and that construction will commence by _____. Additional CEQA analysis will delay this timetable, as discussed in Section 6.

9. Economic Structure. The Developer is proposing an economic structure to include _____% Construction Financing, and _____% Developer Equity. CADA will sell the Land to the Developer at a price of \$_____. Developer cash equity will not be less than 5%. Developer's proposed sources and uses are as follows:

<u>Sources</u>	<u>Amount</u>
Construction/Permanent Loan	\$
Developer Equity	\$
Sales Proceeds	\$
Total	\$
<u>Uses</u>	<u>Amount</u>
Land	\$
Soil Remediation	\$
Underground Utilities	\$
Hard Cost	\$
Soft Costs	\$
Project contingency __%	\$
Finance Costs	\$
Developer Overhead	\$
Total	\$

The DDA will include a final pro forma as an exhibit, to be approved by CADA as a condition of transfer of the property to the Developer. The pro forma submitted by Developer and approved by CADA in its discretion will include the anticipated levels of return for the Developer.

10. Developer's Financial Strength. Simultaneous with the signing of this **Proposed** Business Terms for the DDA, Developer shall provide CADA with a certified financial statement showing the assets and liabilities of the Developer or, if appropriate, the Developer entities that will undertake the project. If the date of the financial statement precedes the date of the Proposed Business Terms for the DDA by more than six months, an interim balance sheet not more than sixty days old is to be submitted.

11. As is Condition. Developer accepts land in as-is condition.

12. Soil Remediation. Developer will perform any remediation of contaminated soil.

13. Onsite Utilities. Developer will coordinate with City on removal, retention or relocation of utilities and pay to remove, cap or relocate such utilities.

14. Offsite Improvements. Developer is responsible for all offsite improvements, including, but not limited to: alley repairs and upgrades, curbs, gutters, sidewalks, landscaping, light poles, street trees, domestic water service, gas service, sewer service, electrical service, cable and satellite service, SMUD vaults, bike racks, and Combined Storm and Sewer Service.

15. Permit and Impact Fees. Developer is responsible for payment of all City, County, State and Federal fees that may be assessed as a condition of issuance of required permits for construction of the Project.

16. Developer Transfer/Acquisition of the Property. The transfer of the property to the Developer from CADA is subject to the following minimum requirements:

a. **Evidence of Financing.** Developer must provide executed documents for a construction loan with equity funds acceptable to the construction lender sufficient to complete the project based on an executed guaranteed maximum price construction contract consistent with the final proforma approved by CADA included in the DDA and evidence of simultaneous loan closing.

b. **Permits.** Developer must provide evidence of having received approval for and secured any and all permits including, but not limited to, encroachment, storm water, demolition, excavation, grading, foundation work and utilities. Developer must also provide evidence that, subject to any payment of required fees/charges and if appropriate at that time, it has paid for and secured building permits for full construction. Developer is responsible for paying all permit fees.

c. **Impact Fees.** Developer is responsible for identifying and paying all required City, County or State impact fees.

d. **Construction Documents.** Developer must provide construction documents approved by CADA that are consistent with the Development Proposal required under the Exclusive Negotiating Agreement approved by CADA.

e. **Payment and Performance Bonds.** CADA shall be named as a Dual Obligatee along with the Developer on the Performance and Payment Bonds of the Contractor.

f. **Personal Guarantee.** Developer is responsible for providing a personal guaranty obligating the individual members of the Developer entity, namely _____, to construct and complete the Project and all required improvements. The guarantee may be subject to an approved intercreditor or substantively similar agreement.

g. **Liability Insurance.** Developer must provide evidence of comprehensive general liability insurance in an amount not less than \$5,000,000 indemnifying CADA and the State of California and the City of Sacramento. Developer must provide auto insurance in an amount not less than \$1,000,000 and builder insurance not less than the amount of the proposed construction contract.

h. **Contract Documents.** Prior to transfer of title to the site, Developer shall deliver copies of its contracts with the General Contractor, Project Architect, local project manager, and consultants. All contracts entered into by the Developer for the project shall expressly provide for the assignment to CADA of those contracts and any copyrights associated with the materials prepared pursuant to the contract for the development of the project. The Developer and third parties shall agree that these contracts may be assigned to CADA, subject to their senior assignments to the project's lenders and/or investors, and without limiting the latter's rights to step in after a Developer failure and complete the project, always subject to the DDA, and subject to an approved intercreditor, or substantively similar, agreement. In the event that the lenders and/or investors elect not to complete the project and it reverts to CADA under the DDA, full ownership of the documents shall also revert to CADA and the contracts shall be assigned to CADA.

i. **Utility Will-Serve Letters.** Developer must obtain and provide a "will serve" letter from each utility provider, if customarily provided. Developer must accept and accommodate the State's current utility easements.

17. Certificate of Substantial Completion and Certification of Development Costs.

Upon the substantial completion of the Project, Developer shall submit a written request to CADA for a Certificate of Completion that the Improvements are substantially complete.

Prior to issuance of the Certificate of Substantial Completion, the Developer shall provide CADA with a C.P.A. certified statement of the development cost (which includes both "hard" and "soft" costs and a listing of each check listed by date of issuance, line item and vendor) for the Project.

18. Sustainable Design and Construction. The Developer is to use its best effort to incorporate sustainable design and sustainable construction practices in the proposed project as described below. CADA requires that the Developer meet or exceed the LEED Gold Energy Standard although Certification is not required.

Sustainable design should emphasize the following environmental, resource and occupant health concerns:

- Reduce human exposure to noxious materials.
- Conserve non-renewable energy and scarce materials.
- Minimize life-cycle ecological impact of energy and materials used.
- Use renewable energy and materials that are sustainably harvested.
- Protect and restore local air, water, soils, flora and fauna.
 - Support pedestrians, bicycles, mass transit and other alternatives to fossil-fueled vehicles.

Sustainable Construction should include the rational use of natural resources and appropriate use of building materials that:

- Contributes to saving scarce resources.
- Reduces energy consumption.
- Improves environmental quality.

19. CADA Fees. Once CADA enters into a DDA with the Developer, the Developer will pay a monthly Good Faith Deposit in the amount of \$5,000 until such time the Developer is ready for construction and Developer has closed escrow on the purchase of the property. The Good Faith Deposit amounts will be applied toward the purchase price of the property at close of escrow or forfeited upon default of Developer or failure of Developer to close escrow for any reason.

20. Developer Indemnification. The DDA shall contain an indemnification provision stating that after the close of escrow, the Developer shall indemnify, protect, defend and hold harmless CADA (and its officials, representatives, agents and employees) against and in respect of any and all claims, demands, damages, liabilities, losses, judgments, assessments, costs, and expenses (including reasonable attorneys' fees) of any kind or nature whatsoever, including without limitation any environmental conditions in, on, under or about the Property, which may be asserted by anyone against CADA.

21. Authority Remedies on Default.

- Prior to Property Transfer. If there is a Developer default that is not cured with the applicable cure period, Authority may terminate the Agreement and/or institute judicial action.
- Repurchase after Property Transfer. If Developer fails to timely begin construction, Authority has the additional remedy of repurchasing the property at the same purchase price.
- Specific Performance after Property Transfer. In the event the Project is not marketed and sold as a condominium project, Authority has the additional remedy of specific performance to compel such actions.

DEVELOPER:

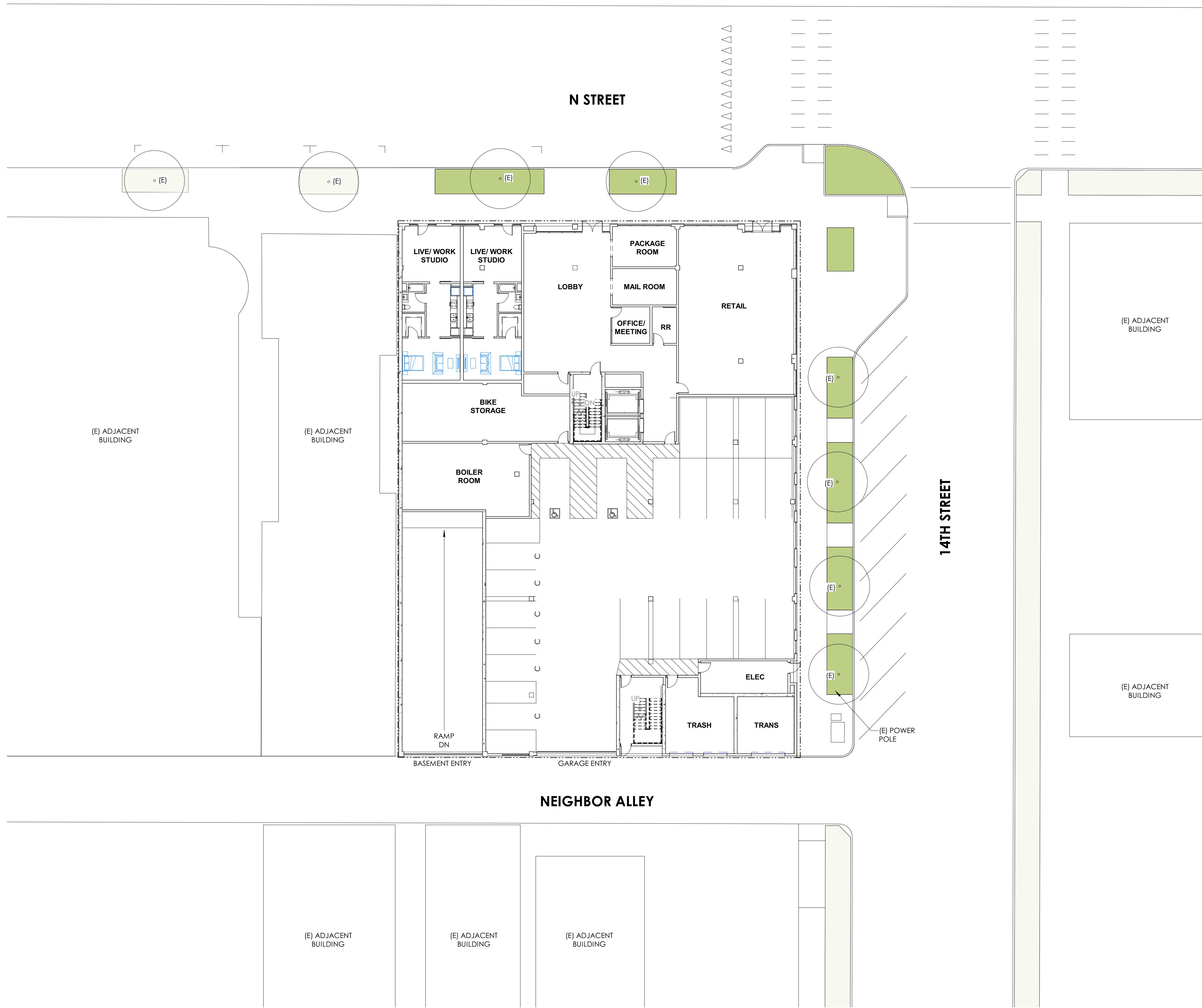
A _____ Limited Liability Company

By: _____

Date:

_____, President





SITE PLAN 1/16" = 1'-0" 3



VICINITY MAP 3/32" = 1'-0" 1

PROJECT NAME: 14N Mixed Use
PROJECT LOCATION: 1320 N Street
Sacramento, CA 95814
ASSESSORS PARCEL #: 006-0223-021
LOT SIZE: 19,273 SF (0.44 ACRES)
ZONING: R-5-SPD (High-Rise Residential/ SPD: Central City)
GENERAL PLAN: Central Business District
OCCUPANCY / USE: Residential/ Retail
CONSTRUCTION TYPE: IA & IIA
PARKING REQUIREMENT: No Requirement
PARKING DIMENSIONS: 90 DEGREE STANDARD
Space Width: 8'- 0"
Space Depth: 18'- 0"
90 DEGREE COMPACT*
Space Width: 8'- 0"
Space Depth: 15'- 0"
Two-Way Maneuvering Width: 24'- 0" MIN.
*Compact car spaces: No Requirement
BIKE PARKING: RESIDENTIAL
LONG TERM: 1 space per 2 dwelling units
SHORT TERM: 1 space per 10 dwelling units
RETAIL/RESTAURANT
LONG TERM: Greater of 1 space per 10,000 gross SF, or 2
SHORT TERM: Greater of 1 space per 2,000 gross SF, or 2

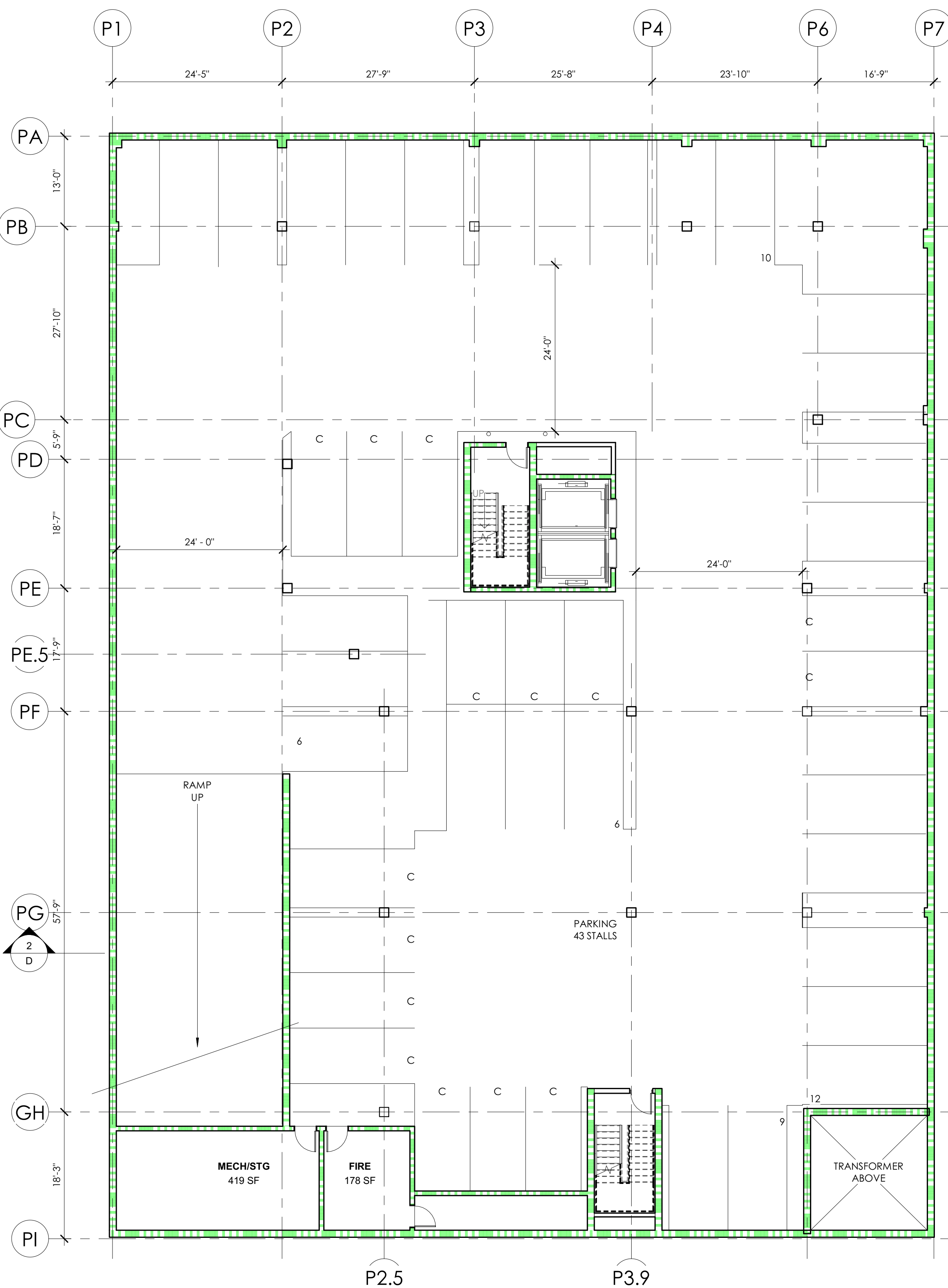
ZONING INFORMATION 1/4" = 1'-0" 2

BUILDING SUMMARY:						
LEVEL	GROSS AREA	NUMBER OF UNIT TYPES				
		STUDIO	ONE BED	ONE BED + DEN	TWO BED + DEN	TOTAL UNITS
BASEMENT	18,930 SF	-	-	-	-	-
LEVEL 1	18,790 SF	2	-	-	-	2
LEVEL 2	15,552 SF	2	3	6	2	13
LEVEL 3	15,552 SF	3	3	5	2	15
LEVEL 4	15,552 SF	3	3	5	2	15
LEVEL 5	15,552 SF	3	3	5	2	15
LEVEL 6	15,552 SF	3	3	5	2	15
LEVEL 7	15,552 SF	3	3	5	2	15
LEVEL 8	12,305 SF	-	-	-	6	9
TOTAL	143,327 SF	19	18	31	18	99

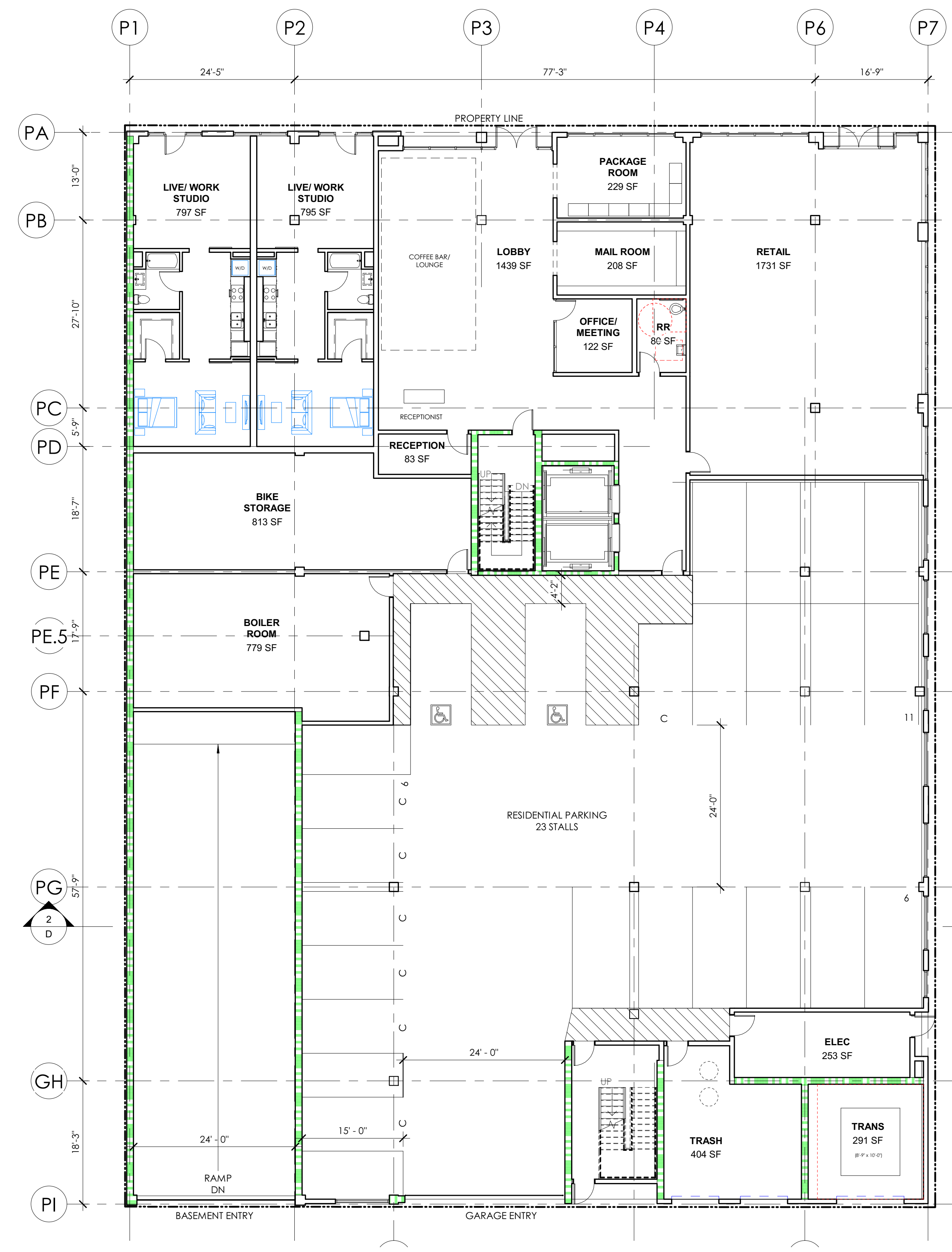
PARKING SUMMARY:		
LEVEL	STALLS	RATIO TO UNITS
BASEMENT	43	
LEVEL 1	23	
TOTAL	66	63/99 = 63%

Standard: 42
Compact: 22 (33%)
Accessible: 2

RESIDENTIAL PROGRAM DATA 1/8" = 1'-0"



BASEMENT 3/32" = 1'-0" **1**

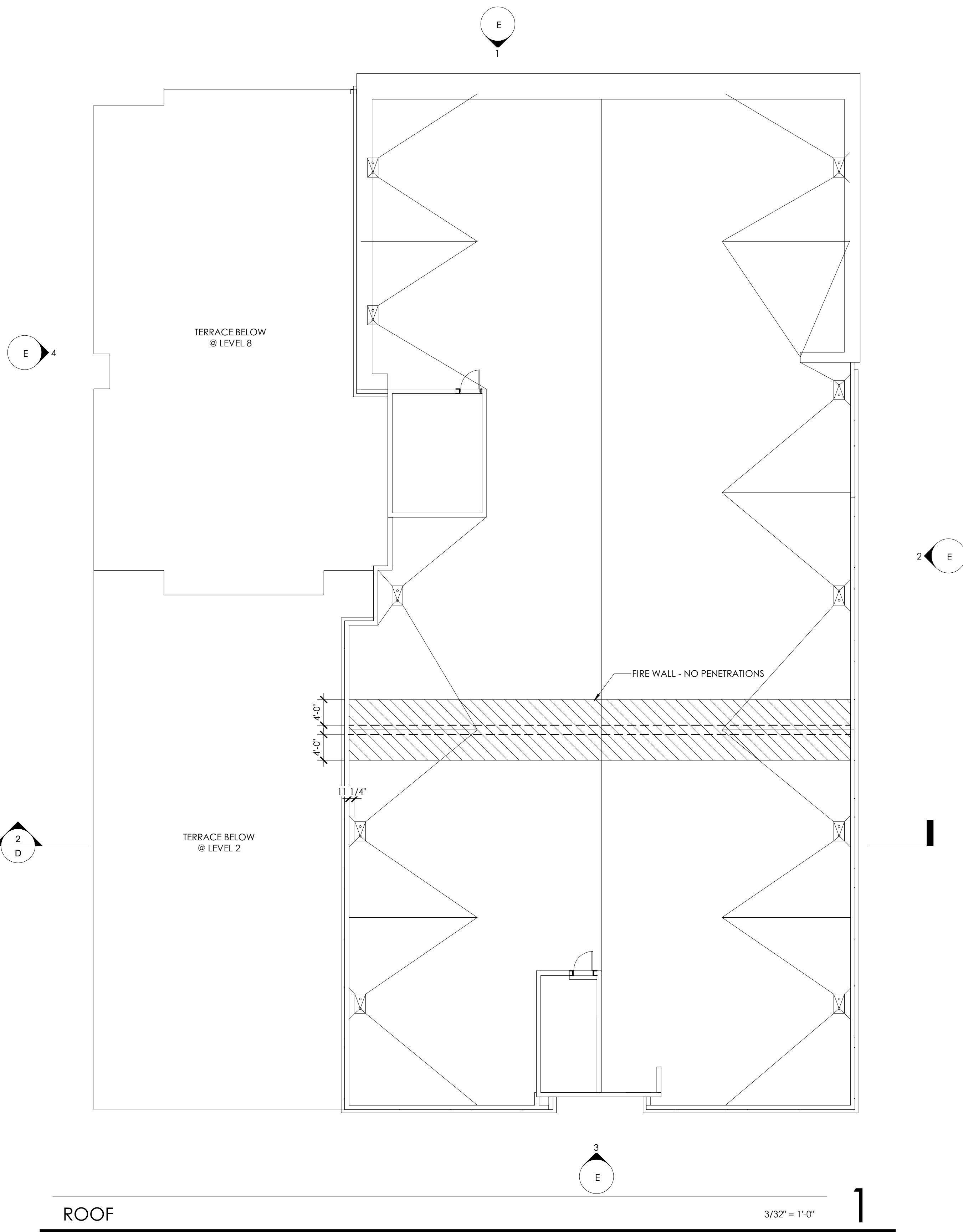


LEVEL 1 3/32" = 1'-0" **2**



LEVEL 2 3/32" = 1'-0" **3**







NORTH ELEVATION

3/32" = 1'-0"

1



EAST ELEVATION

3/32" = 1'-0"

2



SOUTH ELEVATION

3/32" = 1'-0"

3



WEST ELEVATION

3/32" = 1'-0"

4

02/02/21



2277 Fair Oaks Boulevard, Studio 220
Sacramento, California 95825
916 993-4800 | www.hrgarchitects.com

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14 N
Sacramento, CA

20028

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PERSPECTIVE_NE

1



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2



PERSPECTIVE_SE

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PERSPECTIVE_SW

4

02/02/21



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Sacramento, CA

20028

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RESOLUTION NO. 21 - 04

March 19, 2021

Adopted by the Capitol Area Development Authority

**RESOLUTION APPROVING AN EXCLUSIVE NEGOTIATING AGREEMENT (ENA)
WITH D&S DEVELOPMENT FOR DEVELOPMENT OF 14TH AND N (SOUTHWEST
CORNER OF 14TH AND N STREETS) AND AUTHORIZING THE EXECUTIVE
DIRECTOR TO EXECUTE THE ENA**

WHEREAS, following Cresleigh Homes withdrawal from the Disposition and Development Agreement with CADA and CADA re-purchasing the 14th and N site from Cresleigh; and

WHEREAS, D&S has successfully completed its 1430 Q project and has submitted a proposal to develop a similar building on the site; and

WHEREAS, the proposal would result in nine condominiums for sale immediately upon project completion, and hopefully, would also result in conversion of 90 apartments to condominiums in the future; and

WHEREAS, after the staff determined the D&S proposal meets the goals established for the site, the Executive Director has recommended D&S be selected as developer for the site; and

WHEREAS, the staff and D&S have negotiated the ENA that is attached to the Staff Report associated with this resolution for the purpose of entering into a Disposition and Development Agreement for development of the site.

NOW THEREFORE BE IT RESOLVED, by the Capitol Area Development Authority that it approves an Exclusive Negotiating Agreement with D&S Development for development of the 14th and N Site and authorizes the Executive Director to execute the Exclusive Negotiating Agreement.

ATTEST:

Ann Bailey, Chair

Jill Azevedo
Acting Secretary to the Board of Directors



March 12, 2021

TO: CADA Board of Directors

**SUBJECT: March 19, 2021 Board Meeting
AGENDA ITEM 8
1322 O STREET AFFORDABLE HOUSING PROJECT PREDEVELOPMENT
LOAN**

CONTACT: Renée Funston, Development Manager
Tom Kigar, Special Projects Director
Wendy S. Saunders, Executive Director

RECOMMENDED ACTION

Staff recommends the Board adopt a resolution authorizing the Executive Director to increase the \$850,000 Predevelopment Loan from CADA to 1322 O St Investors LP ("the Partnership") by \$250,000 and to assign the Predevelopment Contracts from CADA to the Partnership for the 1322 O Street Affordable Housing Project.

BACKGROUND

At the November 13, 2019 meeting, the CADA Board approved a Predevelopment Loan and Promissory Note ("Predevelopment Loan") of \$850,000 for all predevelopment expenses to be repaid at project financing close of escrow; as well as approved a long-term, residual receipt loan of \$2.5 million ("CADA Gap Financing Loan") from CADA to the Partnership.

At the May 8, 2020 meeting, the CADA Board authorized an increase of the CADA Gap Financing Loan from \$2.5 million to \$4.5 million.

On December 9, 2020, the project was awarded tax credits from the California Tax Credit Allocation Committee and bonds from the California Debt Limit Allocation Committee ("CDLAC"). On January 28, 2021, the project received a \$10 million award for HCD Transit-Oriented Development ("TOD") funds. With the addition of the TOD funding, the CADA Gap Financing Loan was reduced to \$2.5 million

ANALYSIS

Predevelopment Loan

The Board approved the Predevelopment Loan to the Partnership with the intention that the Partnership would have entered into contracts for predevelopment activities and would have made contract payments from the Predevelopment Loan to complete these activities. The loan documents for the Predevelopment Loan were inadvertently not entered into, and CADA, rather than the Partnership, entered into such contacts and has been expending funds for predevelopment activities.

CADA has expended nearly \$900,000 to date for predevelopment activities including architectural, engineering, design, and environmental assessments.

Staff expect to expend up to an additional \$250,000 for predevelopment activities by the anticipated May 21, 2021 closing date, which will total \$1,100,000 in predevelopment expenses. The increase in predevelopment expenses is a result of increasing the site size to add an additional 2 residential units that allowed the project to earn additional points in the HCD TOD funding competition as reported at the October 2020 Board meeting. Further, additional predevelopment costs were incurred for additional soil testing, value engineering efforts by Williams + Paddon Architects, and application costs for tax credits, bonds, and TOD funding. Following the anticipated approval of the above recommended action, CADA will execute the Predevelopment Loan, the predevelopment contracts will be assigned to the Partnership, and the Partnership will complete the predevelopment efforts required to close escrow on project financing.

Schedule

CDLAC regulations require close of financing within 180 days of the bonds award date, which is June 7, 2021. Staff is performing due diligence to close on financing targeting May 21, 2021. Concurrently, Staff is working with Williams + Paddon Architects on refining and obtaining City approval of the construction documents by early May 2021. Also at the forefront is working with Cyrus Youssefi, the Partnership's Administrative General Partner, and Tricorp to prepare the Guaranteed Max Price ("GMP") construction contract, which staff anticipate delivering to the Board for approval at the May meeting.

Tricorp expects to start construction by June 7, 2021 and complete the project by the end of January 2023. Occupancy would begin in early February 2023.

FINANCIAL IMPACT

When escrow closes on project financing, the Partnership will pay off the Predevelopment Loan using funds from the CADA Gap Financing Loan. The CADA Gap Financing Loan to the Partnership will be disbursed at the start of construction, and will roll-over to permanent financing after construction completion. The CADA Gap Financing Loan is a residual receipts loan that the Partnership will make annual payments on using the remaining proceeds after paying the General Partner Fees and Tax Credit Investor Asset Manager Fees.

ENVIRONMENTAL CONSIDERATIONS

At the November 13, 2019 meeting, the Board found the project to be exempt from CEQA based upon its consistency with the Central City Specific Plan and EIR and staff filed a Notice of Exemption.

POLICY

Developing 1322 O Street as a "micro-unit" affordable housing project; making use of a novel building method that has a lower carbon footprint; and building the project in collaboration with the State of California under Governor Newsom's Executive Order regarding the California housing crisis is consistent with CADA's 2016-2021 Strategic Plan that calls for urban development leadership, development of complex infill projects and collaboration with CADA's State and City partners.

ATTACHMENTS:

1. Predevelopment Promissory Note
2. Predevelopment Loan Agreement

PREDEVELOPMENT PROMISSORY NOTE

\$1,100,000.00

March __, 2021
Sacramento, California

1. **Obligation.** FOR VALUE RECEIVED, the **1322 O St Investors LP**, a California limited partnership (the "Partnership"), hereby unconditionally promises to pay and reimburse the **Capitol Area Development Authority**, a California joint powers agency ("Authority"), at 1522 14th Street, Sacramento, CA 95814, or at such other place as Authority may from time to time designate in writing to the Partnership, the amount of funds expended by Authority for predevelopment costs not to exceed One Million One Hundred Thousand Dollars (\$1,100,000.00), or the aggregate unpaid amounts of such pre-development expenditures made by Authority pursuant to Section 2 hereunder and remaining outstanding on the Maturity Date (hereinafter defined), whichever is less, together with interest on any principal amounts remaining unpaid from time-to-time until payment in full, to be calculated as set forth below (the "Loan").
2. **Expenditures and Reimbursement.** This Note evidences a promise by the Partnership to pay and reimburse Authority for predevelopment funds expended by Authority pursuant to a Predevelopment Loan and Reimbursement Agreement executed by the Partnership and Authority concurrently herewith (the "Loan Agreement") for predevelopment costs in connection with an affordable housing project ("Project") to be developed at 1322 O Street in Sacramento, California (the "Property"). Once the maximum amount of predevelopment funds has been expended, Authority will discontinue expending funds for further predevelopment activities unless the parties mutually amend this Note to increase the maximum Loan amount.
3. **Maturity Date.** The Loan will mature on the closing date on the bond financing to be used to construct the Project (the "Maturity Date").
4. **Interest Rate.** The interest rate per annum to be applied to the unpaid principal balance of this Note will be a fixed rate of three percent (3%). Under no circumstances shall the interest rate on this Note be more than the maximum rate allowed by applicable law.
5. **Payment of Principal and Interest.** No principal or interest payments shall be due until the Maturity Date. All unpaid principal, accrued interest and other amounts outstanding on this Note shall be paid no later than the Maturity Date. Each payment made hereunder, including prepayments allowed under Section 7, shall be credited first on interest then due and the remainder on principal.
6. **Collateral.** This Note is unsecured.
7. **Prepayment.** The Partnership shall have the right to prepay all or any part of the principal sum hereof or interest due hereunder at any time, without penalty or premium.
8. **Notices.** Notices provided for herein may be given by delivery personally or by sending them by registered or by certified mail, with postage charged prepaid, to the parties' mailing addresses, or to any other mailing address of which written notice is given, and notices shall be deemed given upon actual receipt thereof:

If to Partnership: 1322 O St Investors LP
c/o Capitol Area Community Development Corporation
1522 14th Street
Sacramento, CA 95814

If to Authority: Capitol Area Development Authority
1522 14th Street
Sacramento, CA 95814

The Partnership shall promptly notify Authority of any change of address.

9. Assignment. The Partnership may not assign any of its rights, interests, duties, or obligations under this Note without Authority's prior written consent, which consent may be given or withheld in Authority's sole discretion. Authority may assign any or all of Authority's rights, interests, duties, or obligations hereunder to any person or entity with the prior written consent of the Partnership. Any attempted or purported assignment in violation of this Section shall be void.

10. Default; Acceleration. In the event of (i) any default by the Partnership in the payment of this Note when due hereunder or in the performance of the Partnership's obligations under this Note or any instrument securing repayment of this Note, (ii) the breach of any representation or warranty contained in this Note or any instrument securing repayment of this Note, (iii) the filing of any petition by or against the Partnership in any court, whether or not pursuant to any statute of the United States or of any state, in any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceedings, and the Partnership shall thereafter be adjudicated bankrupt, or such petition be approved by the court, or the court assumes jurisdiction of the subject matter, and such proceedings not be dismissed within 90 days after the institution of the same, (iv) the appointment of a receiver or trustee in any proceeding for all or any portion of the Partnership's leasehold interest in the Property and such receivership or trusteeship not be vacated within 90 days after the appointment of the same, (v) an assignment by the Partnership for the benefit of its creditors, (vi) the foreclosure upon all or any portion of the Partnership's leasehold interest in the Property or the condemnation, seizure, attachment or appropriation thereof, or (vii) the sale, conveyance, assignment or transfer of greater than 50% of the Partnership's stock, then in such event the entire indebtedness hereunder shall be immediately due and payable at the option of Authority.

11. Waiver. No waiver of any default or failure or delay to exercise any right or remedy by Authority shall operate as a waiver of any other default or of the same default in the future or as a waiver of any right or remedy with respect to the same or any other occurrence. Presentment, notice of dishonor or demand, protest and diligence in collection and bringing suit, including the pleading of any statute of limitations as a defense to any demand against the Partnership, are hereby waived by the Partnership, who consents that the time for payment of this Note may be extended from time to time without notice by Authority.

12. Default Interest Rate. From and after the Maturity Date of this Note, all sums due and owing hereunder shall earn interest at the maximum rate permitted to be charged under any applicable laws, rules and regulations limiting interest rates.

13. Attorneys' Fees and Costs. The Partnership shall pay such fees, costs and expenses as may be incurred by Authority in connection with the exercise, preservation or enforcement of its rights, powers and remedies under the terms of this Note, including, without limitation, actual collection agency fees, costs and expenses, reasonable attorneys' fees and actual costs of suit and appeal

incurred in any judicial action or proceeding and reasonable attorneys' fees and actual costs incurred in any collection attempts or non-judicial action or proceeding.

14. Binding on Heirs, Successors and Assigns. Subject to the restrictions on assignment and transfer contained in Sections 9 and 10, this Note shall be binding on and inure to the benefit of the legal representatives, heirs, successors and assigns of Authority and the Partnership.

15. Governing Law; Venue. This Note shall be interpreted under and governed by the laws of the State of California, except for those provisions preempted by federal law. This Note is entered into and is to be performed in Sacramento County, California, and accordingly all actions or proceedings arising in connection with this Note shall be tried and litigated in the Superior Court of California with venue in the County of Sacramento.

16. Amendments. Neither this Note nor any provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

17. Severability. If any provision of this Note, in whole or in part, or the application of any provision, in whole or in part, is determined to be illegal, invalid or unenforceable by a court of competent jurisdiction and such provision can be severed without substantially changing the bargain reached by the parties, such provision or part of such provision shall be severed from this Note, and such severance shall have no effect upon the enforceability, performance or obligations of the remainder of this Note, including the remainder of such provision not determined to be illegal, invalid or unenforceable.

IN WITNESS WHEREOF, Partnership has executed this Note as of the date first above written.

PARTNERSHIP:

1322 O St Investors LP,
a California limited partnership

By: **Capitol Area Community Development Corporation,**
a California non-profit public benefit corporation
Its: Managing General Partner

By: _____
Wendy S. Saunders, President

PREDEVELOPMENT LOAN AND REIMBURSEMENT AGREEMENT

THIS PREDEVELOPMENT LOAN AND REIMBURSEMENT AGREEMENT (this "Loan Agreement") is entered into and effective as of March __, 2021 (the "Effective Date"), by and between the **1322 O St Investors LP**, a California limited partnership (the "Partnership"), and the **Capitol Area Development Authority**, a California joint powers agency ("Authority"), each individually, as a "Party" or, collectively, as the "Parties."

Recitals

A. The Partnership is the lessee of certain real property located at 1322 O Street, in Sacramento, California (the "Property"), pursuant to a Development Ground Lease dated November 11, 2019, between the State of California ("State") and Authority, which was assigned from Authority to the Partnership on November 15, 2019 (collectively, the "Lease").

B. The Partnership intends to develop, construct, and operate an affordable multi-family rental housing project (the "Project") on the Property. Prior to the assignment of the Lease to the Partnership, Authority incurred various pre-development costs and expenses in connection with the Project totaling approximately \$175,000.00, for which the Partnership agreed to repay and reimburse Authority.

C. The Partnership had also requested that Authority provide additional funds to complete the remaining predevelopment activities, and that Authority complete those predevelopment activities. As a result, on November 11, 2019, Authority approved a predevelopment loan to the Partnership in the amount of \$850,000.00, including the original \$175,000.00 expended.

D. The Authority has expended \$850,000.00 along with an additional \$50,000.00 in predevelopment activities and the Partnership now desires that Authority increase the amount of the predevelopment loan to \$1,100,000 to use for additional predevelopment expenses. With this increase of \$250,000 the Authority and Partnership will execute this Loan Agreement and Authority will assign to the Partnership the predevelopment contracts into which it has entered and the Partnership will complete the remaining predevelopment activities through use of the \$250,000. Authority is willing and able to provide such a predevelopment loan (the "Loan") to the Partnership and the Partnership is willing and able to complete the remaining predevelopment activities subject to reimbursement by the Partnership, and under the terms contained herein and in that Predevelopment Promissory Note executed by the Partnership the same date herewith (the "Note").

NOW, THEREFORE, for and in consideration of the premises and the material covenants hereinafter contained, the Parties hereto hereby formally covenant, agree and bind themselves as follows:

Agreement

1. Maximum Amount for Predevelopment Expenditures. Subject to the terms and conditions of this Loan Agreement, the Partnership hereby agrees to pay and reimburse Authority the amount of funds expended by Authority for Project predevelopment costs not to exceed One Million One Hundred Thousand Dollars (\$1,100,000.00) (the "Maximum Amount"), or so much thereof as may be advanced under Loan.

2. Prior Expenditure of Predevelopment Funds. The Parties agree that Authority has expended approximately \$900,000.00 in predevelopment consultant costs, including but not limited to costs for architectural plans, engineering studies, environmental investigation, financial studies, surveys, legal services, and constructability studies. Borrower hereby approves the expenditure of those predevelopment funds.

3. Purpose and Use of the Predevelopment Funds. The purpose of the Loan is to finance the predevelopment costs previously incurred by Authority and incurred by Authority for future predevelopment activities in connection with the Project through to the date of closing on the bond financing to be used to construct the Project.

4. Term. The term of this Loan Agreement shall commence on the Effective Date and shall continue until all sums owing on the Loan are paid in full in accordance with the provisions of the Note and this Loan Agreement.

5. Accounting Records. Authority shall keep, or cause to be kept, proper books of record and account, prepared in accordance with generally accepted accounting principles, in which complete and accurate entries shall be made of all transactions of or in relation to the predevelopment expenditures made by Authority. Such books of record and account shall be available for inspection by the Partnership on upon reasonable advance notice, at reasonable hours and under reasonable circumstances.

6. Events of Default. The following events shall be "Events of Default:"

6.1 Failure to Make Payment. A failure by the Partnership to make any payment due under the Note within ten (10) days after written notice from Authority;

6.2 Default in Obligations. Failure by the Partnership to observe and perform any covenant, condition or agreement on its part to be observed or performed herein for a period of thirty (30) days after written notice from Authority specifying such failure and requesting that it be remedied; provided, however, that if the failure is such that it can be corrected, but not within such 30-day period, and corrective action is instituted by the Partnership within such period and diligently pursued until such failure is corrected, then such period shall be increased to such extent as shall be determined by Authority to be necessary to enable the Partnership to observe or perform such correction through the exercise of due diligence; and

6.3 Insolvency; Bankruptcy. The Partnership (a) admits in writing its inability to pay its debts generally; (b) makes a general assignment for the benefit of creditors; (c) institutes any proceeding or voluntary case (i) seeking to adjudicate it a bankrupt or insolvent, (ii) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors, or (iii) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property; (d) takes any action to authorize any of the actions described above in this subsection; or (e) shall have instituted against it any proceeding (i) seeking to adjudicate it a bankrupt or insolvent, (ii) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors, or (iii) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, and, if such proceeding is being contested by the Partnership in good faith, such proceeding shall remain undismissed or unstayed for a period of sixty (60) days.

7. Remedies on Default. Upon an Event of Default by the Partnership, Authority shall have all the rights and remedies available to it under state law in enforcing this Loan Agreement including, but not limited to, the following:

7.1 Accelerate Loan. Authority may, upon notice in writing to the Partnership, declare the then outstanding principal balance of the Loan payable for the remainder of the term of the Loan to be immediately due and payable, whereupon the same shall be immediately due and payable, without notice of default, demand for payment or presentment, protest or notice of nonpayment or dishonor, or any other notices or demands of any kind or nature, anything in this Loan Agreement to the contrary notwithstanding;

7.2 Other Remedies. Authority may pursue any and all other remedies available and take whatever action, at law or in equity, as may appear necessary or desirable to collect the payments due under this Loan Agreement, any other payments then due and thereafter to become due under this Loan Agreement or to enforce the performance and observance of any obligation, covenant, agreement or provision contained in this Loan Agreement to be observed or performed by the Partnership; and

7.3 Remedies Not Exclusive. No remedy herein conferred upon or reserved to Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy, to the extent permitted by law, shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or otherwise.

8. Waiver of Notice. No failure or delay on the part of the Authority in exercising any right, power, or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy hereunder. No modification or waiver or any provision of this Loan Agreement or of the Note, nor any consent to any departure by the Partnership therefrom, shall in any event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Partnership in any case shall entitle the Partnership to any other or further notice or demand in similar or other circumstances.

9. Notices. Notices provided for herein may be given by delivery personally or by sending them by registered or by certified mail, with postage charged prepaid, to the parties' mailing addresses, or to any other mailing address of which written notice is given, and notices shall be deemed given upon actual receipt thereof:

If to Partnership: 1322 O St Investors LP
c/o Capitol Area Community Development Corporation
1522 14th Street
Sacramento, CA 95814

If to Authority: Capitol Area Development Authority
1522 14th Street
Sacramento, CA 95814

The Partnership shall promptly notify Authority of any change of address.

10. Amendment. This Loan Agreement may be modified or amended only by mutual written agreement of the Parties. Any such modification or amendment must be in writing, dated and signed by the Parties, and explicitly indicate that such writing modifies or amends this Loan Agreement.

11. Assignment; Successors and Assigns. The Partnership may not assign any of its rights, interests, duties, or obligations under this Loan Agreement without Authority's prior written consent, which consent may be given or withheld in Authority's sole discretion. Authority may assign any or all of Authority's rights, interests, duties, or obligations hereunder to any person or entity with the prior written consent of the Partnership. Any attempted or purported assignment in violation of this Section shall be void. Subject to the foregoing, this Loan Agreement shall be binding on and shall inure to the benefit of the Parties and their respective heirs, successors, assigns and representatives.

12. Attorneys' Fees. If any Party or Parties bring an action or proceeding arising out of or relating to this Loan Agreement, the non-prevailing Party or Parties shall pay to the prevailing Party or Parties reasonable attorneys' fees and costs incurred in such action, including fees incurred in post judgment motions, contempt proceedings, garnishment, levy, debtor and third party examinations, discovery, bankruptcy litigation, arbitration, at trial, on appeal and on any review therefrom, all of which shall be deemed to have accrued upon the commencement of such action and shall be paid whether or not such action is prosecuted to judgment. Any judgment or order entered shall contain a provision providing for the recovery of attorneys' fees and costs incurred in enforcing such judgment. The prevailing Party shall be the Party who is entitled to recover its costs of suit (as determined by the court of competent jurisdiction or the arbitrator), whether or not the action or proceeding proceeds to final judgment or award.

13. Counterparts. This Loan Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14. Governing Law; Venue. This Loan Agreement shall be interpreted under and governed by the laws of the State of California, except for those provisions preempted by federal law. This Loan Agreement is entered into and is to be performed in Sacramento County, California, and accordingly all actions or proceedings arising in connection with this Note shall be tried and litigated in the Superior Court of California with venue in the County of Sacramento.

15. Entire Agreement. This Loan Agreement is the entire understanding and agreement of the Parties regarding its subject matter, and supersedes any prior oral or written agreements, representations, understandings or discussions among the Parties with respect to such subject matter.

16. Severability. If any provision of this Loan Agreement, in whole or in part, or the application of any provision, in whole or in part, is determined to be illegal, invalid or unenforceable by a court of competent jurisdiction and such provision can be severed without substantially changing the bargain reached by the Parties, such provision or part of such provision shall be severed from this Loan Agreement, and such severance shall have no effect upon the enforceability, performance or obligations of the remainder of this Loan Agreement, including the remainder of such provision not determined to be illegal, invalid or unenforceable.

(Signatures on Next Page)

IN WITNESS WHEREOF, Partnership and Authority have executed this Loan Agreement on the date first written above.

Partnership:

1322 O St Investors LP,
a California limited partnership

By: **Capitol Area Community Development Corporation**,
a California non-profit public benefit corporation
Its: Managing General Partner

By: _____
Wendy S. Saunders, President

Authority:

Capitol Area Development Authority,
a California joint powers agency

By: _____
Wendy Saunders, Executive Director

APPROVED AS TO FORM:

By: _____
Jeffery A. Mitchell, CADA legal counsel

RESOLUTION NO. 21 - 05

Adopted by the Capitol Area Development Authority

March 19, 2021

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO INCREASE THE PREDEVELOPMENT LOAN TO 1322 O ST INVESTORS LP FOR THE 1322 O STREET AFFORDABLE HOUSING PROJECT

WHEREAS, on November 13, 2019, the CADA Board approved a Predevelopment Loan and Promissory Note ("Predevelopment Loan") to the 1322 O St Investors LP ("the Partnership") in the amount of \$850,000 for all predevelopment expenses to be repaid at project financing close of escrow; and

WHEREAS, on November 13, 2019, the CADA Board also approved a residual receipt loan of \$2.5 million ("CADA Gap Financing Loan") from CADA to the Partnership; and

WHEREAS, May 8, 2020, the CADA Board authorized an increase of the CADA Gap Financing Loan from \$2.5 million to \$4.5 million; and

WHEREAS, on December 9, 2020, the 1322 O Street affordable housing project was awarded tax credits and bonds, which requires close of financing within 180 days; and

WHEREAS, on January 28, 2021, the project was also awarded HCD Transit-Oriented Development program funds; and

WHEREAS, the Partnership is set to close escrow on project financing by June 7, 2021; and

WHEREAS, the Partnership anticipates an additional \$250,000 for predevelopment activities and is requesting an increase in the Predevelopment Loan amount to \$1,100,000 to be repaid at project financing close of escrow.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority that the Board of Directors hereby:

1. Authorizes the Executive Director to increase the \$850,000 Predevelopment Loan from CADA to the Partnership by \$250,000.
2. Authorizes the Executive Director to assign the 1322 O Street predevelopment contracts from CADA to the Partnership.
3. Authorizes the Executive Director to do any and all things, and take any and all actions that may be necessary or advisable, in her discretion, to complete the transactions described herein.

Ann Bailey, Chair

ATTEST:

Jill Bagley-Azevedo
Secretary to the Board of Directors

FEBRUARY 2021 OMBUDSMAN REPORT (Tenant Names Removed for Board Packet)			
DATE	RESIDENT CONTACT INFO	PROBLEM/OUTCOME/STAFF INVOLVED	CASE MINUTES
2/1/21	Continued from last month:	Continuation of complaint from tenant regarding sewage spill from broken pipe.	
2/1/21		I spoke to Merri, CADA Resident Services Manager, regarding this situation and CADA has turned it over to their attorney.	15
2/2/21		Sent Text message to tenant that I would not be able to assist her since her situation has been referred to their legal counsel.	30
2/2/21		Tenant called back and wanted to know when I had spoken with Merri, because she had gotten an email from Marc, CADA Deputy Executive Director, saying that we could talk.	30
2/4/21		I contacted tenant once again and explained that we could not discuss her situation. Tenant responded that she was confused because she thought attorneys would not be involved. I contacted CADA and it was confirmed that I was not to discuss this case with the tenant, and I contacted tenant with this information	30
2/11/21	Continued from last Month:	Tenant called and expressed fear that she would be evicted for not accepting original refrigerator. I contacted CADA on her behalf and confirmed she will not be evicted. Called the tenant back and reassured her that she would not be terminated because of the refusal. She has gotten a second larger unit then the first and plugged it in at another outlet and so far, it is working fine.	30
2/16/21	New Case:	Tenant has lived [in her CADA apt.] 10 years. She recently received a violation notice from CADA regarding a complaint from a neighbor about the odor coming from her cats (2) in her apartment. The cats are ten years old and one of them does not use the litter box under the kitchen disposal and this has caused the flooring tile to crack and this has caused the odor. After the complaint a service person came to inspect and said the flooring had to be replaced because of the cat damage. Tenant called CADA and said she would not have her cats put to sleep and did not feel that she should be responsible for the flooring to be replaced. She was also told that she would not be able to use the kitchen for 2 1/2 days when flooring is re-placed. This was a great concern to her.	30

2/18/21		I spoke with Merri and she had spoken to the tenant prior to sending the violation notice and explained to her that this notice was based on another tenant complaining about the odor. At that time the tenant mentioned crating the cat and Merri explained that there was no law against that and it was up to the tenant on how she wanted to handle the problem, but she would be responsible for the flooring replacement because this type of flooring had no limitation on the life span and it could last for many years beyond ten years. She suggested I give the tenant a phone number for Tom, 916 324 8494, who is in charge of maintenance, and he can explain this to her.	30
2/19/21		Sent email to tenant with above information.	30
2/19/21		Tenant responded and said she would like an appeal form. I called Merri and she said they did not have an appeal form but the tenant should send an email to Merri explaining what she is protesting etc.	30
		I sent an email to the tenant explaining this and asked her if she had called Tom yet regarding the floor replacement. I have not heard back at this time.	15
2/25/21	New Case:	Tenant sent email wondering why she cannot transfer across the hall to a larger apartment. She understands that CADA has a "No Transfer" policy during the virus pandemic. However, this apartment has been advertised 4 to 5 times as being available and she would like to move into it. She does not want to break her lease but feels that it is safer to allow her to move than to bring in someone from outside.	30
		Sent email to tenant that I would get back to her after speaking with CADA. Copied Merri on the email and sent a request for verification of no transfer policy. Email from Merri that this had been referred to Tama, Manager of Leasing Services but she did not think they would allow the transfer. (to be continued)	15
2/27/21	CADA-Diana Rutley	Received copy of "Grievance Procedures and Eviction Requirements" provided by CADA for residents of Seventeenth street Commons. Reviewed the procedure which informs tenants that they must follow the process, which includes contacting the Ombudsman if necessary.	45
		Total Case Time (Minutes)	360
		Write up of Issues (Minutes)	90
		Total Minutes	450
		Total Hours	7.5

APARTMENT STATUS REPORT (Month-ending February 26, 2021)	Current Month-End	Previous Month-End	Previous Year Month- End	Current Year	Previous Year	Previous Year
CURRENT MONTH STATUS - OCCUPIED UNITS	2/26/21	1/29/21	2/28/20	2021 Monthly Average	2020 Monthly Average	2019 Monthly Average
Total Units	721	721	720	721	720	725
Occupied (formula)	674	673	699	674	685	690
Percentage Occupied* (formula)	95%	95%	98%	95%	96%	97%
Percentage Leased* (formula)	97%	96%	99%	96%	97%	99%
* adjusted for Unrentable units						
CURRENT MONTH STATUS - VACANT UNITS	2/26/21	1/29/21	2/28/20	2021 Monthly Average	2020 Monthly Average	2019 Monthly Average
Vacant	47	48	21	48	35	35
Vacant: Pre-leased Units	9	7	6	8	6	15
Vacant: Unrentable Units (repairs, temp tsf's, etc.)	13	15	6	14	9	12
Vacant: Units Available to Rent (formula)	25	26	9	26	20	7
CURRENT MONTH STATUS - ON NOTICE UNITS	2/26/21	1/29/21	2/28/20	2021 Monthly Average	2020 Monthly Average	2019 Monthly Average
On-Notice: Units to vacate within 30 days	16	13	4	15	7	12
On-Notice: Pre-leased Units	0	0	2	0	1	6
On-Notice: Unrentable Units (repairs, etc.)	4	4	1	4	1	1
On Notice: Units Available to Rent (formula)	12	9	1	11	6	5
Total Units Available to rent (Vacant & On Notice) (formula)	37	35	10	36	26	12
CURRENT MONTH ACTIVITY - TOTAL	2/26/21	1/29/21	2/28/20	2021 YTD	2020 YTD	2019 YTD
# of Move-Outs / % of Total Units	9	10	2	3%	16%	19%
# of Move-Ins / % of Total Units	10	10	3	3%	12%	19%
# of New Rentals	8	9	3	17	98	181
# of 30-Day Notices Received / % of Total Units	12	12	3	3%	17%	19%
# of Units brought to market / % of Move-Outs	5	13	2	95%	85%	96%
# of Rentals Canceled or Denied / % of Rentals	2	2	1	24%	44%	27%
# of Notices Canceled / % of Notices Received	0	1	0	4%	4%	3%
CURRENT MONTH ACTIVITY - MOVE OUT REASONS	2/26/21	1/29/21	2/28/20	2021 YTD %	2020 YTD %	2019 Total %
Asked to move by CADA	0	0	0	2%	6%	7%
Moving to a house/condo/mobile home/bought a house	1	0	0	7%	9%	8%
Deceased	2	1	0	3%	3%	3%
Dissatisfied (unable to resolve)	1	0	1	6%	5%	2%
Employment/education related	0	0	0	15%	5%	1%
Financial	0	0	0	11%	2%	5%
Illness/ health/ personal	0	1	0	6%	10%	7%
Moving out of the area	0	2	0	14%	8%	6%
Desire larger/smaller apt.(incl. change in hh size)	1	0	0	9%	3%	3%
Need amenity not offered / not currently available	1	0	0	2%	0%	0%
Moved with no notice/Unknown	1	4	0	1%	23%	17%
Transferred to another CADA apartment	2	2	1	21%	17%	24%
Other / (Covid-related Aug - Dec 2020)	0	0	0	2%	11%	16%
Unaccounted for (Not incl. in occupancy length) - Adj.	0	0	0	0%	0%	0%
TOTAL	9	10	2	100%	100%	100%
Average length (years) of Occupancy (YTD):				4.3	5.0	4.9

CADA AFFORDABLE HOUSING STATISTICS: February 26, 2021	CADA Rent- Assisted	Other Assisted Units	Total Assisted Units	Market- Rate Units	Total Units
Scattered Site Units:	49	45	94	489	583
Undersubscribed:			2		
Special Management Units:	96	0	96	42	138
17th Street Commons	12	0	12	17	29
Somerset Parkside	26	0	26	0	26
Biele Place	34	0	34	1	35
Fremont/Wilshire	12	0	12	20	32
1619 Q Rooming House	12	0	12	4	16
Undersubscribed:			3		
TOTAL CADA-MANAGED UNITS:	145	45	190	531	721
MANAGED AFFORDABLE/MARKET %:			26%		
CADA-DEVELOPED RENT ASSISTED UNITS	Tax Credit	Other	Total Affordable Units	Market Units	Total Units
Stanford Park Townhomes	0	0	0	50	50
1500 Q Street	0	2	2	4	6
17th & O Streets	0	0	0	3	3
The Terraces	0	60	60	0	60
17th and N Streets	0	0	0	18	18
Delta Victorians	0	0	0	8	8
Wiese Townhomes	0	0	0	3	3
Admail Express Building	0	0	0	7	7
Governor's Terrace	0	0	0	44	44
Somerset Parkside Condominiums	0	0	0	75	75
Saratoga Townhomes	0	0	0	36	36
Fremont Building	0	11	11	58	69
Capitol Park Homes	0	9	9	55	64
Fremont Mews	48	0	49	70	119
Legado de Ravel	0	0	0	84	84
Site 9B Duplex	0	0	0	2	2
Warehouse Artist Lofts (WAL)	0	86	86	30	116
16Powerhouse	0	0	0	50	50
The Eviva	0	0	0	118	118
TOTAL CADA-DEVELOPED UNITS:	48	168	216	716	932
DEVELOPED AFFORDABLE/MARKET%			23%	77%	100%
TOTAL CADA-MANAGED & DEVELOPED AFFORDABLE HOUSING UNITS					
CADA-MANAGED UNITS:	145	45	190	531	721
CADA-DEVELOPED UNITS:	48	168	216	716	932
TOTAL CADA UNITS:	193	213	406	1247	1653
TOTAL AFFORDABLE/MARKET%			25%	75%	100%

**Capitol Area Development Authority
CADA Neighborhood Incident Report
February, 2021:**

Residential break-ins, vandalism, theft, disturbances:

- **2/05/21:** 17th St Commons: Courtesy patrol received a call regarding a suspicious noise in the garage area. Patrol arrived and found an individual going through the dumpster in the alley. Patrol requested the man leave the property which he did without incident.
- **2/06/21:** 1517 12th St: Courtesy patrol received a call regarding an individual yelling at the building. Patrol arrived and asked the individual to leave the area which he did without incident.
- **2/07/21:** 1201 P St: Courtesy patrol found an individual sleeping in the carport. Patrol woke the individual up and escorted him off the property.
- **2/13/21:** 1209 P St: Courtesy patrol received a call stating someone was trying to break into the laundry room. Patrol arrived and spoke with a resident who said he heard the noise and when he came out, the man ran. Reported damage to maintenance.
- **2/14/21:** 1400 O St: Courtesy patrol noticed an individual go through the gate and put his hand on the doorknob of one of the units. Patrol walked over and asked him if he lived there. He stated his friend lived there. Patrol stayed with him while he knocked on the door. Nobody answered and as they were walking away, someone opened the door from the apartment. The guard asked her if she knew this man and she said no. Patrol escorted the man off of the property and advised him not to return.
- **2/14/21:** 1414 O St: Courtesy patrol received a call from Resident Services Representative that someone either threw a rock or kicked the front door of the building and broke the glass. Patrol arrived and searched the area but did not find anyone. Door called in to maintenance department and patrol stayed in the area to keep an eye out for the individual.
- **2/14/21:** 1414 O St: Courtesy patrol received another call from Resident Services Representative stating someone was in the building that does not live there. Patrol arrived and found an individual in the laundry room. He escorted him out of the building and then noticed the man had a camp set up next door at Tablevine Restaurant. Guard had him pick up all of his belongings and leave the area.
- **2/17/21:** 1517 12th St: Courtesy patrol found an individual sleeping in the carport. Patrol asked the man to leave the property which he did without incident.
- **2/18/21:** 1500 N St: Courtesy patrol found an individual sleeping at the entrance of the building. Patrol asked the man to leave the property which he did without incident.
- **2/24/21:** 1521 15th St: Courtesy patrol found an individual loitering in the carport area. Patrol advised the man to leave the area which he did without incident.
- **2/28/21:** 1506 O St: Courtesy patrol found an individual yelling and digging in the dumpster. Patrol asked the man to leave the area. It took about twenty minutes for the man to comply but he did eventually leave the area.

Commercial break in's, vandalism, theft, disturbances:

Recap of Phone Calls to Lyons Security Service during the month of February, 2021:

There were 14 calls during the month of February. 11 calls were to report a noise disturbance, 1 call was to report someone parking in a reserved parking space, 1 call was to report a peeping tom, and 1 call was to report someone broke the glass out at a building .

**CAPITOL AREA DEVELOPMENT AUTHORITY
FY 2020 - 2021
Contract Log as of 3/10/2021**

Item 10 (F)



DATE	CONTRACT NUMBER	Type of Service	CONTRACTOR	PROJECT	LOCATION	AMOUNT	ACCOUNT
2/4/2021	C21-087	Consulting	GHD	East End Gateway Sites 5-6-7 Environmental Consulting	16th & N/O Streets	\$28,125.00	10-D07-4720-D233-02
2/4/2021	C21-088	Maintenance	Elite Service Experts	1500 N Street	1500 N Street	\$10,000.00	10-003-5240
2/9/2021	C21-089	Maintenance	Saenz Construction	16th Street Streetscape - Fremont Park	1600 block of 16th St - Fremont Park	\$8,854.00	10-D10-4731-D804-00
2/25/2021	C21-090	Major Const	Buskirk Construction	Dean Electrical Rewire	1400 N Street	\$124,000.00	10-D20-4703-D225-01
2/24/2021	C21-091	Consulting	Richard H. Mehigan, APC	Landlord-Tenant Legal Services Agreement	1522 14th Street	\$19,465.00	10-001-4251
2/24/2021	C21-092	Maintenance	Sango Construction	Countertops Fabrication	Various Locations	\$14,500.00	10-003-5293
3/9/2021	C21-095	Consulting	Rachel Mercurio	Contracts & Office Manager Training	Remote	\$300.00	10-001-4265



Investment Report February 2021



John Colville, City Treasurer

Office of the City Treasurer - City of Sacramento

City of
SACRAMENTO
Office of the City Treasurer

Historic City Hall

915 I Street, 3rd Floor

Sacramento, CA 95814

916-808-5168

Quarterly Investment Committee Meeting

Thursday, April 22, 2021

10:00AM-11:00AM

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INVESTMENT COMMITTEE MEETING

April 22, 2021
10:00 AM to 11:00 AM
City Treasurer's Office
915 I Street, HCH 3rd Floor
(916) 808-5168

Meeting called by: John Colville, City Treasurer
Stacy Hussey, Chief Investment Officer
Patrick Zalasky, Senior Investment Officer

Invitees: Dawn Holm (Department of Finance)
Susana Jackson (SHRA)
Tim Kerr (American River Flood Control District - ARFCD)
Noelle Mussen (CADA)
Kevin King (Reclamation District No. 1000)
Rivkah Sass, Roxana Puerner and Johnny Ea (Sacramento Public Library Authority-SPLA)
Kimberli S. Burns (The Natomas Basin Conservancy – TNBC)
Mike Testa, Daniel Santucci (Visit Sacramento)
City Treasurer's Office Staff

Please read: **January 28, 2021 Minutes of Meeting**

Agenda

Economic Commentary and Market Conditions	Patrick Zalasky
Monthly Yield Curve Analysis	Patrick Zalasky
Cash Flow Analysis	Patrick Zalasky
Pooled Funds Analysis - City Pool A and SHRA Investment Pool	Patrick Zalasky
Miscellaneous Topics	All

Additional Information

Special notes: If unable to attend, please feel free to call with any questions or comments.

This report has been reviewed and approved by:

John Colville Digitally signed by John Colville
Date: 2021.03.11 11:34:14 -08'00'

City Treasurer

TO: Investment Committee Members
FROM: Patrick Zalasky
RE: Minutes of Quarterly Investment Meeting held via Zoom on January 28, 2021

Attendees Present: John Colville, Stacy Hussey, Ryan Phelps, Shirley Tupaz, Katy Nguyen, Johnny Ea, Jason Bader, Dawn Holm, Osvaldo Lopez, Noelle Mussen, and Patrick Zalasky

The COVID-19 pandemic and the City's response has led to most staff working remotely since March of 2020. The last meeting of the Investment Committee had been on January 23, 2020. In lieu of meetings scheduled in April, July, and October of 2020, market summaries and economic commentary were included with each of the monthly statements distributed for Pool A and Pool D. This meeting was held via Zoom, as will all subsequent meetings until staff returns to working on-site full time.

1) Cash Positions/Liquidity

The projected Pool A cash flow is adequate to meet expected obligations over the next six and twelve-month periods. If all non-City Pool A participants withdraw funds, the analysis shows an approximate \$451 million in excess cash for the next 6-months and an approximate \$366 million for the next 12-month period. Hence, cash availability to all pool participants are adequately addressed for the coming six and twelve months.

In compliance with the City's Investment Policy, investment staff continues to maintain a great deal of liquidity to pay the City's bills, including payroll and debt service representing the bulk of the City's budget. Such liquidity is largely reflected in investments whose maturity dates match payroll and debt service liabilities due dates going 9 months into the future, plus the maintenance of substantial liquid reserves. The liability-matching strategy and liquid reserves provide a solid liquidity cushion to meet unexpected large expenditures and to provide the basis to make advantageous investments in longer term securities. As of the date of the investment committee meeting, the major payroll and debt service liabilities are funded with sufficient cash in pooled cash accounts, expected property and sales tax receipts, and cash generated by the maturity of specific investments through the end of September 2021.

2) Performance of the Pools

Investment staff updated the attendees on the performance of Pool A during the fourth quarter of 2020. The earned interest yield of Pool A for October, November, and December was 1.29%, 1.23% and 1.08%, respectively. All monthly Pool A yields exceed the 0.54% yield earned by the State Treasurer's Local Agency Investment Fund (LAIF) and the 0.68% yield earned by the Medium-Term Fund managed by the Investment Trust of California (CalTrust).

Pool A performance compared favorably to the yields realized by the investment pools of various California Cities (See, Pool A -- Relative Performance), which reflects publicly-available information as of January 26, 2021.

The Yield Curve has steepened over the past year, but yields are very low in our investment window that goes out to 5-year maturities. Yields on shorter commitments are very close to zero which has provided a challenge when looking for yield while maintaining the liability-matching strategy. Investments in cash and other liquid investments made up 43% of the pool on 12/31/20, mostly due to the lack of spread between the yields produced by liquid investments (LAIF, CalTrust, etc.) and core investments like Agencies, Municipal Bonds, and Corporate Bonds. A

decent amount of the agencies in the portfolio are acting similarly to cash investments, as their call dates bring certain redemption. In an effort to garner more yield for the portfolio, investment staff has used these call dates to target cash obligations. This strategy is a byproduct of current market conditions and is something staff will continue to explore should conditions remain the same, as expected, over the next couple of years.

Investment staff has been able to adapt to the movements of the yield curve, adjusting the structure of Pool A to effectively meet the goals of liquidity and safety while also earning a solid yield that is ahead of the majority of municipal peers in California. Staff is always monitoring markets and news feeds to gather as much information as possible, primarily regarding the actions of The Federal Reserve Board and of the new government following the November election, whose policies and actions have the biggest impact on domestic fixed income markets. Domestic/global economic news and geopolitical actions from across the world also have an impact on fixed income yields and are monitored closely with regard to how they may impact markets in the U.S. Investment staff is diligent about using this awareness to meet all of the investment goals: Liquidity to meet the needs of all pool participants; Investment in highly rated issues that maintain a high level of safety; and, when available, healthy yields on issues that also meet one or both of the previous goals..

3) Bond Market Report; Investment Considerations

The yield on five-year bonds dropped rather dramatically during 2020, following the nationwide shutdowns as a result of the COVID-19 pandemic. The Fed cut rates to near zero in response and has maintained a massive program of accommodation since last spring. They are currently injecting around \$120 billion per month into short-term fixed income and cash markets in an effort to keep interest rates low and stable while providing the cash necessary to meet the needs of businesses who are looking for it. Yields on 5-year Treasuries began 2020 at 1.54% but have been consistently in a range between 0.35% and 0.55% since the economy was shut down. Unemployment reached record highs in the early summer of 2020 and, although those numbers have improved, there are still many of people who are out of work and who may not see their jobs come back as their employers may no longer be in business. The Fed has a dual mandate of ensuring full employment and stable prices in our economy. According to multiple Fed presidents, they do not see full employment returning until sometime in 2023, nor do they see inflation getting near or above the targeted rate of 2% for at least that long. With that in mind, The Fed will continue their accommodation policy. The constant influx of cash into the market will keep short-term interest rates very low, with very little movement on the longer end (5-years) of our investment horizon.

Global economies are in much worse shape than ours, which is leading to a massive influx of foreign cash into our investment markets. U.S. markets are the strongest and most stable, particularly in times of global crisis. This is great news for our equity markets, which have reached record heights over the past year. Larger companies that are publicly traded have done very well as they had the capital to adapt and meet the needs of consumers during the pandemic. Earnings reports have been strong nearly across the board and stock prices have surged. This is in contrast to the difficulty that small businesses have faced, as many haven't had the resources necessary to stay open and compete.

Arguably the most contentious American election since 1860 took place in November, with Democrat Joe Biden narrowly defeating Donald Trump to win the presidency. Democrats also took runoff elections in January to win two Senate seats in Georgia, resulting in a 50-50 party split in

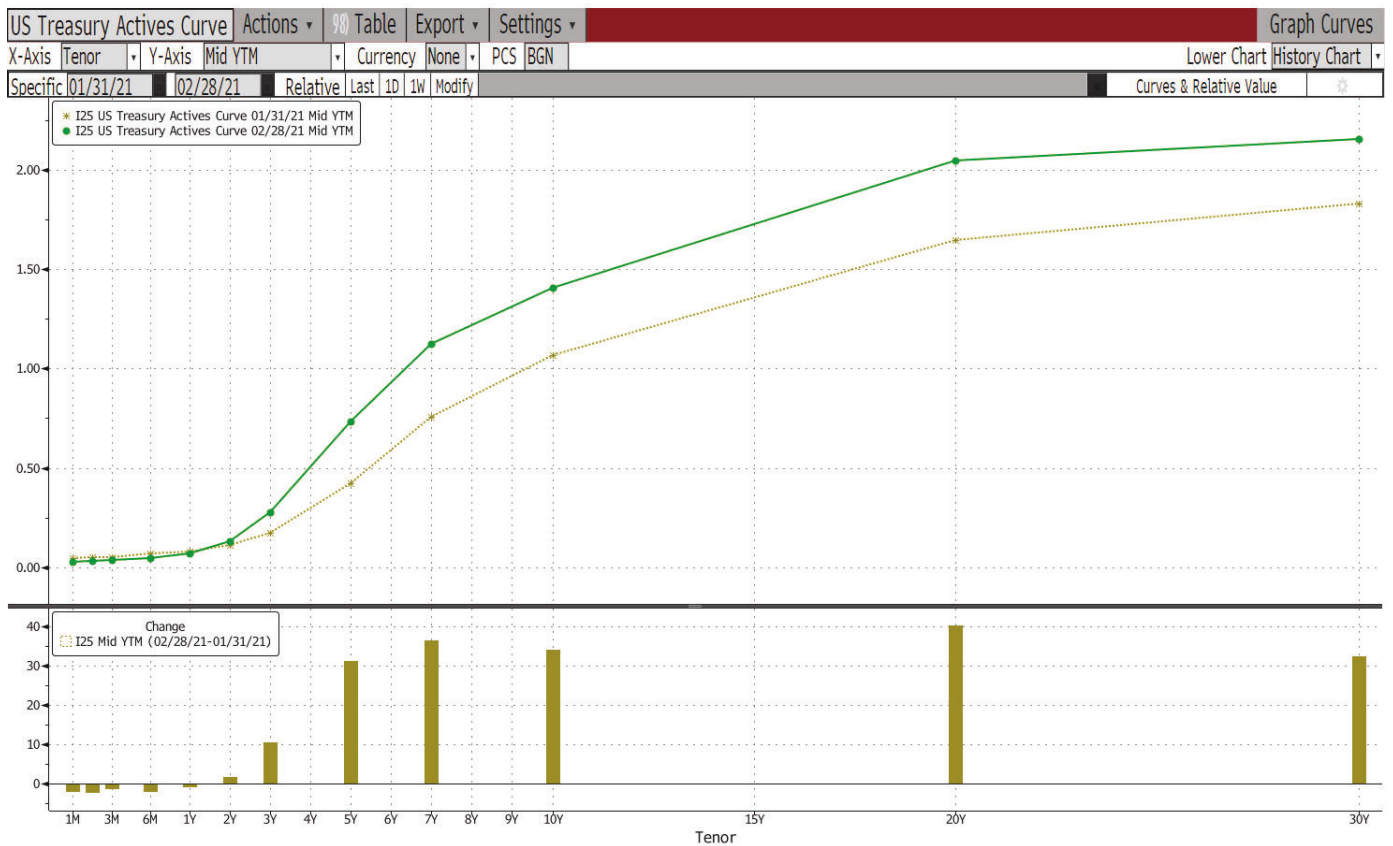
Congress' upper chamber (which gives Democrats the slimmest of majorities, since the Vice President casts all tiebreaking votes). Although Republicans gained many seats in the House of Representatives, Democrats will control both the Legislative and Executive branches for the next two years. The government is extremely divided among partisan lines right now, so it will be very interesting to see how power is wielded, especially with the Democrats having such slim majorities in Congress. Their first official act as the majority party in government was to impeach former President Trump on charges of inciting the riot at the Capitol on January 6, 2021. That act meant that the last two official meetings for the Investment Committee included mention of an impeachment (the first not bringing a conviction), even though they occurred one year apart.

After four years of a Trump presidency and the zany 2020 election, it is obvious that investors have become immune to the antics of our government, no matter the party in power. Whereas markets were once very sensitive to the news that came out of Washington, D.C., it now appears that only news directly pertaining to the economic condition of the country will have any major impact on the behavior of both investors and our financial markets. Even then, with so few places to invest and so much cash available due to all of the stimulus initiated by Congress and The Fed, U.S. equity markets are still the best place to find a positive return on investment. Economists (and, I'm sure, politicians) are hopeful that the strength of our markets will help the country navigate through the next couple of years without any major economic shocks as we rebuild the job market and get closer to full employment.

This Fed maintains that they are comfortable with the current strategy and will maintain it until there are clear signs that the economy is fully recovered. Recent Dot Plots indicate that interest rates will remain close to zero for at least the next 2 years. Even the most hawkish Fed presidents do not see the Federal Funds Rate nearing 1% until sometime in 2023. The investment team, therefore, expects yields on Pool A and Pool D to remain stagnant for the next few quarters. It will work toward the main objectives of providing security for the pooled funds while maintaining the liquidity necessary to meet the needs of all pool participants. When there are opportunities, the team will work to boost yields, but not at the expense of the first two objectives.

4) Other business: None

Next Meeting: The next quarterly meeting is scheduled for **Thursday, April 22, 2021 at 10:00 a.m.** via Zoom.



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US Treasury Actives Curve Actions 98 Chart Export Settings Graph Curves									
X-Axis Tenor		Y-Axis Mid YTM		Currency None		PCS BGN			
Specific 01/31/21		02/28/21		Relative		Last 1D 1W		Modify	
Values and Members		Values		Members		Constituents			

I25 Mid YTM US Treasury Actives Curve				I25 Mid YTM US Treasury Actives Curve				I25 Mid YTM (Change)			
02/26/21				01/29/21				02/26/21-01/29/21			
Tenor	Description	Price	Yield	Description	Price	Yield		Price	Yield		
11)	1MB 0 03/30/21 Govt	0.028	0.028	B 0 03/02/21 Govt	0.048	0.048		-0.020	-2.0		
12)	2MB 0 04/27/21 Govt	0.030	0.030	B 0 03/30/21 Govt	0.053	0.053		-0.023	-2.3		
13)	3MB 0 05/27/21 Govt	0.038	0.038	B 0 04/29/21 Govt	0.051	0.052		-0.014	-1.4		
14)	6MB 0 08/26/21 Govt	0.048	0.048	B 0 07/29/21 Govt	0.068	0.068		-0.020	-2.0		
15)	1YB 0 02/24/22 Govt	0.069	0.070	B 0 01/27/22 Govt	0.078	0.079		-0.009	-0.9		
16)	2YT 0 1/8 02/28/23 Govt	99-31 3/4	0.130	T 0 1/8 01/31/23 Govt	100-00 7/8	0.111		-0-01 1/4	1.9		
17)	3YT 0 1/8 02/15/24 Govt	99-17 5/8	0.277	T 0 1/8 01/15/24 Govt	99-27 5/8	0.171		-0-10	10.6		
18)	5YT 0 1/2 02/28/26 Govt	98-27 5/8	0.732	T 0 3/8 01/31/26 Govt	99-24 3/4	0.421		-0-29 1/8	31.1		
19)	7YT 1 1/8 02/29/28 Govt	100-00 3/4	1.122	T 0 3/4 01/31/28 Govt	99-30+	0.757		0-02 1/4	36.5		
20)	10YT 1 1/8 02/15/31 Govt	97-12 1/4	1.407	T 0 7/8 11/15/30 Govt	98-07	1.067		-0-26 3/4	34.0		
21)	20YT 1 7/8 02/15/41 Govt	97-06 3/4	2.046	T 1 3/8 11/15/40 Govt	95-15	1.644		1-23 3/4	40.2		
22)	30YT 1 7/8 02/15/51 Govt	93-27 3/4	2.154	T 1 5/8 11/15/50 Govt	95-09 3/4	1.831		-1-13+	32.3		

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CITY OF SACRAMENTO - INVESTMENT POOL A
6-MONTH CASH FLOW ANALYSIS
March 1, 2021 - August 31, 2021

In millions

Cash Balances:	
CalTRUST	208.779
Fidelity Fund	27.581
Five Star Bank Community Fund	40.015
JP Morgan Chase	3.752
LAIFA	75.000
Overnight Sweep	-
River City Bank Community Fund	25.009
Safe Credit Union Community Fund	30.007
Less: Required bank balance by policy	(0.500)
<i>Cash available at beginning of period:</i>	409.643
Projected net cash flow:	
March-21	(70.893)
April-21	19.789
May-21	74.497
June-21	2.644
July-21	(52.897)
August-21	(2.008)
<i>Net cash flow during period:</i>	(28.867)
<i>Cash in excess of policy: 1</i>	380.776
Cash Balances of non-City and/or Pool A Participants:	
SCERS Cash:	
Fixed Bonds	(0.088)
Large Cap Growth	(0.958)
International	(0.045)
Equity Income	(0.568)
Retirement Trust Operating Fund	(6.954)
Ann Land/Bertha Henschel Endowment Fund	(0.038)
Ethel Hart Mutual Endowment Fund	(0.155)
George H. Clark Memorial Scholarship Fund	(0.008)
Capitol Area Development Authority (CADA)	(50.825)
American River Flood Control District (ARFCD)	(8.824)
The Natomas Basin Conservancy (TNBC)	(0.406)
Sacramento Public Library Authority (SPLA)	(29.182)
Reclamation District No. 1000	(2.158)
SPLA Hurst Trust	(1.896)
Gifts to Share	(0.753)
Visit Sacramento	(9.287)
Other Misc Non-City Funds (CARES Act, CalEPA, City/County Office-Water Planning, etc)	(31.520)
<i>Total cash balances of non-City and/or Pool A participants: 2</i>	(143.665)
<i>Excess or (Shortfall) if all Pool A participants withdraw all funds within 6 months: 3</i>	237.111

¹The City will be able to meet its cash flow needs for the next six months, with \$381 mm to cover on going expenditures

² Non-City and/or Pool A participants have \$144 mm invested in Pool A

³ If all non-City and/or Pool A participants withdraw the entire \$144 mm within the next twelve months, the City will have \$237 mm to cover on going expenditures

CITY OF SACRAMENTO - INVESTMENT POOL A
12-MONTH CASH FLOW ANALYSIS
March 1, 2021 - February 28, 2022

In millions

Cash Balances:	
CalTRUST	208.779
Fidelity Fund	27.581
Five Star Bank Community Fund	40.015
JP Morgan Chase	3.752
LAIFA	75.000
Overnight Sweep	-
River City Bank Community Fund	25.009
Safe Credit Union Community Fund	30.007
Less: Required bank balance by policy	(0.500)
Cash available at beginning of period:	409.643
Projected net cash flow:	
March-21	(70.893)
April-21	19.789
May-21	74.497
June-21	2.644
July-21	(52.897)
August-21	(2.008)
September-21	(6.451)
October-21	(3.659)
November-21	(31.657)
December-21	54.671
January-22	76.036
February-22	(13.465)
Net cash flow during period:	46.608
Cash in excess of policy: ¹	456.251
Cash Balances of non-City and/or Pool A Participants:	
SCERS Cash:	
Fixed Bonds	(0.088)
Large Cap Growth	(0.958)
International	(0.045)
Equity Income	(0.568)
Retirement Trust Operating Fund	(6.954)
Ann Land/Bertha Henschel Endowment Fund	(0.038)
Ethel Hart Mutual Endowment Fund	(0.155)
George H. Clark Memorial Scholarship Fund	(0.008)
Capitol Area Development Authority (CADA)	(50.825)
American River Flood Control District (ARFCD)	(8.824)
The Natomas Basin Conservancy (TNBC)	(0.406)
Sacramento Public Library Authority (SPLA)	(29.182)
Reclamation District No. 1000	(2.158)
SPLA Hurst Trust	(1.896)
Gifts to Share	(0.753)
Visit Sacramento	(9.287)
Other Misc Non-City Funds (CARES Act, CalEPA, City/County Office-Water Planning, e	(31.520)
Total cash balances of non-City and/or Pool A participants: ²	(143.665)
Excess or (Shortfall) if all Pool A participants withdraw all funds within 12 months: ³	312.586

¹ The City will be able to meet its cash flow needs for the next twelve months, with \$456 mm to cover on going expenditures

² Non-City and/or Pool A participants have \$144 mm invested in Pool A

³ If all non-City and/or Pool A participants withdraw the entire \$144 mm within the next twelve months, the City will have \$312 mm to cover on going expenditures

City of Sacramento

Investment

Pool A

CITY OF SACRAMENTO INVESTMENT POOL A

MONTHLY REVIEW – FEBRUARY 2021

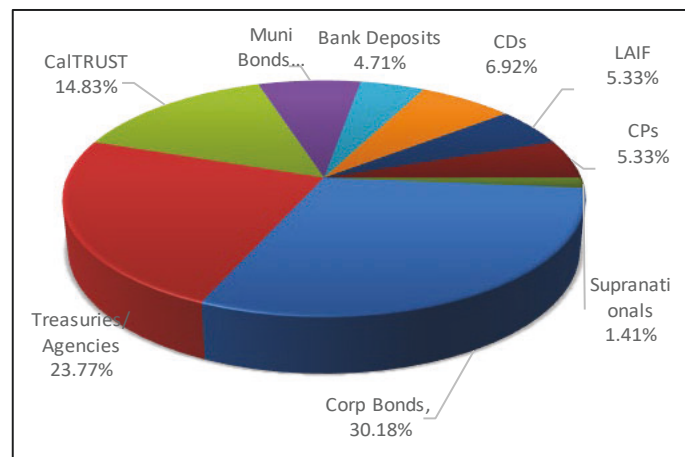
STRATEGY

The Fund is invested pursuant to the objectives and requirements set forth in the City's investment policy. The three objectives of the investment policy, in order of priority, are (1) the preservation of capital by the investment in safe instruments, (2) the liquidity needs of the City and pool participants so such parties will have access to cash when they need it, and (3) the maximizing of current income while remaining consistent with the other more important objectives. The City's investment policy incorporates applicable provisions of state law including, among other things, the prudent person standard and California Code Section 53601 pertaining to eligible investments.

PORTFOLIO STATISTICS

Beginning Market Value	1,416,053,354
Month's Yield or RoR	1.09%
Weighted Average Maturity (Yrs)	2.94
Weighted Average Duration (Yrs)	2.88
Ending Book Value	1,407,410,203
Ending Market Value	1,409,721,720
Percent of Market to Book Value	100.16%
Month's Investment Earnings	1,170,753
Fiscal YTD Investment Earnings	11,678,062

PORTFOLIO COMPOSITION



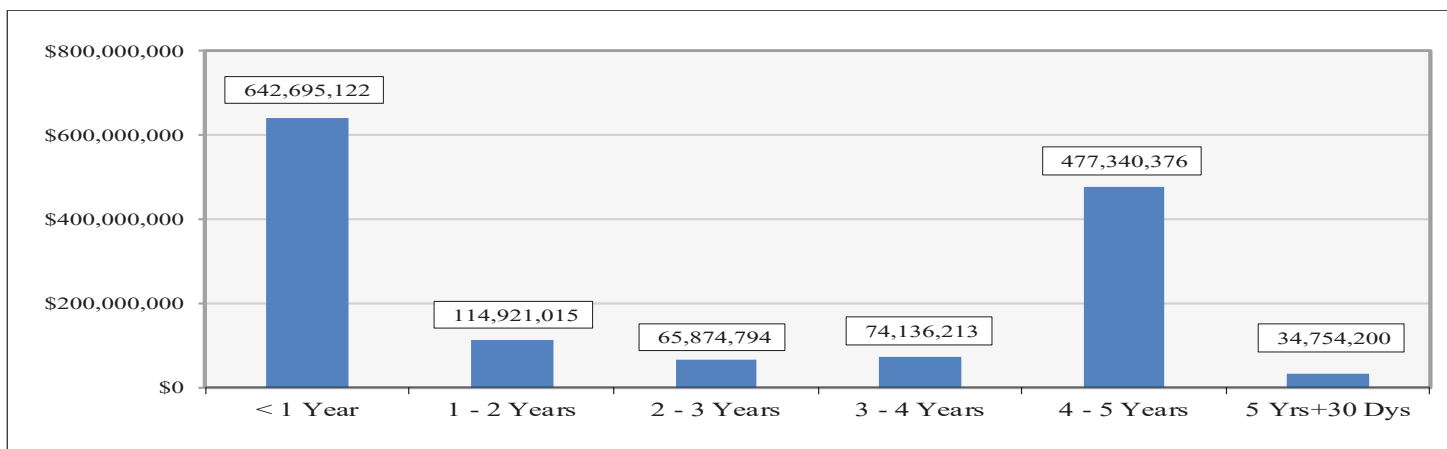
External Third-Party Investment Manager

CalTRUST	208,779,176
LAIF	75,000,000

MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	642,695,122	45.59%
1 - 2 Years	114,921,015	8.15%
2 - 3 Years	65,874,794	4.67%
3 - 4 Years	74,136,213	5.26%
4 - 5 Years	477,340,376	33.86%
5 Yrs+30 Dys	34,754,200	2.47%
Total	1,409,721,720	100.00%

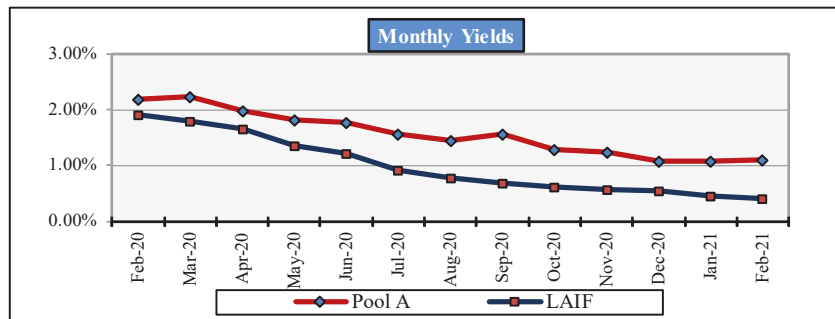
Asset Type	Pct. Assets	YTM
Corp Bonds	30.18%	1.73%
Treasuries/Agencies	23.77%	0.71%
CalTRUST	14.83%	0.39%
Muni Bonds	7.52%	1.81%
Bank Deposits	4.71%	0.43%
CDs	6.92%	0.78%
LAIF	5.33%	0.41%
CPs	5.33%	0.26%
Supranationals	1.41%	0.92%



INTEREST RATE ENVIRONMENT

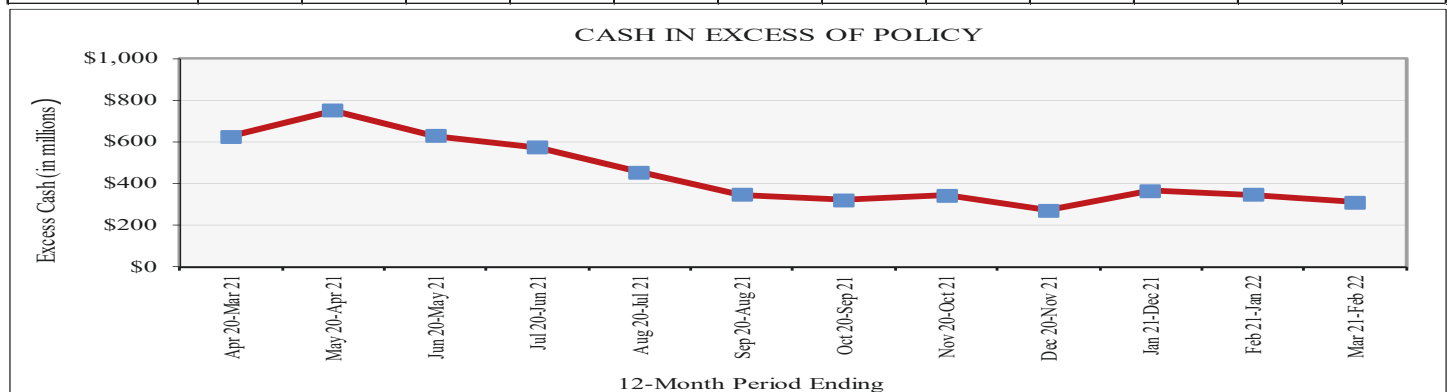
The month of February was one of cautious optimism, as the country settled in with a new government and the promise of a massive fiscal stimulus program on the horizon. Unemployment dropped to 6.2% but over 10 million Americans remained out of work. People are getting vaccinated at a rate of nearly 2 million per day which is leading to speculation that the rate of vaccination, along with the number of people previously infected with Covid-19, could lead to the country reaching herd immunity by the summer. Vaccinations and a new administration in Washington, D.C., though, have not been enough to buoy the spirits of American consumers. The University of Michigan Consumer Sentiment Index dropped by nearly 5% to 76.4 at the end of February as politicians bickered over what should or should not be in the latest proposed round of stimulus. Investors were unfazed as equity markets kept surging on some very strong earnings reports. Interest rates were on a slow rise for most of February, starting the month at 0.36% and climbing to 0.50% by Valentine's Day. At that point, the size and scope of the stimulus package began to come into focus and leading economic voices began to sound off, including Fed Chair Jerome Powell. Although Powell feels that the economy is strong enough to handle the massive expenditure, many believe it will put undue pressure on the economy and increase the risk of inflation. That led to interest rates on maturities 5-years and out shooting upward, with the rate on 5-year Treasuries ending February at 0.73% (after touching 0.80%). Shorter-term rates remained flat, due to the massive amount of cash The Fed continues to inject into liquidity markets. The steepening curve is now a definite sign that inflation could rise from its long slumber. The investment team will keep this in mind and continue to be focused on maintaining a portfolio built with high level names that will remain stable no matter what markets do over the next couple of years. It will continue to focus its bond buying around finding high quality issues that balance both duration and yield in the portfolio, thereby balancing risk and return as the markets react to the activities of the Fed, the adjustments to the markets caused by the policies adopted by the Federal government and its foreign peers, and the reactions of consumers to the news that comes out each day.

Monthly Yields		
Month	Pool A	LAIF
Feb-20	2.18%	1.91%
Mar-20	2.22%	1.79%
Apr-20	1.97%	1.65%
May-20	1.81%	1.36%
Jun-20	1.77%	1.22%
Jul-20	1.56%	0.92%
Aug-20	1.44%	0.78%
Sep-20	1.57%	0.69%
Oct-20	1.29%	0.62%
Nov-20	1.23%	0.58%
Dec-20	1.08%	0.54%
Jan-21	1.08%	0.46%
Feb-21	1.09%	0.41%
FYTD	1.30%	0.62%



CASH IN EXCESS OF POLICY (IN MILLIONS)

12 Months Cash Flow	Apr 20-Mar 21	May 20-Apr 21	Jun 20-May 21	Jul 20-Jun 21	Aug 20-Jul 21	Sep 20-Aug 21	Oct 20-Sep 21	Nov 20-Oct 21	Dec 20-Nov 21	Jan 21-Dec 21	Feb 21-Jan 22	Mar 21-Feb 22
Excess Cash	\$ 627	\$ 750	\$ 630	\$ 574	\$ 456	\$ 346	\$ 322	\$ 344	\$ 273	\$ 366	\$ 347	\$ 312



City of Sacramento
PORTFOLIO APPRAISAL
City Investment Pool A
 February 28, 2021

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
CASH AND EQUIVALENTS															
	caltrust-bff	Caltrust BlackRock FedFund		19,483,909		19,483,909		19,483,909	1.38	0.000	0	0.00			
	caltrust-lf	Caltrust Liquidity Fund		22,219,089		22,219,089		22,219,089	1.58	0.030	6,666	0.03			
	caltrust-mt	Caltrust Medium-Term		85,977,058		85,977,058		85,977,058	6.11	0.590	507,265	0.59			
	caltrust-st	Caltrust Short-Term		81,099,120		81,099,120		81,099,120	5.76	0.360	291,957	0.36			
	fidfund	Fidelity Fund		27,581,193		27,581,193		27,581,193	1.96	0.010	2,758	0.01			
	fivestar	Five Star Bank Community Fund		40,014,633		40,014,633		40,014,633	2.84	0.468	187,268	0.47			
	cashjpm	JP Morgan Chase Cash		3,751,853		3,751,853		3,751,853	0.27	0.150	5,628	0.15			
	laifa	Local Agency Investment Fund, Pool A		75,000,000		75,000,000		75,000,000	5.33	0.407	305,250	0.41			
	miscintrec	Misc Interest Receivable		177,311		177,311		177,311	0.01	0.010	18	0.01			
	payab	Payables (buy Trades)		-60,174,391		-60,174,391		-60,174,391	-4.28	0.010	-6,017	-0.01			
	rivercity	River City Bank Community Fund		25,009,317		25,009,317		25,009,317	1.78	0.540	135,050	0.54			
	safe	Safe Credit Union Community Fund		30,006,674		30,006,674		30,006,674	2.13	0.290	87,019	0.29			
				350,145,765		350,145,765		350,145,765	24.89		1,522,862	0.43			
CERTIFICATES OF DEPOSIT															
10,000,000	86565cvf3	Sumitomo Mitsui Bank NY 0.250% Due 06-29-21	100.00	10,000,000	100.03	10,002,695	5,208	10,007,903	0.71	0.250	25,000	0.25	A1		
10,000,000	65602v6j0	Norinchukin Bank NY 0.300% Due 07-27-21	100.00	10,000,000	100.05	10,004,983	5,667	10,010,650	0.71	0.300	30,000	0.30	A1		
10,000,000	65602yas9	Norinchukin Bank NY 0.210% Due 07-27-21	100.00	10,000,000	100.01	10,000,795	1,925	10,002,720	0.71	0.210	21,000	0.21	A1		
5,000,000	60710aw24	Mizuho Bank Ltd/NY 0.220% Due 08-11-21	100.00	5,000,000	100.01	5,000,552	1,497	5,002,049	0.36	0.220	11,000	0.22	A1		
10,000,000	53947cg69	Lloyds Bank Corp Mkts/NY 0.330% Due 08-27-21	100.00	10,000,000	100.03	10,002,812	11,550	10,014,362	0.71	0.330	33,000	0.33	A1		
3,000,000	02587dq84	American Express 2.400% Due 04-26-22	100.00	3,000,000	102.69	3,080,581	24,855	3,105,435	0.22	2.400	72,000	2.40			
3,000,000	90348jcb4	UBS Bank CD 2.400% Due 04-28-22	100.00	3,000,000	102.73	3,082,047	197	3,082,245	0.22	2.400	72,000	2.41			
5,000,000	02587cgb0	American Express 2.400% Due 09-06-22	100.00	5,000,000	103.37	5,168,541	57,863	5,226,404	0.37	2.400	120,000	2.40			
10,000,000	22549l2z7	Credit Suisse New York 0.540% Due 11-20-23	100.00	10,000,000	99.64	9,964,000	15,150	9,979,150	0.71	0.540	54,000	0.54	A1		
10,000,000	22549l5r2	Credit Suisse New York 0.490% Due 12-04-23	100.00	10,000,000	99.52	9,952,500	11,433	9,963,933	0.71	0.490	49,000	0.49	A1		
10,000,000	48128lu98	JP Morgan Chase Bank NA 1.900% Due 02-28-25	100.00	10,000,000	100.01	10,001,044	521	10,001,565	0.71	1.900	190,000	1.90		c	03-01-21
6,000,000	90348jcb66	US Bank CD 0.600% Due 01-27-26	100.00	6,000,000	100.10	6,005,889	197	6,006,087	0.43	0.600	36,000	0.60	A1		07-27-21
5,000,000	05600xcf5	BMO Harris Bank 0.750% Due 02-26-26	100.00	5,000,000	100.36	5,017,855	308	5,018,163	0.36	0.750	37,500	0.75			08-26-21
				97,000,000		97,284,294	136,372	97,420,666	6.92		750,500	0.78			
COMMERCIAL PAPER															
10,000,000	63873jqn3	Natixis NY 0.430% Due 03-22-21	99.68	9,967,750	99.99	9,999,353	0	9,999,353	0.71	0.430	43,000	0.44	A1		
5,000,000	89233gr65	Toyota Motor Credit Corp 0.240% Due 04-06-21	99.88	4,993,933	99.99	4,999,317	0	4,999,317	0.36	0.240	12,000	0.24	A1+		
10,000,000	63873jt18	Natixis NY 0.200% Due 06-01-21	99.85	9,985,222	99.96	9,996,490	0	9,996,490	0.71	0.200	20,000	0.20	A1		
5,000,000	89233gt14	Toyota Motor Credit Corp 0.290% Due 06-01-21	99.79	4,989,407	99.96	4,997,981	0	4,997,981	0.36	0.290	14,500	0.29	A1+		

City of Sacramento
PORTFOLIO APPRAISAL
City Investment Pool A
 February 28, 2021

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
5,000,000	06742vx89	Barclays Bank Plc 0.240% Due 07-27-21	99.87	4,993,333	99.94	4,996,854	0	4,996,854	0.36	0.240	12,000	0.24	A1		
5,000,000	2254eaut8	Credit Suisse NY 0.250% Due 07-27-21	99.81	4,990,729	99.93	4,996,435	0	4,996,435	0.36	0.250	12,500	0.25	A1		
10,000,000	85324tut1	Standard Chartered Bank 0.230% Due 07-27-21	99.87	9,986,583	99.93	9,993,247	0	9,993,247	0.71	0.230	23,000	0.23	A1		
10,000,000	83369bx50	Societe Generale 0.200% Due 10-05-21	99.86	9,986,111	99.88	9,988,336	0	9,988,336	0.71	0.200	20,000	0.20	A1		
5,000,000	06742v4w8	Barclays Bank Plc 0.240% Due 11-02-21	99.82	4,991,233	99.88	4,994,155	0	4,994,155	0.35	0.240	12,000	0.24	A1		
10,000,000	05970rya7	Banco Santander SA 0.230% Due 11-10-21	99.84	9,983,581	99.87	9,987,079	0	9,987,079	0.71	0.230	23,000	0.23	A1		
				74,867,883		74,949,248	0	74,949,248	5.33		192,000	0.26			
U.S. GOVERNMENT BONDS															
5,000,000	91282cbh3	U.S. Treasury Note 0.375% Due 01-31-26	98.83	4,941,406	98.09	4,904,700	1,502	4,906,202	0.35	0.375	18,750	0.62	AA+		
15,000,000	91282cbq3	U.S. Treasury Note 0.500% Due 02-28-26	98.75	14,812,891	98.65	14,797,200	204	14,797,404	1.05	0.500	75,000	0.75	AA+		
				19,754,297		19,701,900	1,706	19,703,606	1.40		93,750	0.72			
FEDERAL HOME LOAN BANK															
17,400,000	3130a8gm9	Federal Home Loan Bank 1.370% Due 06-15-21	99.14	17,250,850	100.39	17,467,164	50,325	17,517,489	1.24	1.370	238,380	1.55	AA+		
5,000,000	3130ajla5	Federal Home Loan Bank 0.750% Due 05-19-25	100.00	5,000,000	98.84	4,941,850	10,625	4,952,475	0.35	0.750	37,500	0.75	AA+		05-19-21
5,000,000	3130ak6h4	Federal Home Loan Bank 0.500% Due 09-22-25	99.90	4,995,000	98.83	4,941,400	11,042	4,952,442	0.35	0.500	25,000	0.52	AA+		03-22-21
5,000,000	3130akjw7	Federal Home Loan Bank 0.600% Due 12-15-25	100.00	5,000,000	98.60	4,930,100	6,333	4,936,433	0.35	0.600	30,000	0.60	AA+		12-15-21
5,000,000	3130akje7	Federal Home Loan Bank 0.560% Due 12-30-25	99.97	4,998,750	98.86	4,942,800	4,744	4,947,544	0.35	0.560	28,000	0.57	AA+		12-30-21
5,000,000	3130akn85	Federal Home Loan Bank 0.550% Due 01-20-26	99.80	4,990,000	98.77	4,938,350	3,132	4,941,482	0.35	0.550	27,500	0.59	AA+		07-20-21
10,000,000	3130akq74	Federal Home Loan Bank 0.625% Due 01-22-26	100.00	10,000,000	98.69	9,868,900	6,771	9,875,671	0.70	0.625	62,500	0.62	AA+		07-22-21
5,000,000	3130akng7	Federal Home Loan Bank 0.550% Due 01-28-26	100.00	5,000,000	98.76	4,938,150	2,521	4,940,671	0.35	0.550	27,500	0.55	AA+		07-28-21
5,000,000	3130akpc4	Federal Home Loan Bank 0.600% Due 01-28-26	100.00	5,000,000	98.56	4,928,200	2,750	4,930,950	0.35	0.600	30,000	0.60	AA+		07-28-21
5,000,000	3130akpq3	Federal Home Loan Bank 0.580% Due 01-28-26	100.00	5,000,000	98.71	4,935,550	2,658	4,938,208	0.35	0.580	29,000	0.58	AA+		01-28-22
5,000,000	3130akvr4	Federal Home Loan Bank 0.550% Due 02-12-26	100.00	5,000,000	98.75	4,937,500	1,451	4,938,951	0.35	0.550	27,500	0.55	AA+		08-12-21
5,000,000	3130al5x8	Federal Home Loan Bank 0.650% Due 02-24-26	100.00	5,000,000	98.97	4,948,300	632	4,948,932	0.35	0.650	32,500	0.65	AA+		08-24-21
5,000,000	3130al6j8	Federal Home Loan Bank 0.625% Due 02-24-26	100.00	5,000,000	98.86	4,943,050	608	4,943,658	0.35	0.625	31,250	0.62	AA+		08-24-21
5,000,000	3130al7m0	Federal Home Loan Bank 0.625% Due 02-24-26	100.00	5,000,000	98.86	4,943,050	608	4,943,658	0.35	0.625	31,250	0.62	AA+		08-24-21
5,000,000	3130alae4	Federal Home Loan Bank 0.580% Due 02-25-26	100.00	5,000,000	98.79	4,939,491	483	4,939,975	0.35	0.580	29,000	0.58	AA+		02-25-22
5,000,000	3130algs7	Federal Home Loan Bank 0.850% Due 03-10-26	100.00	5,000,000	98.95	4,947,750	0	4,947,750	0.35	0.850	42,500	0.85	AA+		09-10-21
5,000,000	3130aleh3	Federal Home Loan Bank 0.700% Due 03-16-26	100.00	5,000,000	99.04	4,951,950	0	4,951,950	0.35	0.700	35,000	0.70	AA+		03-16-22

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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
5,000,000	3130aljy1	Federal Home Loan Bank 1.000% Due 03-17-26	100.00	5,000,000	99.83	4,991,562	0	4,991,562	0.35	1.000	50,000	1.00	AA+		09-17-21
				107,234,600		106,435,117	104,683	106,539,800	7.57		814,380	0.79			
FEDERAL NATIONAL MORTGAGE ASSN. (FNMA)															
5,000,000	3136g4vx8	Fannie Mae 0.750% Due 05-27-25	100.00	5,000,000	100.01	5,000,500	9,792	5,010,292	0.36	0.750	37,500	0.75	AA+		05-27-21
4,500,000	3136g4wf6	Fannie Mae 0.810% Due 06-24-25	100.00	4,500,000	100.03	4,501,440	6,784	4,508,224	0.32	0.810	36,450	0.81	AA+		06-24-21
5,000,000	3136g4d75	Fannie Mae 0.600% Due 07-29-25	100.00	5,000,000	99.36	4,968,000	2,667	4,970,667	0.35	0.600	30,000	0.60	AA+		07-29-22
5,000,000	3136g4g23	Fannie Mae 0.600% Due 07-29-25	100.00	5,000,000	99.36	4,968,000	2,667	4,970,667	0.35	0.600	30,000	0.60	AA+		07-29-22
5,000,000	3136g4c76	Fannie Mae 0.700% Due 08-12-25	100.00	5,000,000	99.97	4,998,550	1,847	5,000,397	0.36	0.700	35,000	0.70	AA+		08-12-21
5,000,000	3136g4c43	Fannie Mae 0.650% Due 08-14-25	100.00	5,000,000	99.55	4,977,400	1,535	4,978,935	0.35	0.650	32,500	0.65	AA+		02-14-22
5,000,000	3136g4x40	Fannie Mae 0.600% Due 08-26-25	99.96	4,998,000	99.31	4,965,550	417	4,965,967	0.35	0.600	30,000	0.61	AA+		08-26-21
3,000,000	3136g43q4	Fannie Mae 0.600% Due 09-16-25	100.00	3,000,000	99.25	2,977,500	8,250	2,985,750	0.21	0.600	18,000	0.60	AA+		09-16-21
5,000,000	3135g06a6	Fannie Mae 0.580% Due 10-20-25	100.00	5,000,000	98.84	4,941,950	10,553	4,952,503	0.35	0.580	29,000	0.58	AA+		10-20-21
4,000,000	3136g45c3	Fannie Mae 0.540% Due 10-27-25	99.81	3,992,280	98.87	3,955,000	7,440	3,962,440	0.28	0.540	21,600	0.58	AA+		10-27-22
5,000,000	3136g45p4	Fannie Mae 0.550% Due 10-27-25	100.00	5,000,000	98.51	4,925,400	9,472	4,934,872	0.35	0.550	27,500	0.55	AA+		04-27-22
3,000,000	3136g46s7	Fannie Mae 0.560% Due 10-28-25	100.00	3,000,000	98.96	2,968,710	5,740	2,974,450	0.21	0.560	16,800	0.56	AA+		10-28-22
5,000,000	3136g45h2	Fannie Mae 0.500% Due 10-29-25	99.90	4,995,000	98.68	4,934,000	8,472	4,942,472	0.35	0.500	25,000	0.52	AA+		10-29-21
5,000,000	3135ga4v0	Fannie Mae 0.625% Due 11-25-25	100.00	5,000,000	99.16	4,958,200	8,333	4,966,533	0.35	0.625	31,250	0.62	AA+		11-25-22
5,000,000	3135g06n8	Fannie Mae 0.650% Due 12-17-25	100.00	5,000,000	99.20	4,960,050	6,681	4,966,731	0.35	0.650	32,500	0.65	AA+		12-17-21
5,000,000	3135g06r9	Fannie Mae 0.550% Due 01-28-26	100.00	5,000,000	98.56	4,928,000	2,521	4,930,521	0.35	0.550	27,500	0.55	AA+		07-28-21
				74,485,280		73,928,250	93,169	74,021,419	5.26		460,600	0.62			
FEDERAL HOME LOAN MORTGAGE CORP. (FHLMC)															
3,000,000	3134gvrv2	Freddie Mac 0.750% Due 05-27-25	100.00	3,000,000	100.02	3,000,720	5,875	3,006,595	0.21	0.750	22,500	0.75	AA+		05-27-21
5,000,000	3134gvb31	Freddie Mac 0.750% Due 05-28-25	99.76	4,987,900	100.02	5,001,200	9,687	5,010,887	0.36	0.750	37,500	0.80	AA+		05-28-21
5,000,000	3134gvz68	Freddie Mac 0.700% Due 06-23-25	99.95	4,997,500	100.01	5,000,750	6,611	5,007,361	0.36	0.700	35,000	0.71	AA+		06-23-21
3,000,000	3134gwkr6	Freddie Mac 0.625% Due 08-12-25	100.00	3,000,000	99.49	2,984,820	990	2,985,810	0.21	0.625	18,750	0.62	AA+		05-12-21
5,000,000	3134gwh82	Freddie Mac 0.625% Due 09-08-25	100.00	5,000,000	99.37	4,968,550	15,017	4,983,567	0.35	0.625	31,250	0.62	AA+		03-08-21
5,000,000	3134gwa55	Freddie Mac 0.650% Due 09-09-25	100.00	5,000,000	99.48	4,974,150	15,528	4,989,678	0.35	0.650	32,500	0.65	AA+		03-09-21
5,000,000	3134gwwt9	Freddie Mac 0.550% Due 09-30-25	100.00	5,000,000	99.44	4,971,850	11,535	4,983,385	0.35	0.550	27,500	0.55	AA+		09-30-21
5,000,000	3134gwy26	Freddie Mac 0.570% Due 10-08-25	100.00	5,000,000	99.47	4,973,700	11,321	4,985,021	0.35	0.570	28,500	0.57	AA+		10-08-21

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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
5,000,000	3134gwys9	Freddie Mac 0.600% Due 10-15-25	100.00	5,000,000	98.46	4,923,050	11,333	4,934,383	0.35	0.600	30,000	0.60	AA+		04-15-21
10,000,000	3134gxbm5	Freddie Mac 0.600% Due 11-12-25	99.98	9,998,500	99.62	9,962,500	18,167	9,980,667	0.71	0.600	60,000	0.60	AA+		11-12-21
5,000,000	3134gxfv1	Freddie Mac 0.625% Due 12-17-25	100.00	5,000,000	99.72	4,986,000	6,424	4,992,424	0.35	0.625	31,250	0.62	AA+		12-17-21
5,000,000	3134gxlf9	Freddie Mac 0.550% Due 02-12-26	100.00	5,000,000	98.16	4,908,000	1,451	4,909,451	0.35	0.550	27,500	0.55	AA+		08-12-21
				60,983,900		60,655,290	113,939	60,769,229	4.31		382,250	0.63			
FEDERAL AGRICULTURAL MORTGAGE CORP.															
Not Classified															
3,000,000	31422xbt8	Farmer Mac 0.700% Due 12-17-25	100.00	3,000,000	99.10	2,972,901	0	2,972,901	0.21	0.700	21,000	0.70			12-17-21
3,000,000	31422xbn1	Farmer Mac 0.690% Due 02-25-26	100.00	3,000,000	98.79	2,963,850	345	2,964,195	0.21	0.690	20,700	0.69			02-25-22
				6,000,000		5,936,751	345	5,937,096	0.42		41,700	0.70			
				6,000,000		5,936,751	345	5,937,096	0.42		41,700	0.70			
FEDERAL FARM CREDIT BANK - FRMMT															
Not Classified															
3,000,000	3133egt47	Federal Farm Credit Bank 2.010% Due 12-08-21	100.31	3,009,180	101.48	3,044,520	13,902	3,058,422	0.22	2.010	60,300	1.95	AA+		
5,000,000	3133eluk8	Federal Farm Credit Bank 1.200% Due 03-25-25	100.00	5,000,000	100.07	5,003,600	26,000	5,029,600	0.36	1.200	60,000	1.20	AA+		03-25-21
5,000,000	3133ele28	Federal Farm Credit Bank 0.730% Due 05-27-25	100.00	5,000,000	100.13	5,006,350	9,531	5,015,881	0.36	0.730	36,500	0.73	AA+		05-27-21
5,000,000	3133el2s2	Federal Farm Credit Bank 0.670% Due 08-04-25	100.00	5,000,000	100.00	5,000,100	2,512	5,002,612	0.36	0.670	33,500	0.67	AA+		
5,000,000	3133el4w1	Federal Farm Credit Bank 0.610% Due 08-25-25	99.92	4,996,250	98.27	4,913,350	508	4,913,858	0.35	0.610	30,500	0.63	AA+		
5,000,000	3133embh4	Federal Farm Credit Bank 0.530% Due 09-29-25	100.00	5,000,000	98.70	4,934,850	11,189	4,946,039	0.35	0.530	26,500	0.53	AA+		09-29-21
5,000,000	3133emd22	Federal Farm Credit Bank 0.520% Due 10-21-25	99.76	4,987,950	98.26	4,913,100	9,389	4,922,489	0.35	0.520	26,000	0.57	AA+		10-21-21
5,000,000	3133emf8	Federal Farm Credit Bank 0.540% Due 11-03-25	99.94	4,997,000	98.29	4,914,600	8,850	4,923,450	0.35	0.540	27,000	0.55	AA+		11-03-22
5,000,000	3133emqx3	Federal Farm Credit Bank 0.590% Due 02-17-26	100.00	5,000,000	98.94	4,947,000	1,147	4,948,147	0.35	0.590	29,500	0.59	AA+		08-17-21
5,000,000	3133emsk9	Federal Farm Credit Bank 0.840% Due 03-02-26	99.92	4,996,250	99.43	4,971,681	0	4,971,681	0.35	0.840	42,000	0.86	AA+		06-02-21
5,000,000	3133emsh6	Federal Farm Credit Bank 0.790% Due 03-03-26	100.00	5,000,000	99.10	4,954,858	0	4,954,858	0.35	0.790	39,500	0.79	AA+		03-03-22
				52,986,630		52,604,008	83,029	52,687,037	3.74		411,300	0.78			
				52,986,630		52,604,008	83,029	52,687,037	3.74		411,300	0.78			
MUNICIPAL BONDS															
Not Classified															
3,000,000.00	13063cp87	California St For Previous Iss 1.500% Due 04-01-21	100.00	3,000,000	100.11	3,003,300	18,750	3,022,050	0.21	1.500	45,000	1.50	AA-		
2,000,000.00	594698pf3	Michigan St Strategic Fd Ltd O 2.031% Due 04-15-21	100.00	2,000,000	100.21	2,004,220	15,345	2,019,565	0.14	2.031	40,620	2.03			
7,421,423.61	13066tyt5	California St Dept Wtr Res Pwr 1.713% Due 05-01-21	99.03	7,349,451	100.25	7,439,829	42,376	7,482,205	0.53	1.713	127,129	1.93	AA+		

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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
1,200,000.00	913366ej5	Univ Calif Regts Med Ctr Poole 5.035% Due 05-15-21	114.58	1,374,936	100.98	1,211,724	17,790	1,229,514	0.09	5.035	60,420	1.78	AA-		
515,000.00	91412hev1	University Calif Revenue Bonds 2.553% Due 05-15-21	100.00	515,000	100.47	517,410	3,871	521,282	0.04	2.553	13,148	2.55	AA		
2,000,000.00	91412gf59	University Calif Revs For Prev 1.910% Due 05-15-21	99.76	1,995,280	100.14	2,002,800	11,248	2,014,048	0.14	1.910	38,200	1.98	AA	c	03-10-21
1,000,000.00	91412gl86	University Calif Revs For Prev 1.784% Due 05-15-21	100.00	1,000,000	100.32	1,003,230	5,253	1,008,483	0.07	1.784	17,840	1.78	AA-		
1,000,000.00	91412hbh5	University Calif Revs For Prev 3.029% Due 05-15-21	100.00	1,000,000	100.56	1,005,650	8,919	1,014,569	0.07	3.029	30,290	3.03	AA		
1,250,000.00	80168fma1	Santa Clara Vy Calif Wtr Dist 2.387% Due 06-01-21	104.83	1,310,337	100.55	1,256,937	7,459	1,264,397	0.09	2.387	29,837	1.36			
630,000.00	221623xh9	Cotati-Rohnert Pk Calif Uni Sc 2.550% Due 08-01-21	100.00	630,000	100.84	635,305	1,339	636,643	0.05	2.550	16,065	2.55	AA		
5,225,000.00	54473enq3	Los Angeles Cnty Calif Pub Wks 5.841% Due 08-01-21	113.53	5,932,204	102.31	5,345,541	25,433	5,370,973	0.38	5.841	305,192	2.29	AA+		
1,600,000.00	762494ra2	Rialto Calif Uni Sch Dist 2.888% Due 08-01-21	102.42	1,638,800	100.98	1,615,712	3,851	1,619,563	0.11	2.888	46,208	2.26	AA		
2,000,000.00	79770ggn0	San Francisco Calif City & Cnt 2.125% Due 08-01-21	99.64	1,992,820	100.67	2,013,340	3,542	2,016,882	0.14	2.125	42,500	2.23	AA-		
1,120,000.00	54465agm8	Los Angeles Cnty Calif Redev A 1.500% Due 09-01-21	99.05	1,109,371	100.66	1,127,437	8,400	1,135,837	0.08	1.500	16,800	1.70	AA		
1,050,000.00	13077dfc1	California St Univ Rev 2.982% Due 11-01-21	100.00	1,050,000	101.84	1,069,341	10,437	1,079,778	0.08	2.982	31,311	2.98	AA-		
905,000.00	13077dhj4	California St Univ Rev 2.000% Due 11-01-21	100.00	905,000	101.19	915,779	6,033	921,812	0.07	2.000	18,100	2.00	AA-		
800,000.00	430034aw8	Highland Calif Redev Agy Succe 2.250% Due 02-01-22	99.42	795,336	101.67	813,344	1,500	814,844	0.06	2.250	18,000	2.39	AA		
1,000,000.00	13063dad0	California St 2.367% Due 04-01-22	100.00	1,000,000	102.31	1,023,070	9,862	1,032,932	0.07	2.367	23,670	2.37	AA-		
3,000,000.00	13066ytz2	California St Dept Wtr Res Pwr 2.000% Due 05-01-22	98.96	2,968,710	102.07	3,061,980	20,000	3,081,980	0.22	2.000	60,000	2.22	AA+		
650,000.00	91412hew9	University Calif Revenue Bonds 2.608% Due 05-15-22	100.00	650,000	102.76	667,972	4,991	672,964	0.05	2.608	16,952	2.61	AA		
1,000,000.00	13017haj5	California Earthquake Auth Rev 1.327% Due 07-01-22	100.00	1,000,000	101.40	1,014,050	2,212	1,016,262	0.07	1.327	13,270	1.33			
3,000,000.00	54473enr1	Los Angeles Cnty Calif Pub Wks 6.091% Due 08-01-22	116.96	3,508,920	108.06	3,241,710	15,227	3,256,937	0.23	6.091	182,730	2.45	AA+		
1,255,000.00	79770ggp5	San Francisco Calif City & Cnt 2.375% Due 08-01-22	99.86	1,253,205	102.59	1,287,530	2,484	1,290,013	0.09	2.375	29,806	2.41	AA-		
5,000,000.00	798170ae6	San Jose Calif Redev Agy Succe 2.630% Due 08-01-22	98.58	4,928,900	103.22	5,161,200	10,958	5,172,158	0.37	2.630	131,500	3.00	AA		
5,000,000.00	13063ddf2	California St 2.500% Due 10-01-22	101.45	5,072,450	103.55	5,177,350	52,083	5,229,433	0.37	2.500	125,000	2.19	AA-		
685,000.00	13077dhk1	California St Univ Rev 2.020% Due 11-01-22	100.00	685,000	102.90	704,838	4,612	709,450	0.05	2.020	13,837	2.02	AA-		
750,000.00	64990fqp2	New York St Dorm Auth St Pers 2.027% Due 02-15-23	100.00	750,000	103.07	773,047	676	773,723	0.05	2.027	15,202	2.03			
1,750,000.00	13032uva3	California Health Facs Fing Auth Revenue 1.970% Due 06-01-23	100.00	1,750,000	103.09	1,804,057	8,619	1,812,676	0.13	1.970	34,475	1.97	AA-		
1,000,000.00	13017hak2	California Earthquake Auth Rev 1.477% Due 07-01-23	100.00	1,000,000	102.56	1,025,560	2,462	1,028,022	0.07	1.477	14,770	1.48			
3,000,000.00	93974d5q7	Washington St 3.030% Due 08-01-23	99.66	2,989,770	106.52	3,195,630	7,575	3,203,205	0.23	3.030	90,900	3.11	AA+		

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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
3,325,000.00	20772j3h3	Connecticut State 2.150% Due 08-15-23	99.57	3,310,669	104.49	3,474,226	3,177	3,477,403	0.25	2.150	71,487	2.26	A		
550,000.00	13077dkb7	California St Univ Rev 1.557% Due 11-01-23	100.00	550,000	103.03	566,643	2,854	569,497	0.04	1.557	8,563	1.56	AA-		
520,000.00	13080szk3	California Statewide Cmnty De 0.514% Due 02-01-24	100.00	520,000	99.85	519,215	260	519,475	0.04	0.514	2,673	0.51	A+		
5,000,000.00	64985tay7	New York St Urban Dev Corp Sales Tax Rev 2.020% Due 03-15-24	100.00	5,000,000	103.62	5,181,250	46,572	5,227,822	0.37	2.020	101,000	2.02			
2,000,000.00	92812vb70	Virginia Housing Development Authority 1.906% Due 04-01-24	100.00	2,000,000	103.90	2,077,920	15,883	2,093,803	0.15	1.906	38,120	1.91	AA+		
250,000.00	91412hfl2	University Calif Revenue Bonds 0.833% Due 05-15-24	100.00	250,000	101.15	252,870	613	253,483	0.02	0.833	2,082	0.83	AA		
1,500,000.00	91412hjk0	University Calif Revenue Bonds 0.367% Due 05-15-24	100.00	1,500,000	99.67	1,495,065	0	1,495,065	0.11	0.367	5,505	0.37	AA		
2,500,000.00	13032uvb1	California Health Facs Fing Auth Revenue 2.020% Due 06-01-24	100.00	2,500,000	103.97	2,599,200	12,625	2,611,825	0.18	2.020	50,500	2.02	AA-		
750,000.00	13032uxl7	California Health Facs Fing Auth Revenue 0.752% Due 06-01-24	100.00	750,000	99.91	749,325	1,410	750,735	0.05	0.752	5,640	0.75	AA-		
1,000,000.00	365298y51	Garden Grove California Unified School District 1.966% Due 08-01-24	100.00	1,000,000	104.21	1,042,120	1,638	1,043,758	0.07	1.966	19,660	1.97	AA-		
850,000.00	13034al57	California Infrastructure & Ec 0.645% Due 10-01-24	100.00	850,000	100.19	851,632	1,127	852,759	0.06	0.645	5,482	0.65	AAA		
1,150,000.00	605581mz7	Mississippi St 0.565% Due 11-01-24	100.00	1,150,000	99.95	1,149,402	2,166	1,151,568	0.08	0.565	6,497	0.57	AA		
750,000.00	13080szl1	California Statewide Cmnty De 0.732% Due 02-01-25	100.00	750,000	99.56	746,700	534	747,234	0.05	0.732	5,490	0.73	A+		
3,000,000.00	92812vb88	Virginia Housing Development Authority 2.056% Due 04-01-25	100.00	3,000,000	104.39	3,131,850	25,700	3,157,550	0.22	2.056	61,680	2.06	AA+		
700,000.00	91412hfm0	University Calif Revenue Bonds 0.933% Due 05-15-25	100.00	700,000	100.74	705,194	1,923	707,117	0.05	0.933	6,531	0.93	AA		
3,500,000.00	91412hge7	University Calif Revenue Bonds 0.883% Due 05-15-25	100.88	3,530,660	101.42	3,549,840	9,100	3,558,940	0.25	0.883	30,905	0.70	AA		04-15-25
1,000,000.00	91412hjl8	University Calif Revenue Bonds 0.670% Due 05-15-25	100.00	1,000,000	100.00	1,000,000	0	1,000,000	0.07	0.670	6,700	0.67	AA		
1,250,000.00	13032uxm5	California Health Facs Fing Auth Revenue 0.952% Due 06-01-25	100.00	1,250,000	99.95	1,249,400	2,975	1,252,375	0.09	0.952	11,900	0.95	AA-		
5,000,000.00	34153qud6	Florida State Board of Education Public Education 0.550% Due 06-01-25	99.68	4,984,150	99.44	4,972,100	9,854	4,981,954	0.35	0.550	27,500	0.62	AAA		
1,000,000.00	546417dq6	Louisiana State 0.840% Due 06-01-25	100.00	1,000,000	100.28	1,002,770	2,100	1,004,870	0.07	0.840	8,400	0.84	AA-		
500,000.00	546486bv2	Louisiana St Hwy Impt Rev 0.697% Due 06-15-25	100.00	500,000	99.55	497,765	58	497,823	0.04	0.697	3,485	0.70	AA		
5,000,000.00	341271ad6	Florida St Brd Admin Fin Corp 1.258% Due 07-01-25	101.66	5,083,250	101.50	5,075,200	10,483	5,085,683	0.36	1.258	62,900	0.90	AA		
940,000.00	13034al65	California Infrastructure & Ec 0.765% Due 10-01-25	100.00	940,000	99.65	936,719	1,478	938,198	0.07	0.765	7,191	0.77	AAA		

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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
1,865,000.00	880558nu1	Tennessee St Sch Bd Auth 0.627% Due 11-01-25	100.00	1,865,000	99.29	1,851,703	227	1,851,930	0.13	0.627	11,694	0.63	AA+		
				105,139,220		105,797,002	486,067	106,283,069	7.52		2,210,360	1.81			
				105,139,220		105,797,002	486,067	106,283,069	7.52		2,210,360	1.81			
CORPORATE BONDS															
INDUSTRIALS															
4,000,000	438516bm7	Honeywell Intl Inc 1.850% Due 11-01-21	99.99	3,999,760	100.99	4,039,600	24,667	4,064,267	0.29	1.850	74,000	1.85	A		10-01-21
5,000,000	24422erm3	John Deere Capital Corp 2.750% Due 03-15-22	101.89	5,094,300	102.54	5,127,100	63,403	5,190,503	0.36	2.750	137,500	2.30	A		
4,245,000	88579ybh3	3M Company 2.000% Due 02-14-25	100.58	4,269,791	104.34	4,429,275	4,009	4,433,285	0.31	2.000	84,900	1.88	A+		01-14-25
2,567,000	438516cb0	Honeywell Intl Inc 1.350% Due 06-01-25	101.90	2,615,773	101.94	2,616,928	8,664	2,625,592	0.19	1.350	34,654	0.96	A		05-01-25
10,000,000	24422evk2	John Deere Capital Corp 0.700% Due 01-15-26	99.06	9,905,536	98.22	9,821,600	10,500	9,832,100	0.70	0.700	70,000	0.90	A		
				25,885,160		26,034,504	111,242	26,145,746	1.85		401,054	1.49			
COMMUNICATION SERVICES															
3,000,000	254687fk7	Disney Walt Co 1.750% Due 08-30-24	99.11	2,973,300	103.71	3,111,390	437	3,111,827	0.22	1.750	52,500	1.95	BBB+		07-30-24
CONSUMER DISCRETIONARY															
5,000,000	05565eal9	BMW US Capital LLC 1.850% Due 09-15-21	98.85	4,942,500	100.74	5,036,850	42,653	5,079,503	0.36	1.850	92,500	2.39	A		08-15-21
5,000,000	713448dl9	Pepsico Inc 1.700% Due 10-06-21	99.87	4,993,300	100.77	5,038,600	34,236	5,072,836	0.36	1.700	85,000	1.73	A+		09-06-21
5,000,000	023135aj5	Amazon Com Inc 2.500% Due 11-29-22	100.72	5,036,200	103.36	5,168,000	31,944	5,199,944	0.37	2.500	125,000	2.28	AA-		08-29-22
5,000,000	023135aw6	Amazon Com Inc 2.400% Due 02-22-23	98.82	4,941,100	103.95	5,197,300	3,000	5,200,300	0.37	2.400	120,000	2.73	AA-		01-22-23
2,000,000	46849ltk7	Jackson National Life Global 2.650% Due 06-21-24	104.11	2,082,240	106.06	2,121,280	10,306	2,131,586	0.15	2.650	53,000	1.60	A		
5,000,000	38480ae4	WW Grainger Inc 1.850% Due 02-15-25	103.11	5,155,700	103.65	5,182,350	4,111	5,186,461	0.37	1.850	92,500	1.17	A+		01-15-25
5,000,000	023135bq8	Amazon Com Inc 0.800% Due 06-03-25	101.16	5,057,900	99.62	4,981,150	9,778	4,990,928	0.35	0.800	40,000	0.53	AA-		05-03-25
1,850,000	641062ar5	Nestle Holdings Inc 0.625% Due 01-15-26	99.41	1,839,122	98.02	1,813,314	1,477	1,814,792	0.13	0.625	11,562	0.75	AA-		12-15-25
5,000,000	141781bn3	Cargill Inc 0.750% Due 02-02-26	99.68	4,984,150	98.05	4,902,650	3,021	4,905,671	0.35	0.750	37,500	0.82	A		01-02-26
5,000,000	74460waa5	Public Storage 0.875% Due 02-15-26	100.27	5,013,300	98.58	4,928,800	5,104	4,933,904	0.35	0.875	43,750	0.82	A		01-15-26
				44,045,512		44,370,294	145,630	44,515,925	3.15		700,812	1.54			
CONSUMER STAPLES															
3,000,000	427866at5	Hershey Co 2.625% Due 05-01-23	99.87	2,996,100	104.22	3,126,480	26,250	3,152,730	0.22	2.625	78,750	2.66	A		02-01-23
5,000,000	37331naj0	Georgia Pacific Corp 1.750% Due 09-30-25	104.38	5,219,150	102.35	5,117,400	36,701	5,154,101	0.36	1.750	87,500	0.82	A+		08-30-25
				8,215,250		8,243,880	62,951	8,306,831	0.59		166,250	1.52			

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ENERGY															
4,000,000	822582bs0	Shell International Fin Bv 1.875% Due 05-10-21	98.65	3,946,080	100.32	4,012,680	23,125	4,035,805	0.29	1.875	75,000	2.54	A+		
8,000,000	166764bg4	Chevron Corporation 2.100% Due 05-16-21	99.66	7,972,500	100.23	8,018,080	49,000	8,067,080	0.57	2.100	168,000	2.17	AA-		04-16-21
5,000,000	822582av4	Shell International Fin Bv 2.250% Due 01-06-23	99.62	4,981,000	103.56	5,177,900	17,187	5,195,087	0.37	2.250	112,500	2.36	A+		
				16,899,580		17,208,660	89,312	17,297,972	1.22		355,500	2.31			
FINANCIAL															
3,000,000	084670bq0	Berkshire Hathaway Inc Del 2.200% Due 03-15-21	99.07	2,972,196	100.07	3,002,220	30,433	3,032,653	0.21	2.200	66,000	2.51	AA		
5,000,000	89114qbg2	Toronto Dominion Bank 2.125% Due 04-07-21	99.09	4,954,350	100.19	5,009,500	42,500	5,052,000	0.36	2.125	106,250	2.42	AA-		
10,000,000	404280ay5	HSBC Holdings PLC 2.950% Due 05-25-21	100.21	10,020,650	100.60	10,060,100	78,667	10,138,767	0.72	2.950	295,000	2.88	A		
2,050,000	89114qb11	Toronto Dominion Bank 1.800% Due 07-13-21	96.31	1,974,273	100.57	2,061,726	4,920	2,066,646	0.15	1.800	36,900	3.05	AA-		
3,000,000	59217gbx6	Metropolitan Life Global Fdg I 1.950% Due 09-15-21	97.32	2,919,660	100.93	3,027,990	26,975	3,054,965	0.22	1.950	58,500	2.56	AA-		
5,000,000	2255012a8	Credit Suisse New York 2.100% Due 11-12-21	101.05	5,052,520	101.28	5,063,900	31,792	5,095,692	0.36	2.100	105,000	1.40	A+		
5,000,000	404280bf5	HSBC Holdings PLC 2.650% Due 01-05-22	99.79	4,989,400	101.97	5,098,450	20,611	5,119,061	0.36	2.650	132,500	2.70	A		
1,150,000	21688aaj1	Cooperatieve Rabobank UA/NY 2.750% Due 01-10-22	100.96	1,161,051	102.16	1,174,805	4,480	1,179,286	0.08	2.750	31,625	2.19	A+		
5,000,000	90351dah0	UBS Group Ag 2.650% Due 02-01-22	101.77	5,088,450	102.10	5,105,050	11,042	5,116,092	0.36	2.650	132,500	1.61	A-		
7,000,000	06051gfh7	Bank of America Corp 2.503% Due 10-21-22	99.74	6,981,920	101.37	7,095,830	63,270	7,159,100	0.50	2.503	175,210	2.58	A-		10-21-21
2,814,000	064159sh0	Bank Nova Scotia B C 2.000% Due 11-15-22	101.20	2,847,768	102.74	2,891,188	16,571	2,907,759	0.21	2.000	56,280	1.52	A-		
5,000,000	05253jaw1	Australia & New Zeala Bkg Grp NY 2.050% Due 11-21-22	102.03	5,101,450	102.99	5,149,450	28,472	5,177,922	0.37	2.050	102,500	1.24	AA-		
7,000,000	63254abc1	National Australia Bk/NY 1.875% Due 12-13-22	100.83	7,058,250	102.84	7,198,520	28,437	7,226,957	0.51	1.875	131,250	1.57	AA-		
2,000,000	90331hpf4	US Bank Assn Cincinnati Oh Mtn 1.950% Due 01-09-23	100.28	2,005,660	102.96	2,059,220	5,633	2,064,853	0.15	1.950	39,000	1.85	AA-		12-09-22
1,568,000	89788jab5	Truist Bank 1.250% Due 03-09-23	100.00	1,568,000	101.75	1,595,485	9,364	1,604,849	0.11	1.250	19,600	1.25	A		02-09-23
3,000,000	89114rj56	Toronto Dominion Bank 2.250% Due 04-16-23	100.00	3,000,000	99.70	2,990,880	8,437	2,999,317	0.21	2.250	67,500	2.26	A		04-16-21
5,000,000	06747pml0	Barclays Bank Plc 3.000% Due 10-17-23	100.00	5,000,000	101.18	5,059,200	55,833	5,115,033	0.36	3.000	150,000	3.00	A		04-17-22
5,000,000	06747mtd8	Barclays Bank Plc 3.150% Due 05-20-24	100.00	5,000,000	100.16	5,007,900	4,812	5,012,712	0.36	3.150	157,500	3.17	A		05-20-21
5,000,000	06406ra11	Bank New York Mellon Corp 2.100% Due 10-24-24	101.18	5,059,100	105.28	5,263,800	37,042	5,300,842	0.37	2.100	105,000	1.84	A		
5,000,000	78015k7c2	Royal Bank of Canada 2.250% Due 11-01-24	102.36	5,118,100	105.39	5,269,400	37,500	5,306,900	0.37	2.250	112,500	1.70	A		
2,500,000	64952wdl4	New York Life Global 2.000% Due 01-22-25	100.73	2,518,225	103.72	2,593,125	5,417	2,598,542	0.18	2.000	50,000	1.85	AA+		
5,005,000	064159tf3	Bank Nova Scotia B C 2.200% Due 02-03-25	101.85	5,097,643	104.28	5,219,414	8,564	5,227,978	0.37	2.200	110,110	1.79	A-		

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5,000,000	06747pkv0	Barclays Bank Plc 3.250% Due 04-08-25	100.00	5,000,000	103.41	5,170,350	64,549	5,234,899	0.37	3.250	162,500	3.25	A		04-08-23
4,000,000	06406ran7	Bank New York Mellon Corp 1.600% Due 04-24-25	102.41	4,096,520	102.69	4,107,760	22,578	4,130,338	0.29	1.600	64,000	1.10	A		03-24-25
3,000,000	78015k7h1	Royal Bank of Canada 1.150% Due 06-10-25	100.27	3,008,130	100.36	3,010,860	7,762	3,018,622	0.21	1.150	34,500	1.09	A		
5,000,000	064159v17	Bank Nova Scotia B C 1.300% Due 06-11-25	100.96	5,048,100	100.76	5,038,250	14,444	5,052,694	0.36	1.300	65,000	1.10	A-		
3,000,000	48130uuq6	JP Morgan Chase Financial Co Llc 1.000% Due 06-23-25	100.00	3,000,000	98.30	2,948,910	5,667	2,954,577	0.21	1.000	30,000	1.00	A-		03-23-21
5,000,000	00138can8	AIG Global Funding 0.900% Due 09-22-25	99.82	4,991,000	98.84	4,941,850	19,875	4,961,725	0.35	0.900	45,000	0.94	A+		
5,000,000	14913r2h9	Caterpillar Financial Services Corp 0.800% Due 11-13-25	100.27	5,013,700	98.70	4,935,200	12,000	4,947,200	0.35	0.800	40,000	0.74	A		
4,000,000	637639ae5	National Secs Clearing Corp 0.750% Due 12-07-25	100.34	4,013,460	98.68	3,947,200	7,000	3,954,200	0.28	0.750	30,000	0.68	AA+		11-07-25
5,000,000	48128gy53	JP Morgan Chase & Co 0.825% Due 12-22-25	100.00	5,000,000	98.33	4,916,650	7,906	4,924,556	0.35	0.825	41,250	0.82	A-		12-22-23
5,000,000	064159f84	Bank Nova Scotia B C 0.800% Due 12-30-25	100.00	5,000,000	96.74	4,837,150	6,778	4,843,928	0.34	0.800	40,000	0.80	A-		12-30-21
3,000,000	89114qcp1	Toronto Dominion Bank 0.750% Due 01-06-26	99.85	2,995,590	97.97	2,939,160	3,437	2,942,597	0.21	0.750	22,500	0.78	A		
5,000,000	78016ezm2	Royal Bank of Canada 0.875% Due 01-20-26	100.00	5,000,000	98.66	4,932,850	5,104	4,937,954	0.35	0.875	43,750	0.87	A		
3,000,000	22533ad53	Credit Agricole Cib Sa 0.900% Due 01-21-26	100.00	3,000,000	98.35	2,950,440	3,000	2,953,440	0.21	0.900	27,000	0.90	A+		01-21-22
5,000,000	48128g2y5	JP Morgan Chase & Co 1.000% Due 02-26-26	100.00	5,000,000	99.36	4,968,150	694	4,968,844	0.35	1.000	50,000	1.00	A-		02-26-23
5,000,000	14913r2k2	Caterpillar Financial Services Corp 0.900% Due 03-02-26	99.00	4,950,000	98.74	4,937,100	0	4,937,100	0.35	0.900	45,000	1.11	A		
				160,605,166		161,579,033	741,570	162,320,603	11.49		2,981,225	1.75			
HEALTHCARE															
3,000,000	91324pcu4	Unitedhealth Group Inc 2.125% Due 03-15-21	98.79	2,963,760	100.07	3,002,070	29,396	3,031,466	0.21	2.125	63,750	2.74	A+		
3,000,000	478160bn3	Johnson & Johnson 2.450% Due 12-05-21	98.38	2,951,400	101.67	3,050,040	17,558	3,067,598	0.22	2.450	73,500	2.93	AAA		
3,000,000	532457bq0	Eli Lilly & Co 2.350% Due 05-15-22	100.89	3,026,670	102.47	3,074,130	20,758	3,094,888	0.22	2.350	70,500	2.16	A+		
3,000,000	66989ham0	Novartis Capital Corp 2.400% Due 05-17-22	98.69	2,960,790	102.38	3,071,310	20,800	3,092,110	0.22	2.400	72,000	2.82	AA-		04-17-22
5,000,000	717081ex7	Pfizer Inc 0.800% Due 05-28-25	99.85	4,992,700	100.00	5,000,100	10,333	5,010,433	0.36	0.800	40,000	0.83	A+		04-28-25
4,000,000	478160cn2	Johnson & Johnson 0.550% Due 09-01-25	99.75	3,989,960	98.92	3,956,800	11,367	3,968,167	0.28	0.550	22,000	0.61	AAA		08-01-25
5,000,000	58933yay1	Merck & Co. Inc 0.750% Due 02-24-26	99.75	4,987,750	99.26	4,963,100	729	4,963,829	0.35	0.750	37,500	0.80	AA-		01-24-26
				25,873,030		26,117,550	110,942	26,228,492	1.86		379,250	1.65			
INFORMATION TECHNOLOGY															
2,000,000	037833cc2	Apple Inc 1.550% Due 08-04-21	99.86	1,997,220	100.36	2,007,220	2,325	2,009,545	0.14	1.550	31,000	1.58	AA+		07-04-21
10,000,000	68389xbk0	Oracle Corp 1.900% Due 09-15-21	99.36	9,935,700	100.75	10,074,900	87,611	10,162,511	0.72	1.900	190,000	2.04	A		08-15-21
4,900,000	459200jq5	IBM Corporation 2.500% Due 01-27-22	100.47	4,922,981	102.04	4,999,813	11,569	5,011,382	0.36	2.500	122,500	2.40	A		

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City of Sacramento
PORTFOLIO APPRAISAL
City Investment Pool A
 February 28, 2021

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
4,000,000	594918ba1	Microsoft Corp 2.375% Due 02-12-22	99.92	3,997,000	101.88	4,075,400	5,014	4,080,414	0.29	2.375	95,000	2.39	AAA		01-12-22
5,000,000	68389xbb0	Oracle Corp 2.500% Due 05-15-22	99.82	4,990,850	102.29	5,114,450	36,806	5,151,256	0.36	2.500	125,000	2.56	A		03-15-22
5,000,000	44932hac7	IBM Corporation 2.200% Due 09-08-22	99.33	4,966,650	102.86	5,143,200	52,861	5,196,061	0.37	2.200	110,000	2.40	A	c	03-26-21
5,000,000	037833dc1	Apple Inc 2.100% Due 09-12-22	99.49	4,974,600	102.56	5,127,850	49,292	5,177,142	0.36	2.100	105,000	2.21	AA+		08-12-22
5,000,000	68389xbl8	Oracle Corp 2.400% Due 09-15-23	97.72	4,886,100	104.83	5,241,600	55,333	5,296,933	0.37	2.400	120,000	2.94	A		07-15-23
5,000,000	037833dm9	Apple Inc 1.800% Due 09-11-24	99.50	4,975,150	104.39	5,219,650	42,500	5,262,150	0.37	1.800	90,000	1.91	AA+		08-11-24
4,000,000	882508bh6	Texas Instruments Inc 1.375% Due 03-12-25	101.15	4,046,080	102.23	4,089,120	25,819	4,114,939	0.29	1.375	55,000	1.13	A+		02-12-25
5,000,000	037833dt4	Apple Inc 1.125% Due 05-11-25	101.06	5,052,940	100.82	5,041,000	17,187	5,058,187	0.36	1.125	56,250	0.90	AA+		04-11-25
5,000,000	037833eb2	Apple Inc 0.700% Due 02-08-26	99.96	4,998,040	98.58	4,929,250	2,236	4,931,486	0.35	0.700	35,000	0.71	AA+		01-08-26
				59,743,311		61,063,453	388,554	61,452,007	4.34		1,134,750	1.97			
TRANSPORTATION															
2,495,000	097023bt1	Boeing Co 2.125% Due 03-01-22	98.71	2,462,814	100.92	2,517,854	26,509	2,544,364	0.18	2.125	53,019	2.61	BBB-		02-01-22
3,000,000	911312bc9	United Parcel Service Inc 2.350% Due 05-16-22	99.49	2,984,850	102.37	3,071,160	20,562	3,091,722	0.22	2.350	70,500	2.59	A		04-16-22
1,190,000	097023bn4	Boeing Co 2.200% Due 10-30-22	97.87	1,164,677	102.02	1,214,026	8,799	1,222,825	0.09	2.200	26,180	2.84	BBB-		08-30-22
5,000,000	097023bq7	Boeing Co 1.875% Due 06-15-23	97.59	4,879,500	101.95	5,097,550	19,792	5,117,342	0.36	1.875	93,750	2.51	BBB-		04-15-23
4,000,000	911312bt2	United Parcel Service Inc 2.200% Due 09-01-24	100.93	4,037,080	105.23	4,209,080	44,000	4,253,080	0.30	2.200	88,000	2.00	A		08-01-24
				15,528,921		16,109,670	119,663	16,229,333	1.15		331,449	2.43			
				359,769,230		363,838,435	1,770,302	365,608,737	25.86		6,502,791	1.79			
SUPRANATIONALS															
Not Classified															
5,000,000	459058dy6	International Bk Recon & Develop 1.625% Due 02-10-22	98.45	4,922,700	101.34	5,067,220	4,740	5,071,960	0.36	1.625	81,250	2.00	AAA		
5,000,000	459058je4	International Bk Recon & Develop 0.375% Due 07-28-25	99.37	4,968,615	98.13	4,906,697	1,719	4,908,416	0.35	0.375	18,750	0.51	AAA		
5,000,000	459058jl8	International Bk Recon & Develop 0.500% Due 10-28-25	99.89	4,994,350	98.21	4,910,539	8,542	4,919,081	0.35	0.500	25,000	0.52	AAA		
5,000,000	45905u5y6	International Bk Recon & Develop 0.600% Due 02-18-26	100.00	5,000,000	98.16	4,907,873	1,083	4,908,957	0.35	0.600	30,000	0.60	AAA		03-21-21
				19,885,665		19,792,330	16,083	19,808,413	1.41		155,000	0.92			
				19,885,665		19,792,330	16,083	19,808,413	1.41		155,000	0.92			
VARIABLE RATE SECURITIES															
Not Classified															
5,000,000	48128gd80	JP Morgan Chase Bank Na 0.944% Due 08-16-21	100.00	5,000,000	100.10	5,004,950	1,966	5,006,916	0.36	0.944	47,187	2.13	A-		
3,000,000	78012kl88	Royal Bank of Canada 0.695% Due 05-05-22	100.00	3,000,000	99.92	2,997,690	1,506	2,999,196	0.21	0.695	20,854	1.84	AA-		
4,600,000	78014rcy4	Royal Bank of Canada 1.000% Due 06-08-22	100.00	4,600,000	100.27	4,612,512	10,606	4,623,118	0.33	1.000	46,000	1.00	AA-		

City of Sacramento
PORTFOLIO APPRAISAL
City Investment Pool A
February 28, 2021

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
5,000,000	89114qld8	Toronto Dominion Bank 0.598% Due 02-15-23	100.00	5,000,000	99.01	4,950,700	1,328	4,952,028	0.35	0.598	29,881	1.51	AA-		
3,000,000	06746xan3	Barclays Bank Plc 1.416% Due 05-24-23	100.00	3,000,000	99.90	2,997,069	826	2,997,895	0.21	1.416	42,480	2.30	A		
3,000,000	06367wl84	Bank of Montreal 1.100% Due 06-02-23	100.00	3,000,000	101.34	3,040,230	8,067	3,048,297	0.22	1.100	33,000	1.10			
3,000,000	06746xfe8	Barclays Bank Plc 0.930% Due 06-29-23	100.00	3,000,000	99.98	2,999,480	4,805	3,004,285	0.21	0.930	27,900	2.18	A		
3,000,000	06368ec59	Bank of Montreal 0.300% Due 12-29-23	99.55	2,986,500	99.44	2,983,350	1,400	2,984,750	0.21	0.300	9,000	0.56			12-29-21
5,000,000	89236tgh2	Toyota Motor Credit Corp 2.150% Due 09-27-24	100.00	5,000,000	100.16	5,008,100	45,986	5,054,086	0.36	2.150	107,500	2.33	AA-		09-27-21
5,000,000	78014rch1	Royal Bank of Canada 2.000% Due 02-27-25	100.00	5,000,000	100.55	5,027,600	1,111	5,028,711	0.36	2.000	100,000	2.05	A		02-27-22
4,000,000	89114rja5	Toronto Dominion Bank 2.000% Due 04-27-25	99.90	3,996,000	96.79	3,871,680	7,556	3,879,236	0.28	2.000	80,000	2.41	A		04-27-21
5,000,000	3130akln4	Federal Home Loan Bank 0.200% Due 10-14-25	100.00	5,000,000	99.11	4,955,300	1,306	4,956,606	0.35	0.200	10,000	0.67	AA+		01-14-22
2,708,000	06048wk25	Bank of America Corp 0.750% Due 10-30-25	99.95	2,706,646	96.40	2,610,431	1,749	2,612,180	0.19	0.750	20,310	0.86	A-		10-30-21
5,000,000	06048wk41	Bank of America Corp 0.650% Due 11-25-25	99.85	4,992,500	98.06	4,903,000	542	4,903,542	0.35	0.650	32,500	0.83	A-		11-25-21
5,000,000	06048wk66	Bank of America Corp 0.650% Due 12-23-25	100.00	5,000,000	99.09	4,954,450	6,139	4,960,589	0.35	0.650	32,500	0.80	A-		12-23-21
5,000,000	06048wk82	Bank of America Corp 0.600% Due 01-26-26	99.42	4,971,250	97.82	4,890,950	2,917	4,893,867	0.35	0.600	30,000	0.86	A-		01-26-22
5,000,000	3130aktt3	Federal Home Loan Bank 0.300% Due 01-29-26	100.00	5,000,000	98.83	4,941,700	1,333	4,943,033	0.35	0.300	15,000	0.59	AA+		07-29-21
5,000,000	3130aljk1	Federal Home Loan Bank 0.300% Due 03-23-26	100.00	5,000,000	99.99	4,999,300	0	4,999,300	0.36	0.300	15,000	0.89	AA+		12-23-21
				<u>76,252,896</u>		<u>75,748,492</u>	<u>99,141</u>	<u>75,847,634</u>	<u>5.38</u>		<u>699,113</u>	<u>1.36</u>			
				76,252,896		75,748,492	99,141	75,847,634	5.38		699,113	1.36			
TOTAL PORTFOLIO				1,404,505,366		1,406,816,883	2,904,837	1,409,721,720	100.00		14,236,605	1.02			

City of Sacramento
PURCHASE AND SALE
City Investment Pool A
From 02-01-21 To 02-28-21

Trade Date	Settle Date	Sec Type Code	Security Symbol	Cusip	Quantity	Security	S & P	Unit Price	Amount
PURCHASES									
02-08-21	02-10-21	cbus	037833eb2	037833EB2	5,000,000	Apple Inc 0.700% Due 02-08-26	AA+	100	4,998,040
02-08-21	02-24-21	flus	3130al6j8	3130AL6J8	5,000,000	Federal Home Loan Bank 0.625% Due 02-24-26	AA+	100	5,000,000
02-08-21	02-18-21	snus	45905u5y6	45905U5Y6	5,000,000	International Bk Recon & Develop 0.600% Due 02-18-26	AAA	100	5,000,000
02-09-21	02-11-21	cbus	141781bn3	141781BN3	5,000,000	Cargill Inc 0.750% Due 02-02-26	A	100	4,984,150
02-09-21	02-25-21	flus	3130alae4	3130ALAE4	5,000,000	Federal Home Loan Bank 0.580% Due 02-25-26	AA+	100	5,000,000
02-09-21	02-17-21	frus	3133emqx3	3133EMQX3	5,000,000	Federal Farm Credit Bank 0.590% Due 02-17-26	AA+	100	5,000,000
02-10-21	02-24-21	flus	3130al7m0	3130AL7M0	5,000,000	Federal Home Loan Bank 0.625% Due 02-24-26	AA+	100	5,000,000
02-10-21	02-24-21	mbus	880558nu1	880558NU1	1,865,000.00	Tennessee St Sch Bd Auth 0.627% Due 11-01-25	AA+	100	1,865,000
02-11-21	02-16-21	cbus	14913r2h9	14913R2H9	5,000,000	Caterpillar Financial Services Corp 0.800% Due 11-13-25	A	100	5,013,700
02-11-21	02-12-21	cpus	06742v4w8	06742V4W8	5,000,000	Barclays Bank Plc 0.240% Due 11-02-21	A1	100	4,991,233
02-12-21	02-24-21	flus	3130al5x8	3130AL5X8	5,000,000	Federal Home Loan Bank 0.650% Due 02-24-26	AA+	100	5,000,000
02-16-21	02-18-21	cbus	641062ar5	641062AR5	1,850,000	Nestle Holdings Inc 0.625% Due 01-15-26	AA-	99	1,839,122
02-16-21	02-18-21	vrus	06048wk82	06048WK82	5,000,000	Bank of America Corp 0.600% Due 01-26-26	A-	99	4,971,250
02-17-21	02-19-21	cbus	00138can8	00138CAN8	5,000,000	AIG Global Funding 0.900% Due 09-22-25	A+	100	4,991,000
02-17-21	02-19-21	cbus	78016ezm2	78016EZM2	5,000,000	Royal Bank of Canada 0.875% Due 01-20-26	A	100	5,000,000
02-18-21	02-25-21	feus	31422xbn1	31422XBN1	3,000,000	Farmer Mac 0.690% Due 02-25-26		100	3,000,000
02-19-21	03-09-21	feus	31422xbt8	31422XBT8	3,000,000	Farmer Mac 0.700% Due 12-17-25		100	3,000,000
02-19-21	03-16-21	flus	3130aleh3	3130ALEH3	5,000,000	Federal Home Loan Bank 0.700% Due 03-16-26	AA+	100	5,000,000
02-22-21	02-26-21	cdus	05600xcf5	05600XCF5	5,000,000	BMO Harris Bank 0.750% Due 02-26-26		100	5,000,000
02-22-21	03-10-21	flus	3130algs7	3130ALGS7	5,000,000	Federal Home Loan Bank 0.850% Due 03-10-26	AA+	100	5,000,000
02-23-21	02-25-21	cbus	58933yay1	58933YAY1	5,000,000	Merck & Co. Inc 0.750% Due 02-24-26	AA-	100	4,987,750
02-24-21	02-26-21	cbus	48128g2y5	48128G2Y5	5,000,000	JP Morgan Chase & Co 1.000% Due 02-26-26	A-	100	5,000,000

City of Sacramento
PURCHASE AND SALE
City Investment Pool A
From 02-01-21 To 02-28-21

Trade Date	Settle Date	Sec Type Code	Security Symbol	Cusip	Quantity	Security	S & P	Unit Price	Amount
02-24-21	03-03-21	frus	3133emsh6	3133EMSH6	5,000,000	Federal Farm Credit Bank 0.790% Due 03-03-26	AA+	100	5,000,000
02-24-21	03-02-21	frus	3133emsk9	3133EMSK9	5,000,000	Federal Farm Credit Bank 0.840% Due 03-02-26	AA+	100	4,996,250
02-24-21	02-25-21	gbus	91282cbh3	91282CBH3	5,000,000	U.S. Treasury Note 0.375% Due 01-31-26	AA+	99	4,941,406
02-24-21	03-10-21	mbus	91412hjk0	91412HJK0	1,500,000.00	University Calif Revenue Bonds 0.367% Due 05-15-24	AA	100	1,500,000
02-24-21	03-10-21	mbus	91412hjl8	91412HJL8	1,000,000.00	University Calif Revenue Bonds 0.670% Due 05-15-25	AA	100	1,000,000
02-25-21	03-01-21	cbus	14913r2k2	14913R2K2	5,000,000	Caterpillar Financial Services Corp 0.900% Due 03-02-26	A	99	4,950,000
02-25-21	03-01-21	gbus	91282cbq3	91282CBQ3	5,000,000	U.S. Treasury Note 0.500% Due 02-28-26	AA+	99	4,950,391
02-25-21	03-01-21	gbus	91282cbq3	91282CBQ3	5,000,000	U.S. Treasury Note 0.500% Due 02-28-26	AA+	99	4,938,281
02-25-21	03-01-21	gbus	91282cbq3	91282CBQ3	5,000,000	U.S. Treasury Note 0.500% Due 02-28-26	AA+	98	4,924,219
02-25-21	03-23-21	vrus	3130aljk1	3130ALJK1	5,000,000	Federal Home Loan Bank 0.300% Due 03-23-26	AA+	100	5,000,000
02-26-21	03-02-21	cbus	24422evk2	24422EVK2	5,000,000	John Deere Capital Corp 0.700% Due 01-15-26	A	98	4,915,250
02-26-21	02-26-21	cpus	05970rya7	05970RYA7	10,000,000	Banco Santander SA 0.230% Due 11-10-21	A1	100	9,983,581
02-26-21	03-17-21	flus	3130aljy1	3130ALJY1	5,000,000	Federal Home Loan Bank 1.000% Due 03-17-26	AA+	100	5,000,000
									161,740,623
SALES									
02-04-21	02-04-21	frus	3133ellk8	3133ELLK8	3,000,000	Federal Farm Credit Bank 1.790% Due 02-04-25	AA+	100	3,000,000
02-09-21	02-09-21	cpus	83369bp91	83369BP91	10,000,000	Societe Generale 0.450% Due 02-09-21	A1	100	9,967,875
02-10-21	02-10-21	vrus	06048wh45	06048WH45	5,000,000	Bank of America Corp 2.125% Due 02-10-25	A-	100	5,000,000
02-18-21	02-18-21	fhus	3134gvcc0	3134GVCC0	5,000,000	Freddie Mac 1.750% Due 02-18-25	AA+	100	5,000,000
02-18-21	02-18-21	fhus	3134gwhu3	3134GWHU3	3,000,000	Freddie Mac 0.700% Due 08-18-25	AA+	100	3,000,000
02-18-21	02-18-21	flus	3130a7cv5	3130A7CV5	3,000,000	Federal Home Loan Bank 1.375% Due 02-18-21	AA+	100	3,000,000
02-18-21	02-18-21	vrus	06747pbp3	06747PBP3	5,000,000	Barclays Bank Plc 2.100% Due 02-18-25	A	100	5,000,000
02-18-21	02-18-21	vrus	46625hqq9	46625HQQ9	10,875,000	JP Morgan Chase Bank Na 1.705% Due 03-01-21	A-	100	10,875,000

City of Sacramento
PURCHASE AND SALE
City Investment Pool A
From 02-01-21 To 02-28-21

Trade Date	Settle Date	Sec Type Code	Security Symbol	Cusip	Quantity	Security	S & P	Unit Price	Amount
02-19-21	02-19-21	cbus	17325fav0	17325FAV0	3,000,000	Citibank NA 3.165% Due 02-19-22	A+	100	3,000,000
02-24-21	02-24-21	cdus	53947cfa1	53947CFA1	10,000,000	Lloyds Bank Corp Mkts/NY 0.460% Due 02-24-21	A1	100	10,000,000
02-25-21	02-25-21	fmus	3136g4s46	3136G4S46	5,000,000	Fannie Mae 0.700% Due 08-25-25	AA+	100	5,000,000
02-26-21	02-26-21	vrus	22533ac21	22533AC21	5,000,000	Credit Agricole Cib Sa 2.200% Due 02-28-25	A+	100	5,000,000
									67,842,875

Capitol Area Development Authority

CAPITOL AREA DEVELOPMENT AUTHORITY

MONTHLY REVIEW – FEBRUARY 2021

STRATEGY

The CADA funds are invested in the City of Sacramento's Pool A investment fund. The Fund is invested pursuant to the objectives and requirements set forth in the City's investment policy. The three objectives of the investment policy, in order of priority, are (1) the preservation of capital by the investment in safe instruments, (2) the liquidity needs of the City and pool participants so such parties will have access to cash when they need it, and (3) the maximizing of current income while remaining consistent with the other more important objectives. The City's investment policy incorporates applicable provisions of state law including, among other things, the prudent person standard and California Code Section 53601 pertaining to eligible investments.

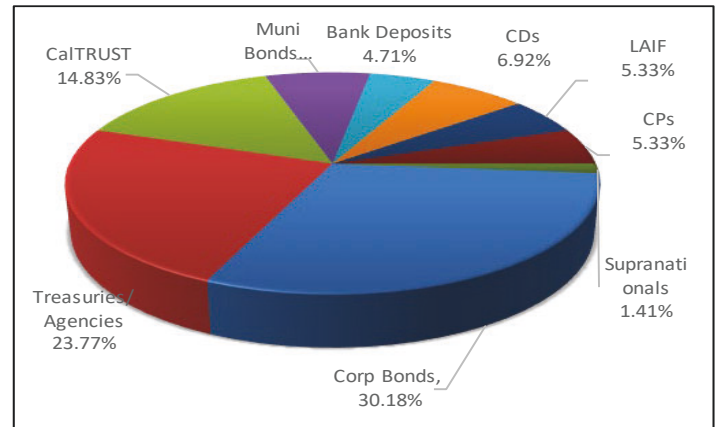
PORTFOLIO STATISTICS

Beginning Balance	20,682,802
Contributions	0
Withdrawals	0
Interest Earned	17,336
Ending Balance	20,700,138

PERFORMANCE COMPARISON

City Pool A	1.09%
LAIF	0.41%
90 Day T-Bill	0.03%
Federal Funds	0.08%

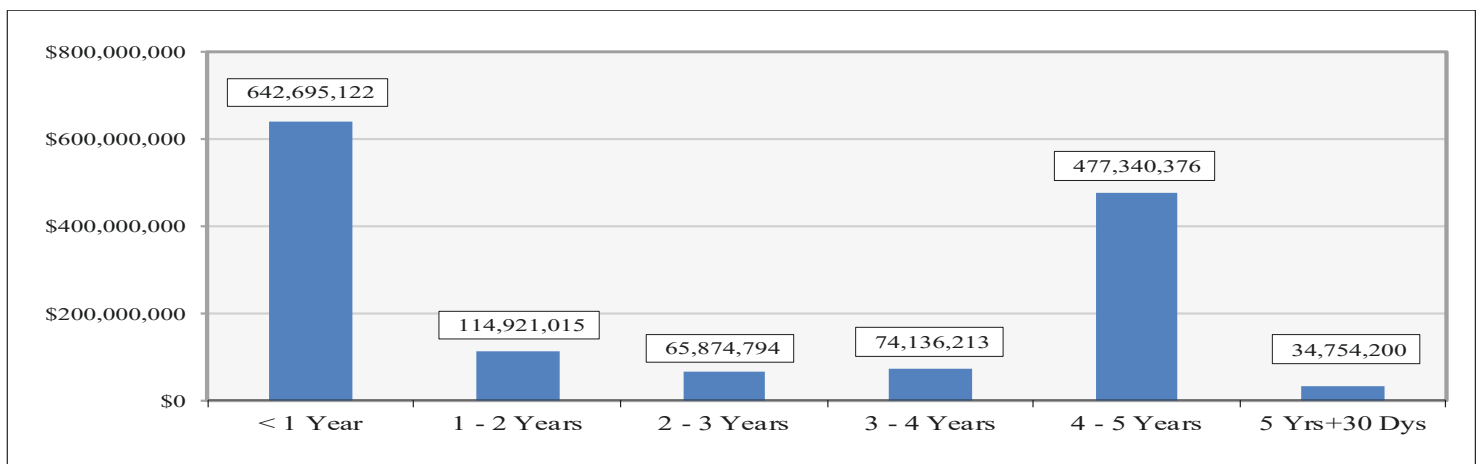
CITY POOL A PORTFOLIO COMPOSITION



CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	642,695,122	45.59%
1 - 2 Years	114,921,015	8.15%
2 - 3 Years	65,874,794	4.67%
3 - 4 Years	74,136,213	5.26%
4 - 5 Years	477,340,376	33.86%
5 Yrs+30 Dys	34,754,200	2.47%
Total	1,409,721,720	100.00%

Asset Type	Pct. Assets	YTM
Corp Bonds	30.18%	1.73%
Treasuries/Agencies	23.77%	0.71%
CalTRUST	14.83%	0.39%
Muni Bonds	7.52%	1.81%
Bank Deposits	4.71%	0.43%
CDs	6.92%	0.78%
LAIF	5.33%	0.41%
CPs	5.33%	0.26%
Supranationals	1.41%	0.92%



City of Sacramento
CASH LEDGER
Capitol Area Development Authority - Banking
From 02-01-21 To 02-28-21

All Cash Accounts

Trade Date	Settle Date	Tran Code	Quantity	Security	Amount	Cash Balance
Pool A Interest Receivable						
02-01-21				Beginning Balance		160,359.18
02-28-21	02-28-21	in		Pool A Cash	17,335.89	177,695.07
				Feb 2021 estimated Pool A interest		
					17,335.89	
02-28-21				Ending Balance		177,695.07
Pool A Cash						
02-01-21				Beginning Balance		20,522,442.75
02-28-21				Ending Balance		20,522,442.75

CAPITOL AREA DEVELOPMENT AUTHORITY – TAX EXEMPT

MONTHLY REVIEW – FEBRUARY 2021

STRATEGY

The CADA funds are invested in the City of Sacramento's Pool A investment fund. The Fund is invested pursuant to the objectives and requirements set forth in the City's investment policy. The three objectives of the investment policy, in order of priority, are (1) the preservation of capital by the investment in safe instruments, (2) the liquidity needs of the City and pool participants so such parties will have access to cash when they need it, and (3) the maximizing of current income while remaining consistent with the other more important objectives. The City's investment policy incorporates applicable provisions of state law including, among other things, the prudent person standard and California Code Section 53601 pertaining to eligible investments.

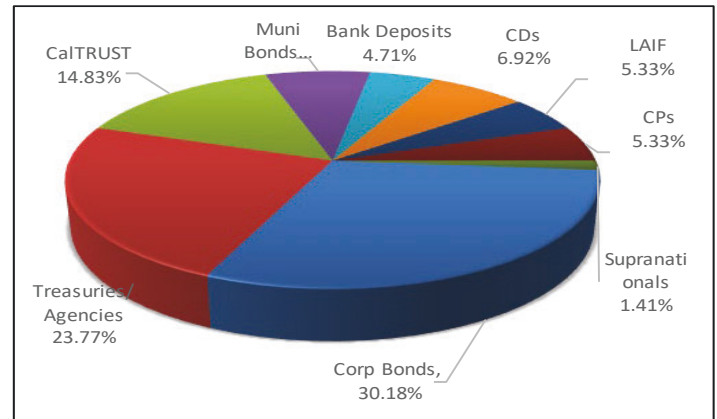
PORTFOLIO STATISTICS

Beginning Balance	38,948
Contributions	0
Withdrawals	0
Interest Earned	33
Ending Balance	38,981

PERFORMANCE COMPARISON

City Pool A	1.09%
LAIF	0.41%
90 Day T-Bill	0.03%
Federal Funds	0.08%

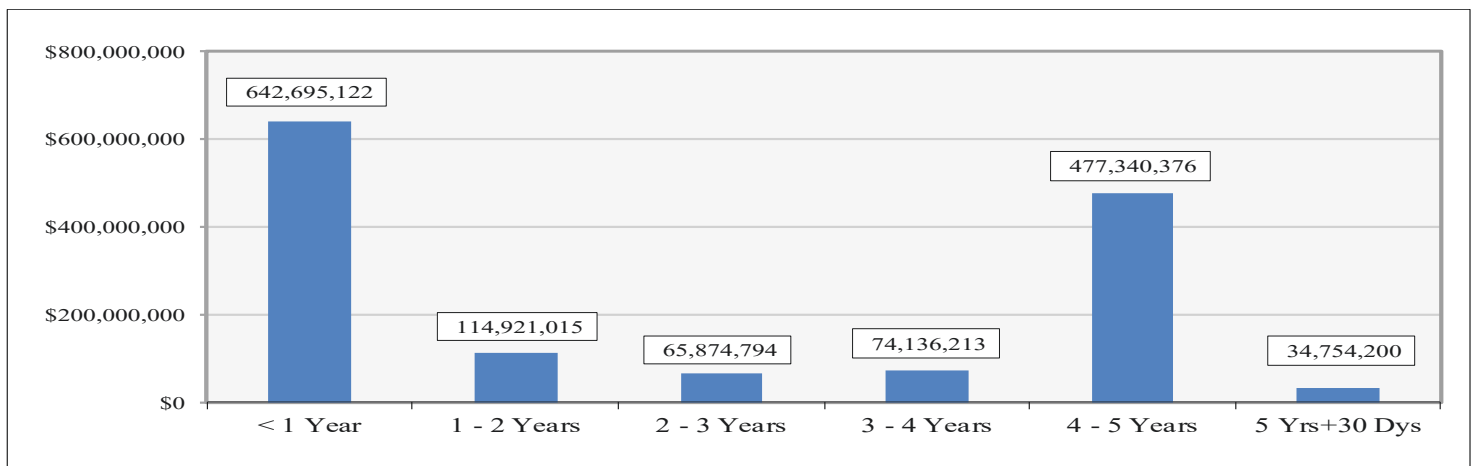
CITY POOL A PORTFOLIO COMPOSITION



CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	642,695,122	45.59%
1 - 2 Years	114,921,015	8.15%
2 - 3 Years	65,874,794	4.67%
3 - 4 Years	74,136,213	5.26%
4 - 5 Years	477,340,376	33.86%
5 Yrs+30 Dys	34,754,200	2.47%
Total	1,409,721,720	100.00%

Asset Type	Pct. Assets	YTM
Corp Bonds	30.18%	1.73%
Treasuries/Agencies	23.77%	0.71%
CalTRUST	14.83%	0.39%
Muni Bonds	7.52%	1.81%
Bank Deposits	4.71%	0.43%
CDs	6.92%	0.78%
LAIF	5.33%	0.41%
CPs	5.33%	0.26%
Supranationals	1.41%	0.92%



City of Sacramento
CASH LEDGER
Capitol Area Development Authority - Tax Exempt
From 02-01-21 To 02-28-21

All Cash Accounts

Trade Date	Settle Date	Tran Code	Quantity	Security	Amount	Cash Balance
Pool A Interest Receivable						
02-01-21				Beginning Balance		301.97
02-28-21	02-28-21	in		Pool A Cash	32.65	334.62
				Feb 2021 estimated Pool A interest		
					<u>32.65</u>	
02-28-21				Ending Balance		334.62
Pool A Cash						
02-01-21				Beginning Balance		38,645.57
02-28-21				Ending Balance		38,645.57

CAPITOL AREA DEVELOPMENT AUTHORITY – TAXABLE

MONTHLY REVIEW – FEBRUARY 2021

STRATEGY

The CADA funds are invested in the City of Sacramento's Pool A investment fund. The Fund is invested pursuant to the objectives and requirements set forth in the City's investment policy. The three objectives of the investment policy, in order of priority, are (1) the preservation of capital by the investment in safe instruments, (2) the liquidity needs of the City and pool participants so such parties will have access to cash when they need it, and (3) the maximizing of current income while remaining consistent with the other more important objectives. The City's investment policy incorporates applicable provisions of state law including, among other things, the prudent person standard and California Code Section 53601 pertaining to eligible investments.

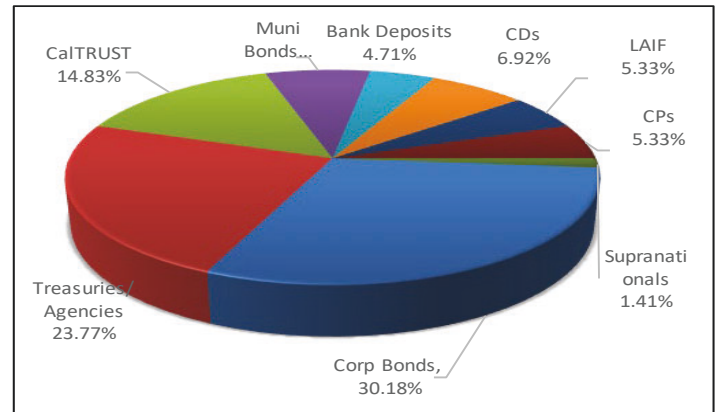
PORTFOLIO STATISTICS

Beginning Balance	265,514
Contributions	0
Withdrawals	0
Interest Earned	223
Ending Balance	265,737

PERFORMANCE COMPARISON

City Pool A	1.09%
LAIF	0.41%
90 Day T-Bill	0.03%
Federal Funds	0.08%

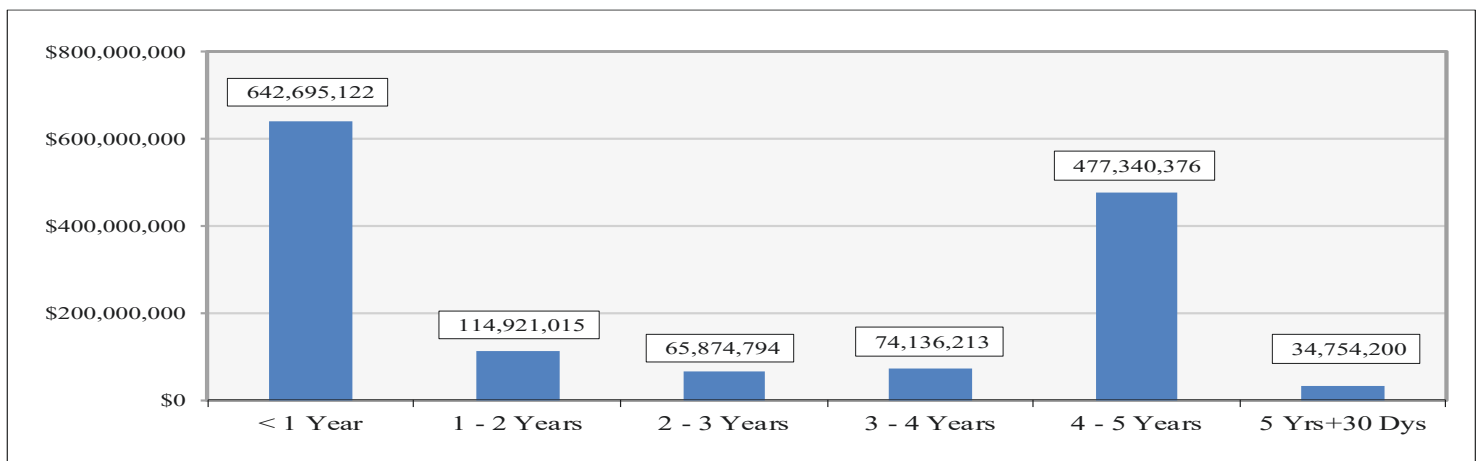
CITY POOL A PORTFOLIO COMPOSITION



CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	642,695,122	45.59%
1 - 2 Years	114,921,015	8.15%
2 - 3 Years	65,874,794	4.67%
3 - 4 Years	74,136,213	5.26%
4 - 5 Years	477,340,376	33.86%
5 Yrs+30 Dys	34,754,200	2.47%
Total	1,409,721,720	100.00%

Asset Type	Pct. Assets	YTM
Corp Bonds	30.18%	1.73%
Treasuries/Agencies	23.77%	0.71%
CalTRUST	14.83%	0.39%
Muni Bonds	7.52%	1.81%
Bank Deposits	4.71%	0.43%
CDs	6.92%	0.78%
LAIF	5.33%	0.41%
CPs	5.33%	0.26%
Supranationals	1.41%	0.92%



City of Sacramento
CASH LEDGER
Capitol Area Development Authority - Taxable
From 02-01-21 To 02-28-21

All Cash Accounts

<u>Trade Date</u>	<u>Settle Date</u>	<u>Tran Code</u>	<u>Quantity</u>	<u>Security</u>	<u>Amount</u>	<u>Cash Balance</u>
Pool A Interest Receivable						
02-01-21				Beginning Balance		2,058.58
02-28-21	02-28-21	in		Pool A Cash	222.55	2,281.13
				Feb 2021 estimated Pool A interest		
					<u>222.55</u>	
02-28-21				Ending Balance		2,281.13
Pool A Cash						
02-01-21				Beginning Balance		263,455.39
02-28-21				Ending Balance		263,455.39

CAPITOL AREA DEVELOPMENT AUTHORITY – 2020 TAXABLE BOND PROCEEDS

MONTHLY REVIEW – FEBRUARY 2021

STRATEGY

The CADA funds are invested in the City of Sacramento's Pool A investment fund. The Fund is invested pursuant to the objectives and requirements set forth in the City's investment policy. The three objectives of the investment policy, in order of priority, are (1) the preservation of capital by the investment in safe instruments, (2) the liquidity needs of the City and pool participants so such parties will have access to cash when they need it, and (3) the maximizing of current income while remaining consistent with the other more important objectives. The City's investment policy incorporates applicable provisions of state law including, among other things, the prudent person standard and California Code Section 53601 pertaining to eligible investments.

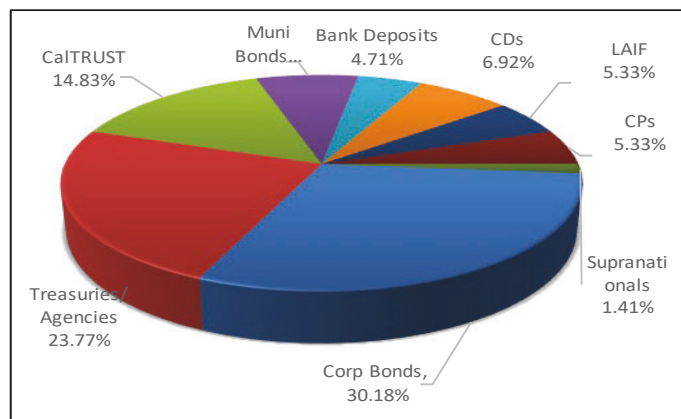
PORTFOLIO STATISTICS

Beginning Balance	30,053,294
Contributions	0
Withdrawals	0
Interest Earned	25,190
Ending Balance	30,078,484

PERFORMANCE COMPARISON

City Pool A	1.09%
LAIF	0.41%
90 Day T-Bill	0.03%
Federal Funds	0.08%

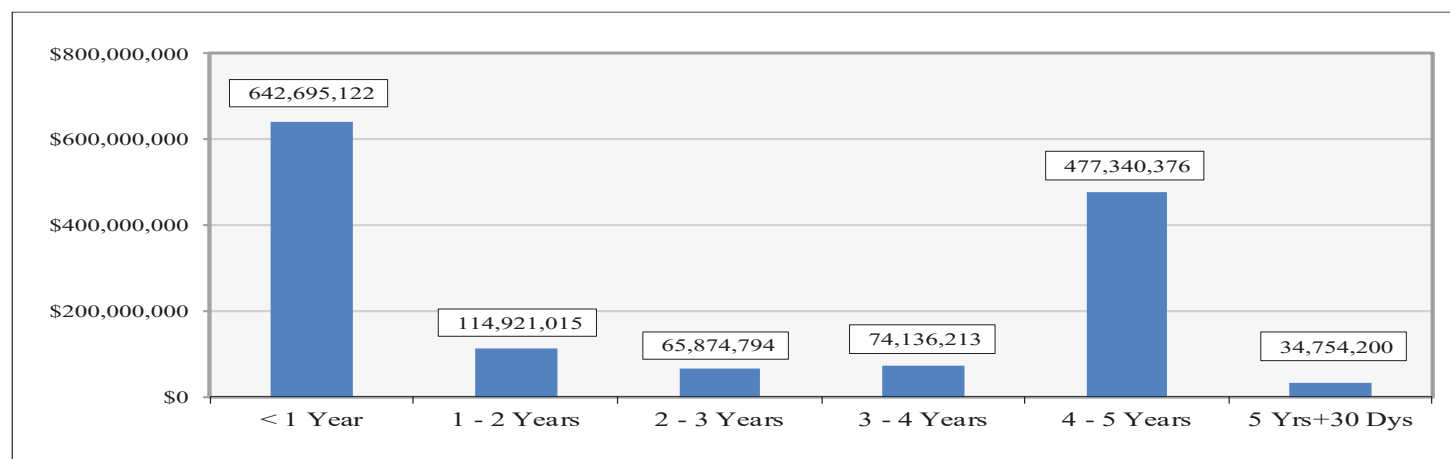
CITY POOL A PORTFOLIO COMPOSITION



CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	642,695,122	45.59%
1 - 2 Years	114,921,015	8.15%
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Total	1,409,721,720	100.00%

Asset Type	Pct. Assets	YTM
Corp Bonds	30.18%	1.73%
Treasuries/Agencies	23.77%	0.71%
CalTRUST	14.83%	0.39%
Muni Bonds	7.52%	1.81%
Bank Deposits	4.71%	0.43%
CDs	6.92%	0.78%
LAIF	5.33%	0.41%
CPs	5.33%	0.26%
Supranationals	1.41%	0.92%



City of Sacramento
CASH LEDGER
CADA 2020 Taxable Bond Proceeds
From 02-01-21 To 02-28-21

All Cash Accounts

Trade Date	Settle Date	Tran Code	Quantity	Security	Amount	Cash Balance
Pool A Interest Receivable						
02-01-21				Beginning Balance		53,294.14
02-28-21	02-28-21	in		Pool A Cash	25,190.05	78,484.19
				Feb 2021 estimated Pool A interest		
					25,190.05	
02-28-21				Ending Balance		78,484.19
Pool A Cash						
02-01-21				Beginning Balance		30,000,000.00
02-28-21				Ending Balance		30,000,000.00