Board of Directors

Ann Bailey, Chair Bob Lagomarsino, Vice-Chair Emily Baime Michaels, Member Nick Avdis, Member VACANT, Member Tara Gandara, 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: <u>www.cadanet.org</u>

AGENDA REGULAR MEETING

THE CAPITOL AREA DEVELOPMENT AUTHORITY BOARD OF DIRECTORS

FRIDAY, JANUARY 14, 2022 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/u/acmxhQbp2e Meeting ID: 871 2287 8225 To Request Meeting Password or Submit Written Public Comments (prior to start of meeting): tgandara@cadanet.org

- 1. Roll Call
- 2. Approval of Minutes: December 10, 2021
- 3. Chair's Oral Report
- 4. Executive Director's Oral Report
- 5. Audited Financial Statements Fiscal Year 2020-2021
 - *Recommended Action:* Adopt resolutions accepting and releasing financial reports audited by Cohn Reznick LLP.

Contact: Noelle Mussen, Finance Director

6. Mid-Year Capital Improvements Program (CIP) Update

Recommended Action: For review and information only.

Contact: Russ Juneau, Facilities Manager Frank Czajka, Construction Manager

7. Cypress Disposition and Development Agreement (14th & N Project, Formerly Site 21)

Recommended Action: Staff recommends that the Board adopt a resolution that authorizes the Executive Director to execute the Disposition and Development Agreement (DDA) with West Broadway 2019 Investments LLC.

Contact: Renee Funston, Development Manager Tom Kigar, Special Projects Director Wendy Saunders, Executive Director



8. Envision O Street Plan Construction Documents 900 Block – Approval of Contract (7th to 17th Streets)

Recommended Action: Staff recommends the Board authorize the Executive Director to enter into a contract with Atlas Lab to prepare construction drawings for the 900 block of O Street.

Contact: Marc de la Vergne, Deputy Executive Director

9. Retired Annuitant Appointment – Diana Rutley

Recommended Action: Staff recommends that the Board adopt a resolution entitled "Retired Annuitant Appointment" which authorizes the appointment of Diana Rutley as a Retired Annuitant effective on or around January 17, 2022.

Contact: Jill Azevedo, Human Resources

CONSENT CALENDAR (ITEM 10-11)

Items listed on the Consent Calendar are considered and acted upon by one motion. A member of the Board or staff may request an item be removed for separate consideration.

10. Authorization of Teleconference Meetings of CADA Legislative Bodies Pursuant to the Ralph M. Brown Act

Recommended Action: Adopt resolution Ratifying the Proclamation of a State of Emergency by Governor Gavin Newsom (March 4, 2020) as Applicable in CADA's Jurisdiction and Authorizing Teleconference Meetings of CADA Legislative Bodies Pursuant to the Ralph M. Brown Act

Contact: Tara Gandara, Contracts and Office Manager/Board Secretary

11. Employee Handbook Addendum – Employee Tenants Policy

Recommended Action: Staff recommends the Board adopt a resolution titled "Resolution Adopting the Employee Handbook Addendum – Employee Tenants" which replaces the "Employee Discount – Rent of CADA Units" policy with an updated policy.

Contact: Jill Azevedo, Human Resources

12. 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: See Agenda Item 8
- E. Energy Conservation
- F. Other Neighborhood Improvements
- G. 10th Street Commercial
- H. 1322 O Street Sonrisa
- I. 14th & N The Cypress: See Agenda Item 7
- J. 1717 S Street ARY Place

13. Transmittals

- A. Ombudsman Report: December 2021
- B. Apartment Status Report: December 2021
- C. Affordable Housing Report: December 2021
- D. Commercial Leases/Vacancies: December 2021
- E. CADA Neighborhood Incident Report: December 2021
- F. Contracts Log: December 2021
- G. Financial Report: None

14. Opportunity for the Public to Address the Board Regarding Matters not on the Agenda

15. Adjournment

Approved for Transmittal:

Wendy Jainders

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 TARA GANDARA, 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

December 10, 2021

ITEM 1 - ROLL CALL

Chair Bailey called the Board Meeting of the CADA Board of Directors to order at 10:03 a.m. at 1522 14th Street, Sacramento, CA 95814 and via public video conference.

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

<u>ITEM 11 – AUTHORIZATION OF TELECONFERENCE MEETINGS OF CADA LEGISLATIVE BODIES</u> <u>PURSUANT TO THE RALPH M. BROWN ACT</u>

Chair Bailey removed Item 11 from consent as the teleconferencing resolution must be approved within 30 days of the Board Meeting. This must be done prior to all other items.

Member Lagomarsino moved approval of Resolution 22-47, attached hereto and incorporated herein. Member Baime Michaels seconded the motion.

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

ITEM 2 – APPROVAL OF MINUTES: October 22, 2021

Tara had a correction to the October minutes. The title for Item 8 will be corrected from "CADA FLEX PLAN AND CALPERS HEALTH EMPLOYER CONTRIBUTION" to "AUTHORIZATION OF TELECONFERENCE MEETINGS OF CADA LEGISLATIVE BODIES PURSUANT TO THE RALPH M. BROWN ACT".

Member Baime Michaels moved approval of the October 22, 2021, CADA Board Meeting minutes. Member Avdis seconded the motion.

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

ITEM 3 - CHAIR'S ORAL REPORT

No report.

ITEM 4 – ELECTION OF VICE CHAIR

Chair Bailey nominated Member Lagomarsino to continue as Vice Chair. The Board concurred and supported Chair Bailey's recommendation. Member Avdis seconded the motion.

AYES:Avdis, Baime Michaels, BaileyABSTAIN:LagomarsinoNOES:None

ITEM 5 – CHAIR APPOINTMENT OF CADA COMMITTEE MEMBERS

Chair Bailey reported that the appointments of CADA's Committee members will remain the same with Nick Avdis and Emily Baime Michaels on Development and Construction, Ann Bailey and Bob Lagomarsino on Operations, and Ann Bailey and Bob Lagomarsino on Neighborhood and Development. Member Avdis moved approval. Member Emily Baime Michaels seconded the motion.

AYES: Avdis, Baime Michaels, Lagomarsino, Bailey

NOES: None

ITEM 6 - EXECUTIVE DIRECTOR'S ORAL REPORT

Wendy Saunders reported the following:

Unfortunately we find ourselves – like everyone else – trying to resume normalcy in the face of a pandemic whose game plan changes all the time. We had hoped to meet personally this month, but we had some technical difficulties with our boardroom AV equipment, so we pushed off the in-person meeting to January. Then the latest variant hit. At this point, let's plan to meet in person unless there's a significant COVID surge.

I'm sure you all heard about the pending closure of Market 515. Unfortunately, the pandemic impacted them greatly and they just could not sustain the business. However, Raley's was gracious enough to offer to leave all of the beautiful FF&E with the building, which will make it a highly desirable location for a new grocery store. It's my understanding that there has been significant interest in the site so hopefully a new tenant will be signed up soon.

Since we last met things have progressed at an impressive rate on both of our two construction sites. In anticipation of having two new projects and over new 200 units to lease up, we have been spending time understanding the lease-up and reporting requirements for the two projects. It turns out that our auditor CohnReznick is a national leader in affordable housing tax credit compliance, and that the national practice leader for the firm is located right here in midtown. We had a number of questions about resident certifications, partnership rolls, etc., and after a couple of hours with them, felt like we had a good understanding of the task ahead. We will next be focusing on out leasing strategy.

Regarding DSRC, I had the pleasure of attending the grand opening of Hyatt Centric – formerly known as the Marshall Hotel. It is jazz and music themed, dating back to its opening in 1911 with a jazz club called the Clayton, and is beautiful. They themed everything after their historic jazz presence. Piano bar on the second floor, and a rooftop lounge called Clayton Club.

At the last MA Board Meeting, got updates on 2022 Conventions and events calendar and Updates re B St Theatre. Interesting think about the Conventions and Events is that our Visit Sacramento staff refocused their attention to marketing to California vs. marketing nationally, and that hotel occupancy went from being focused on the weekday traveler to focus on the weekend traveler. In other words, a lot more Californians vacationing across the state, in addition to outdoor events like Aftershock. They also were proud to have just signed up the World's Strongest Man, apparently a huge world-wide event that draws a 40,000 person per day crowd for 4 days, and is shown live worldwide on Boxing Day (apparently a big-TV day across the globe). They also secured the Grape and Wine Festival for the next 10 years. Regarding the B Street theatre, we were pleased to learn that they are building a roof deck and sorry to learn that Buck Busfield, who has been the heart and soul behind the theatre, is retiring.

At the DSP Board of Directors meeting we heard from Mayor Steinberg regarding his Right to Housing proposal. The discussion was interesting and I think in summary I can say that there was a significant amount of discussion and controversy related to the proposal.

ITEM 7 – FY 2021/2022 MID-YEAR BUDGET REVISIONS OF THE GENERAL OPERATIONS BUDGET AND CAPITAL INVESTMENT PROGRAM BUDGETS, INCLUDING ASSESSMENT OF FUND BALANCES

Noelle Mussen provided a PowerPoint presentation and reported the following:

• Staff recommends the Board adopt a resolution approving mid-year revisions to the FY 21-22 Annual General Operations Budget and the Capital Investment Program (CIP) Budgets as follows:

- Revise the FY 21-22 General Operations Budget to effect a net increase of \$5,004,258. This net increase is the result of tax increment received but not utilized in the prior year and a drawdown from the R Street Reserves. These will be offset by increases to vacancy loss and loss to lease.
- Revise Development CIP Budgets to
 - Increase the FY 21-22 Budget by \$3,280,000.
- Revise Major Construction CIP Budgets to
 - Increase the FY 21-22 budget by \$83,404.
 - > Two projects for tenant improvements to vacated commercial spaces by \$34,000.
 - > Short fall in funding sources due to timing of expenses by \$49,404.
- Revise Reserves to
 - Increase the Net Reserves by \$815,754.

Staff Contact: Noelle Mussen, Finance Director

- Proposed revision to the Annual General Operation Budget
 - Increase to Insurance to \$79,100.
 - Increase to Service Contracts to \$50,000.
 - Increase to Maintenance Machine and Eq. to #30,000.
 - Increase to Maintenance Fuel to \$6,000.
- Mid-Year revision development projects
 - Decrease FY 20-21 by \$635,000 for 805 R Street
 - Increase FY 21-22 to \$3,915,000 for a new affordable housing
 - No other proposed mid-year budget revisions for Development

Member Avdis inquired about the large increase of 50%. Ms. Mussen replied that the increase was due to payouts.

Member Baime Michaels commented that due to all the business damage sustained in downtown Sacramento she experienced similar increases.

Member Baime Michaels inquired about if there are any separate reserves to fund the vehicle replacement, or any other capital purchases. Ms. Mussen replied that they come through the General Budget as they occur.

No public comments.

Member Avdis moved approval of Resolution 21-42, attached hereto and incorporated herein. Member Baime Michaels seconded the motion.

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

<u>ITEM 8 — AUTHORIZATION TO ENTER INTO A CONSTRUCTION CONTRACT FOR THE 2021 DEAN</u> <u>COURTYARD LANDSCAPING PROJECT (1400 N ST)</u>

Recommended Action: Adopt resolution authorizing the Executive Director to enter into a construction contract with Marina Landscape, Inc. in the amount of \$72,400.00 for the Dean Courtyard Landscaping Project at 1400 N Street, Sacramento, CA 95814.

Staff Contact: Frank Czajka, Construction Manager Russ Juneau, Facilities Maintenance Manager Member Lagomarsino noted that everything looks good.

No public comments.

Member Lagomarsino moved approval of Resolution 21-43 attached hereto and incorporated herein. Member Avdis seconded the motion.

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

CONSENT CALENDAR (ITEMS 9 AND 11)

<u>ITEM 9 – EMPLOYEE HANDBOOK</u> <u>ITEM 10 – 2020 BOARD MEETINGS AND COMMITTEE MEETINGS SCHEDULES</u> <u>ITEM 11 – AUTHORIZATION OF TELECONFERENCE MEETINGS OF CADA LEGISLATIVE BODIES</u> <u>PURSUANT TO THE RALPH M. BROWN ACT</u>

Chair Bailey asked if there were any Board members who desired items 9 or 10 to be taken off the Consent Calendar. Item 11 has already been voted on. No board members moved to remove items 9 or 10 off the Consent Calendar.

Member Baime Michaels moved approval of Resolutions 21-44 through 21-46, attached hereto and incorporated herein. Member Lagomarsino seconded the motion.

AYES: Avdis, Baime Michaels, Lagomarsino, Bailey

NOES: None

ITEM 12 – O STREET STREETSCAPE - ORAL REPORTS

Recommended Action: For Review and Comment Only

Staff Contact: Marc de la Vergne, Deputy Executive Director

Member Lagomarsino inquired whether the newly planted trees were the wrong type for canopy. Ms. Garza replied that the trees are stunted due to an issue with soil volume. Ms. Hayes replied that the type of trees planted are a smaller species.

Member Lagomarsino inquired about the age of the trees. Mr. de la Vergne replied roughly 1982.

Member Avdis asked about the legality for CADA to redesign this plaza. Mr. de la Vergne explained the property lines between DGS, the City of Sacramento, and RT. CADA has met and discussed the plans with all three agencies, and they had no objections. Before work will begin CADA will obtain their consent. Quite a lot of interest was expressed in murals.

Member Avdis asked about occupancy post COVID. Mr. de la Vergne advised that the State plans to reopen in shifts. Ms. Saunders has discussed this with the state also. Chair Bailey advised that the downtown population should increase.

Member Avdis inquired about the selection process for obtaining artists for murals. Mr. de la Vergne advised that the State would ultimately have the final say.

ITEM 13 - ORAL STAFF REPORTS/UPDATES

- A. Downtown Sacramento Partnership: Reported on in Agenda Item 6.
- B. Downtown Sacramento Revitalization Corporation: Agenda Item 6.
- C. Midtown Association: Reported on in Agenda Item 6.
- D. O Street Streetscape (7th 17th Streets): Reported on in Agenda Item 12.

- E. Energy Conservation: Marc de la Vergne reported that he is working with staff from The Department of General Services to submit a required annual report on CADA's effort to conserve energy and water. Mr. de la Vergne will submit an executive report to the board in early 2022.
- F. Other Neighborhood Improvements: Nothing to report.
- G. 10th Street Commercial: Renee Funston reported that:
 - The City has approved the construction plans.
 - We are getting the construction work repriced by B&M Builders.

• We are also getting a proposal for design work for the custom perforated metal panels for the lunch counters from Artists Sofia Lacin and Hennessy Christophel.

H. 1322 O Street – Sonrisa: Renee Funston reported that:

• Regarding construction progress, Tricorp poured the concrete mat slab in November and the crane went up on Wednesday. Framing is set to begin on January 4th.

• Staff is continuing training with CohnReznick and analysis of tax credits regulations and leasing procedures.

• Staff has also been continuing conversations with DSP and Midtown Association regarding opportunities for using the 1,300 SF ground floor space as a local business incubator.

• We also continue refining the design and finishes specifications with the design and construction team.

• And to date we have submitted 7 draw requests to our construction lender Chase, totaling \$3.1m or 22% of the \$14.2 million construction contract with Tricorp. We've completed 6 months of the 19-month construction period, representing 32% completion construction time-wise.

- I. 14th & N The Cypress: Renee Funston reported that D&S has delivered the completed Design Development documents, and we're finalizing the Development and Disposition Agreement.
- J. 1717 S Street ARY Place: Todd Leon reported that all items are going as planned. Mr. Lean noted that the finish date should be in November or 2023.

Chair Bailey inquired about the Jefferson School. Mr. Kigar responded that the Jefferson school will be restored for office use. Ms. Saunders commented on inquiring about receiving a presentation from them. Chair Bailey agreed with Ms. Saunders.

Member Avdis inquired about the Capital Mall status. Mr. de la Vergne commented that CADA signed the funding agreement. It will then go to council for approval, and returned. Mr. de la Vergne will inquire regarding where they are at. Ms. Saunders agreed that CADA should reach out to council to find the status.

ITEM 14 - TRANSMITTALS

Received as transmitted.

ITEM 15 – OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD REGARDING MATTERS NOT ON THE AGENDA

None.

ITEM 16 – ADJOURNMENT

The meeting adjourned at 11:14 am

Tara Gandara Secretary to the Board of Directors

Adopted by the Capitol Area Development Authority

December 10, 2021

RESOLUTION ADOPTING THE FISCAL YEAR 2021 -2022 MID-YEAR REVISION TO THE GENERAL OPERATIONS BUDGET AND CAPITAL INVESTMENT PROGRAM (CIP) BUDGETS

WHEREAS, the FY 2021-2022 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 2021-2022 and were adopted at the June 2021 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 21-22 General Operations Budget to affect a net increase of \$5,004,258. This net
 increase is the result of tax increment received but not utilized in the prior year, adjustments to
 revenue, 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
 - Decrease the FY 20-21 Budget by \$635,000
 - Increase the FY 21-22 Budget by \$3,915,000, to reflect a new project
- Revise Major Construction CIP Budgets to
 - Increase the FY 21-22 Budget by \$83,404
- Revise Reserves to
 - Increase the Development Reserve by \$428,754
 - Increase the Debt Retirement Reserve for Somerset Parkside and Biele Place Special Management properties by \$212,000
 - Increase the Capital Improvement Reserve by \$175,000

Ann Bailey, Chair

N Tara Gandara

Secretary to the Board of Directors

Adopted by the Capitol Area Development Authority

December 10, 2021

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONSTRUCTION CONTRACT FOR THE 2021 DEAN COURTYARD LANDSCAPING PROJECT (1400 N ST)

WHEREAS, CADA conducted a formal bid process for the 2021 Dean Courtyard Landscaping Project; and

WHEREAS, Marina Landscape Inc. is the lowest responsive, responsible bidder with a bid of \$72,400.00 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 Marina Landscape Inc. in the amount of \$72,400.00.

Ann Bailey, Chair

Tara Gandara

Secretary to the Board of Directors

Adopted by the Capitol Area Development Authority

December 10, 2021

RESOLUTION ADOPTING THE EMPLOYEE HANDBOOK

WHEREAS, at the December 10, 2021 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 10, 2021, 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, 2022, is hereby adopted as the Employee Handbook.
- 2. That the draft Handbook dated January 1, 2022, supersedes all previous Handbooks adopted by the Board.
- 3. That the draft Handbook dated January 1, 2022, shall be effective January 1, 2022.

ina Ann Bailey, Chair

Tara Gandara

Secretary to the Board of Directors

Adopted by the Capitol Area Development Authority

December 10, 2021

RESOLUTION ADOPTING THE 2022 COMMITTEE MEETINGS SCHEDULE

WHEREAS, the Board of Directors for the Capitol Area Development Authority will hold regular committee meetings during the calendar year 2022; 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 2022 is as follows:

Operations Committee:	2:00 p.m.		
Neighborhood Development Committee:	3:00 p.m.		
Tuocday	January 11th		

Tuesday, January 11th Tuesday, February 15th Tuesday, March 15th Tuesday, April 12th Tuesday, May 17th Tuesday, June 21st July --- NO MEETING Tuesday, August 16th Tuesday, September 13th Tuesday, October 11th November --- NO MEETING Tuesday, December 13th

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

Wednesday, January 12th Wednesday, February 16th Wednesday, March 16th Wednesday, April 13th Wednesday, May 18th Wednesday, June 22nd July --- NO MEETING Wednesday, August 17th Wednesday, September 14th Wednesday, October 12th November --- NO MEETING Wednesday, December 14th

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.

ATTEST:

Ann Bailey, Chair

Tara Gandara Secretary to the Board of Directors

Adopted by the Capitol Area Development Authority

December 10, 2021

RESOLUTION ADOPTING THE 2022 BOARD MEETINGS SCHEDULE

WHEREAS, the Board of Directors for the Capitol Area Development Authority will hold regular Board meetings during the calendar year 2022; 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 2022 is as follows:

Friday, January 14th Friday, February 18th Friday, March 18th Friday, April 15th Friday, May 20th Friday, June 24th July---NO MEETING Friday, August 19th Friday, September 16th Friday, October 14th November ---NO MEETING Friday, December 16th

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

Tara Gandara Secretary to the Board of Directors

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAPITOL AREA DEVELOPMENT AUTHORITY AND RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM (MARCH 4, 2020) AS APPLICABLE IN CADA'S JURISDICTION AND AUTHORIZING TELECONFERENCE MEETINGS OF CADA LEGISLATIVE BODIES PURSUANT TO THE RALPH M. BROWN ACT

RECITALS

WHEREAS, all meetings of the Capitol Area Development Authority ("CADA") legislative bodies are open and public, as required by the Ralph M. Brown Act, Government Code section 54950 et seq. ("Brown Act"), so that any member of the public may attend, participate, and watch CADA's legislative bodies conduct their business; and

WHEREAS, on September 16, 2021, Governor Gavin Newsom signed Assembly Bill 361, which, effective immediately, added Government Code section 54953(e) to the Brown Act, providing a legislative body may meet via teleconference without complying with Section 54953(b)(3) if certain conditions exist and specified procedures are followed; and

WHEREAS, Section 54953(e)(1) provides a legislative body may meet via teleconference if the Governor has proclaimed a state of emergency pursuant to Government Code section 8625 and either (i) state or local officials have imposed or recommended measures to promote social distancing, (ii) the legislative body meets to determine by majority vote that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees, or (iii) the legislative body has voted as such and is meeting pursuant to that vote; and

WHEREAS, while a legislative body meets via teleconference pursuant to Section 54953(e), it must take actions to preserve public access and public participation and give notice of the meeting and post agendas as otherwise required, allow members of the public to access the meeting via call-in line or internet-based service line, provide details on the agenda on how to access the meeting and give public comment, give an opportunity to comment pursuant to Government Code section 54954.3 and allow a reasonable amount of time during public comment for a person to register, login, and comment, and monitor the call-in line and internet-based service line to ensure no disruption hinders access or ability to comment, if there is, take no action until public access is restored; and

WHEREAS, a legislative body's decision to meet pursuant to Section 54953(e) must be reevaluated and renewed at least every thirty (30) days, or else the body will be required to adopt new initial findings; and

WHEREAS, on March 4, 2020, Governor Gavin Newsom proclaimed a state of emergency pertaining to the threat to human health and safety posed by the COVID-19 virus pandemic and that proclamation remains in effect to this day in Sacramento County and statewide; and

WHEREAS, the virus has short- and long-term effects – fever and chills, cough, shortness of breath and difficulty breathing, fatigue, headache, nausea, vomiting, gastrointestinal issues, loss of taste and smell, death – and it's prolific spread is severely

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impacting the health care system, inhibiting access to care for COVID-19 symptoms and other ailments; and

WHEREAS, while being vaccinated significantly decreases the likelihood of contracting or dying from the virus, vaccinated and unvaccinated people alike can carry, transmit, and be affected by the virus; and

WHEREAS, the COVID-19 virus, and its variants, is spread through the air when a person who is carrying the virus, whether he or she is showing symptoms or not, is in close proximity to another person; and

WHEREAS, while the COVID-19 virus remains present in the community, allowing members of CADA's legislative bodies and members of the public to meet in person would present an imminent risk to attendee health and safety beyond the control of CADA services, personnel, equipment, and facilities; and

WHEREAS, pursuant to Government Code section 8635 et seq., the CADA Board of Directors has the authority during a state of emergency to take all actions necessary to perform its functions in the preservation of law and order, preservation of the furnishing of local services, and protection of life and property, which includes the authority to direct meetings of all CADA legislative bodies to be held via teleconference pursuant to this Resolution; and

WHEREAS, the CADA Board of Directors desires to ratify the Governor's March 4, 2020, proclamation of state of emergency related to the COVID-19 virus pandemic as it applies to the jurisdiction of CADA and authorize teleconference meetings of CADA legislative bodies pursuant to Section 54953(e) so long as all provisions of that section are followed to provide public access and opportunity for public comment; and

WHEREAS, CADA has taken and will continue to take measures to ensure access for the public, including by providing the public a call-in option and/or internet-based service option to access and comment for all meetings of CADA legislative bodies.

NOW, THEREFORE, THE CAPITOL AREA DEVELOPMENT AUTHORITY BOARD OF DIRECTORS HEREBY RESOLVES:

- 1. The recitals set forth above are true and correct and are incorporated herein by reference as if set forth in full.
- 2. The Governor's March 4, 2020 proclamation of state of emergency related to the COVID-19 virus pandemic applies to the jurisdiction of CADA and is ratified by the Board of Directors.
- 3. A state of emergency exists within CADA's jurisdiction related to the COVID-19 virus pandemic and the conditions of that emergency present an imminent risk to the health and safety of attendees at CADA legislative body meetings.
- 4. All meetings of CADA legislative bodies shall be conducted in accordance with Government Code section 54953(e) and staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including conducting open and public meetings in accordance with Section 54953(e) and other applicable provisions of the Brown Act.

This Resolution shall take effect immediately upon its adoption and be effective 5. for thirty (30) days, unless the Board takes action to rescind the Resolution. On or before the 30th day since adoption, the Board may take action to extend the Resolution's permissions pursuant to Government Code section 54953(e)(3).

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 Development Authority held on December 10, 2021, by the following vote:

AYES: NOES: ABSENT: **ABSTAIN:**

Enn Dailin Ann Bailey, Chair

ATTEST:

Tara Gandara

Secretary to the Board of Directors

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January 7, 2022

 TO:
 CADA Board of Directors

 SUBJECT:
 January 14, 2022, Board Meeting AGENDA ITEM 5 AUDITED FINANCIAL STATEMENTS – FISCAL YEAR 2020-2021

 CONTACT:
 Noelle Mussen, Finance Director

RECOMMENDED ACTION:

Staff recommends that the Board, by separate resolutions, accept the following four audited financial reports as prepared and released by CohnReznick:

- Capitol Area Development Authority Independent Auditor's Reports FY 2019-2020 (Attachment 1a)
- Somerset Parkside Apartments (Contract Number 80-RHC-007) Independent Auditor's Reports FY 2019-2020 (Attachment 1b)
- Biele Place Apartments (Contract Number 80-RHC-032) Independent Auditor's Reports FY 2019-2020 (Attachment 1c)
- Seventeenth Street Commons (Contract Number 99-024-N) Independent Auditor's Reports FY 2019-2020 (Attachment 1d)

BACKGROUND

The attached audited financial reports for Fiscal Year 2020-21 have been prepared in accordance with the interagency agreement between CADA and the City of Sacramento concerning accounting and audit services performed for CADA. In addition to the Independent Auditor's Reports that consolidate the results of all operating funds, including special management funds, three stand-alone reports have been prepared for the residential facilities CADA managed under agreements with the Department of Housing and Community Development (HCD) and the California Housing Finance Agency (CalHFA). The HCD properties are Somerset Parkside and Biele Place, and the remaining property, managed under a regulatory agreement with CalHFA, is 17th Street Commons. The HCD and CalHFA regulatory agreements require CADA's audits to include certain supplemental reports and schedules that are not required to be included in standard independent auditor reports. CohnReznick has issued an unqualified opinion letter that is incorporated into its report for this year.

POLICY ISSUES

Audited financial statements are reported in accordance with Generally Accepted Accounting Principles (GAAP). The monthly financial reports that are transmitted to the Board during the year and reviewed with the Operations Committee are presented in a modified "cash flow" format rather

than in accordance with GAAP. Both on the revenue and expense side, there are factors that are either <u>included in</u> or <u>excluded from</u> GAAP financials but not in CADA's internal reports. Additionally, Capital Investment Program (CIP) projects (both Major Construction and Development) are budgeted on a multi-year basis and reported separately. Consequently, direct comparison of results between the General Operations monthly financials and the consolidated audited financials requires identification of reconciling factors. The audited financial statements for CADA and the special management funds are included as **Attachments 1a through 1d**. **Attachment 2** identifies "reconciling factors", or differences, between GAAP and Budget Basis financial reporting. **Attachment 3** reflects CADA's General Operations budget-to-actual results for fiscal year 2020 -2021, exclusive of Capital Investment Program activities. Attachments 1a, 2, and 3 are more fully discussed below. Attachments 1b through 1d are financial reports for the three individual buildings that operate under regulatory agreements with other agencies that require them to be submitted annually for their review.

It should be noted that only three of CADA's four special management properties are currently subject to stand-alone audits (Somerset Parkside, Biele Place, and 17th Street Commons). The financial position and activities for the fourth special management property, the Fremont Wilshire Apartments, are maintained in separate special management funds but are not presently required to be independently audited on an annual basis.

STRATEGIC PLAN

This action addresses CADA's Strategic Plan goal of Fiscal Responsibility.

FINANCIAL IMPACT

Management Discussion and Analysis (Attachment 1a)

A comprehensive overview of financial highlights and the audited financial statements is included in the Management Discussion and Analysis section of the auditor's report where the report consolidates the results of all operating funds.

Statements of Revenues, Expenses and Changes in Fund Net Position (Attachment 1a):

CADA's audited financials reflect positive results for the year, with an increase of \$1,528 in its Net Position. This is a \$2,799,610 decrease in Net Position compared to last year. Last year, CADA experienced a \$1,437,652 decrease in its net position. The \$1,528 increase in CADA's Net Position reflects Non-Operating Net Revenues of \$5,036,549 less an operating loss of \$5,035,021 from rental and development activities. The primary reason for the decreased positive results in FY 2020-21 compared to FY 2021-22 is a decrease in Rental Revenue, increased financing expense for the new 2020 Tax Allocation Bond, and increases to Development project expenses from the prior year, as described below, offset by increases in Intergovernmental Revenue of Tax Increment

Non-Operating Revenues totaled \$5,036,549, which is a net decrease of \$644,407 over last year's revenue of \$5,680,956. This reflects a net increase in Intergovernmental Revenue (including Tax Increment) of \$312,135, offset by a net increase in financing expenses mostly due to the new bond issue costs.

CADA's Operating Loss was \$5,0135,021, which is \$2,155,203 more than last year's \$2,879,818 loss. The change is primarily due to increases in total Operating Expense of \$1,622,727, and a decrease in Operating Revenue of \$532,476. Operating Expenses increased in most categories but mainly changed within Development Projects resulting from a \$1,160,844 net increase in expenses, as compared to the prior year, for the 1322 O Courtyard project and 1717 S Street project financing.

The decrease in Operating Revenue reflects a \$451,370 net decrease in Rental Revenue and a decrease in development project grant revenue of \$84,419 due to reimbursements for the R Street Garage and Truitt Dog Park projects completed in the prior year.

Statements of Cash Flow (Attachment 1a):

Total Cash and Cash Equivalents increased by \$28,741,214 compared to the prior year's increase of \$1,428,360. The positive change in cash flow was due to an increase in cash inflow from financing activities reflecting the issuance of new 2020 TAB debt of \$31,455,000, and increases in Intergovernmental revenue of \$344,039. This was offset by an increase in cash outflow of \$1,741,013 for interest paid on the bonds and notes payable, \$2,853,178 in notes receivable within the development project category, and a \$1,161,935 increase in cash outflow for capital assets during the year

Budget Basis to GAAP Basis Net Income Reconciliation (Attachment 2):

Attachment 2 identifies the reconciling factors between the "GAAP Basis of Accounting," which is the required reporting basis for audited financial statements, and CADA's "Budget Basis of Accounting," or "Modified Cash Basis of Accounting," which is the basis for staff's monthly financial reporting to the Board. This attachment is presented as a cash flow report adjusting out inter-fund activity and includes the CIP Budgets which are usually reported separately from the monthly reports. The Audit Reconciliation section shows the differences between the adjusted cash flow report and the audited change in net assets, or net income, reported on the audited financial statements.

The major adjustments between the GAAP Basis and Cash Basis include the following:

- Removal of debt service and debt-related transactions from cash flow expenses because this is a reduction of outstanding debt on the Statement of Net Position, not a yearly expense
- The change in the net pension liability and PERS retirement expense through adjustments to Deferred Inflows/Outflows of Resources Related to Pensions
- The change in the net OPEB liability and OPEB annual expense made through Deferred Inflows/Outflows of Resources Related to OPEB.
- Inclusion of the Allowance for Uncollectibles, or bad debt expenses, which removes an asset and increases expenses to recognize cash spent or an asset not received in the current year or a prior year
- The capitalization of additional expenses for the 1717 S Partnership investment within the Statement of Net Position, allowing recognition of this expense as an asset in the year the cash was spent
- Reduction or capitalization of applicable major construction expenses within the Statement
 of Net Position, net of the related depreciation expense, allowing the recognition of the
 capitalized major construction expenses to be over the lifetime of the improved asset and
 not all in the year the cash was spent

Budget Comparison:

As reflected in **Attachment 3**, CADA's General Operations for FY 2020-2021 were well within budget, ending the year with favorable (positive) variances totaling \$632,686.

ENVIRONMENTAL REVIEW

Not applicable. The recommended action is not a project pursuant to the California Environmental Quality Act (CEQA) guidelines and does not require environmental review.

CONTRACT CONSIDERATIONS

The audit contract with CohnReznick was approved by the Board in June 2021. The contract provides for CohnReznick to provide auditing services for the fiscal years ending 2021 through 2025. Costs of the audit are included in each year's budget.

Attachments:

- 1. Independent Auditor's Reports FY 2020-2021
 - a. Capitol Area Development Authority
 - b. Somerset Parkside Apartments (Contract Number 80-RHC-007 & LRP)
 - c. Biele Place Apartments (Contract Number 80-RHC-032)
 - d. Seventeenth Street Commons (Contract Number 99-024-N)
- 2. Reconciliation Budget Basis to GAAP Net Income
- 3. General Operations FY 2020-2021, Budget to Actual

Financial Statements (With Supplementary Information) and Independent Auditor's Report

June 30, 2021 and 2020



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Board of Directors of the Capitol Area Development Authority

Ann Bailey Chair

Robert Lagomarsino Vice-Chair

Steven Maviglio

Randall Winston

Nicholas Avdis

Wendy Saunders Executive Director

Leyne Milstein Assistant City Manager Finance City of Sacramento Jeffrey Mitchell Legal Counsel Kronick Moskovitz Tiedemann & Girard John Colville Treasurer City of Sacramento



Independent Auditor's Report

To the Board of Directors Capitol Area Development Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Capitol Area Development Authority ("Authority") as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Capitol Area Development Authority as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the cost-sharing defined benefit pension plan schedule of the Authority's proportionate share of the net pension liability, the cost-sharing defined benefit pension plan schedule of the Authority's contributions, the schedule of changes in net OPEB liability and related ratios, and the schedule of OPEB plan contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inguiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Cohn Reznick LLP

Sacramento, California January 4, 2022

Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2021 and 2020

As management of the Capitol Area Development Authority (the "Authority" or "CADA"), we offer readers of the Authority's financial statements this narrative overview and analysis of the Authority and its financial activities for the fiscal years ended June 30, 2021 and 2020.

The Authority was created by a joint powers agreement between the City of Sacramento and the State of California in 1978. The Authority's primary mission is to implement the residential and commercial component of the State's Capitol Area Plan and the City's R Street Corridor Master Plan. Additionally, the Authority contributes to the on-going vibrancy and diversity of the Sacramento urban core by creating a neighborhood at its center that is environmentally, socially and fiscally sustainable through its development activities and by providing professional property management services for the mixed-use, mixed-income properties that it manages. This mission is funded by rental income generated through the Authority's management of state-owned property and with tax increment revenue generated within the Authority's project area. While not a redevelopment agency, the Authority has legislative powers to collect tax increment from development in the project area.

Readers are encouraged to consider the following information in conjunction with the Authority's financial statements.

Financial Highlights

Financial Highlights for the Year Ended June 30, 2021

- During the year, the Authority had revenues of approximately \$15.2 million consisting primarily of \$7.6 million in rental and other revenues, \$7 million in tax increment revenue and \$.5 million in other revenue and interest income.
- The Authority had expenses totaling approximately \$15.2 million consisting primarily of \$4.4 million in employee services and benefits, \$4.7 million related to property management operations, \$2.5 million of interest expense on the Authority's debt, \$2.7 million for development projects, and \$.87 million in depreciation expense.
- The Authority expended nearly \$726,252 during the year on major construction projects budgeted for the structures that the Authority manages in the Capitol Area, of which \$551,777 was capitalized.
- The net OPEB liability required under Governmental Accounting Standards Board ("GASB") No. 75 (GASB 75) has increased by \$27,373 to \$1,455,263 as of June 30, 2021.
- The net pension liability required under GASB No. 68 has increased by \$396,548 to \$5,126,883 as of June 30, 2021.
- In December 2020 the Authority Issued \$31,455,000 in Tax Allocation Bonds. These bonds were issued to finance future affordable housing projects and other development projects within the Authority's Capitol and R Street Areas.
- The Authority, through the Capitol Area Community Development Corporation ("CACDC"), closed on two affordable housing projects financed with Low-Income Tax Credits and other loans. As part of the financing, gap loans were needed from CADA \$1.5 million for the 1322 O Street project and \$3.3 million for the 1717 S Street project.

Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2021 and 2020

- The Authority entered into a Disposition and Development Agreement ("DDA") in June 2018 for the purchase and development of an 87-unit rental to condominium conversion project for Site 21, located at 14th and N Streets. Cresleigh Homes purchased the site with a sale back provision providing that if construction did not start by the summer of 2020, the Authority would have the right to purchase the site. The Developer was unable to meet the deadline and CADA purchased the site in December 2020.
- In order to ensure it has the financial resources to meet the demands of its mission, the Authority maintains a rolling ten-year financial projection the Authority's staff revises and the Board reviews at least annually. A key element of the Authority's approach to managing its financial resources is maintaining a level of net assets sufficient to fund a minimum of six months of operating expenses and to meet projected planning and pre-development demands for development projects. The Authority's \$18.9 million in net position, as of June 30, 2021, meets this objective.

Financial Highlights for the Year Ended June 30, 2020

- During the year, the Authority had revenues of approximately \$15.4 million consisting primarily of \$8.1 million in rental and other revenues, \$6.7 million in tax increment revenue and \$.57 million in other revenue and interest income.
- The Authority had expenses totaling approximately \$12.6 million consisting primarily of \$4.3 million in employee services and benefits, \$4.4 million related to property management operations, \$1.5 million of interest expense on the Authority's debt, \$1.6 million for development projects, and \$.82 million in depreciation expense.
- The Authority expended nearly \$1 million during the year on major construction projects budgeted for the structures that the Authority manages in the Capitol Area, of which \$869,051 was capitalized.
- The net OPEB liability required under Governmental Accounting Standards Board ("GASB") No. 75 (GASB 75) has decreased by \$716,417 to \$1,427,890 as of June 30, 2020.
- The net pension liability required under GASB No. 68 has increased by \$398,525 to \$4,730,335 as of June 30, 2020.
- The Authority entered into a DDA in June 2018 for the purchase and development of an 87-unit rental to condominium conversion project for Site 21 located at 14th and N Streets. Cresleigh Homes purchased the site with a sale back provision allowing the Authority to purchase the site if construction does not start by the summer of 2020.
- In order to ensure it has the financial resources to meet the demands of its mission, the Authority maintains a rolling ten-year financial projection the Authority's staff revises and the Board reviews at least annually. A key element of the Authority's approach to managing its financial resources is maintaining a level of net assets sufficient to fund a minimum of six months of operating expenses and to meet projected planning and pre-development demands for development projects. The Authority's \$18.9 million in net position, as of June 30, 2020, meets this objective.

Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2021 and 2020

Overview of the Financial Statements

The Authority's annual report consists of Management's Discussion and Analysis (this section), the basic financial statements, and other supplementary information.

The Authority's basic financial statements include two components: the government-wide financial statements and the notes to the financial statements.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. These statements report on the function of the Authority that is principally supported by property management revenue and intergovernmental revenues.

The *statements of net position* present information on all of the Authority's assets and deferred outflows of resources ("DOR"), and liabilities and deferred inflows of resources ("DIR"), with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or declining.

The statements of revenues, expenses, and changes in net position present information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

Notes to the financial statements: The accompanying notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements.

Supplementary information: The supplementary information accompanying the basic financial statements provides additional information on the Authority's pension plan and other post-employment benefit plan that is essential to a full understanding of the data provided in the government-wide financial statements.

Government-Wide Financial Statements

As noted earlier, net position may serve over time as a useful indicator of a government's improving or declining financial position. In the case of the Authority, assets and DOR exceeded its liabilities and DIR by \$18,953,775 as of June 30, 2021.

Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2021 and 2020

Condensed Statements of Net Position at June 30, 2021 and 2020

				Change		
	 2021	 2020		\$	%	
Assets Current and other assets Capital assets, net	\$ 62,282,561 10,393,446	\$ 32,369,970 8,580,120	\$ 2	29,912,591 1,813,326	92% 21%	
Total assets	\$ 72,676,007	\$ 40,950,090	\$ 3	31,725,917	77%	
Deferred outflows of resources (DOR) DOR - Pensions and OPEB	\$ 1,563,524	\$ 1,621,272	\$	(57,748)	-4%	
Liabilities						
Current liabilities Non-current liabilities	\$ 3,699,481 50,860,603	\$ 1,878,563 20,557,803	\$	1,820,918 30,302,800	97% 147%	
Total liabilities	\$ 54,560,084	\$ 22,436,366	\$ 3	32,123,718	143%	
Deferred inflows of resources (DIR) DIR - Pensions and OPEB	\$ 725,672	\$ 1,182,749	\$	(457,077)	-39%	
Net position						
Net investment in capital assets Restricted for insurance and reserves Unrestricted	\$ (4,284,639) 1,335,423 21,902,991	\$ (6,068,395) 1,223,866 23,796,776	\$	1,783,756 111,557 (1,893,785)	29% 9% -8%	
Total net position	\$ 18,953,775	\$ 18,952,247	\$	1,528	0%	

Analysis of Net Position - June 30, 2021:

The Authority's net position increased during the current year by \$1,528, as a result of consistent revenue and growth in intergovernmental revenue offset by development activity and the cost of issuing new bond debt.

A portion of the Authority's net position is invested in capital assets. This category, which increased by \$1,783,756, consists of the cost basis of assets acquired, less depreciation and related debt, net of unspent proceeds. The increase in net investment in the capital assets category of \$1,783,756 is the net effect of an increase of the \$1,813,326 from additions in capital assets, and a decrease in the related debt due to \$29,570 in debt repayments.

The historical cost of capital assets increased by \$2.7 million as a result of acquisitions of equipment and improvements to buildings. Depreciation expenses reduced the carrying value of the total capital assets by \$871,196, for a net increase in the net value of capital assets of \$1.8 million. Additional information on the Authority's capital assets can be found in Note 6 to the Financial Statements.

Liabilities increased by \$32,123,716 following the issuance of new long-term debt (2020 Tax Allocation Bond), discussed below in the Capital Asset and Debt Administration section.

Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2021 and 2020

			Change		
	 2021	 2020		\$	%
Revenue Operating revenue					
Rental revenue, net Other revenue Non-operating revenue	\$ 7,648,773 46,095	\$ 8,100,143 127,201	\$	(451,370) (81,106)	-6% -64%
Interest income Intergovernmental	 439,838 7,066,397	 444,972 6,754,262		(5,134) 312,135	-1% 5%
Total revenue	\$ 15,201,103	\$ 15,426,578	\$	(225,475)	-1%
Expenses Operating expenses Employee services and benefits	\$ 4,470,422	\$ 4,336,031	\$	134,391	3%
Development projects Other Non-operating expenses	2,726,098 5,533,369	1,565,254 5,205,877		1,160,844 327,492	74% 6%
Interest expense Other	 2,488,672 (18,986)	 1,517,653 625		971,019 (19,611)	64%
Total expenses	 15,199,575	12,625,440		2,574,135	20%
Change in net position Net position, beginning of year	 1,528 18,952,247	 2,801,138 16,151,109		(2,799,610) 2,801,138	-100% 17%
Net position, end of year	\$ 18,953,775	\$ 18,952,247	\$	1,528	0%

Condensed Statements of Revenue, Expenses and Changes in Net Position For the Fiscal Years Ended June 30, 2021 and 2020

The Authority's net position in the current year increased by \$1,528 as a result of fiscal year ended June 30, 2021 operations. This represents a \$2,799,610 decrease compared to the prior year due to a decrease in rental revenue and increases in the development and interest expense categories.

Revenue reflects a net decrease from the prior year, mainly as a result of the net effect of three revenue sources. The tax increment portion of Intergovernmental revenue increased by \$312,135 and reflects a continued increase in property taxes within the Authority's boundaries. Other revenue decreased by \$81,106 due to no funding received during the fiscal year compared to the prior year for reimbursement grant funds for the R Street Garage predevelopment work the Authority was doing on behalf of the California Department of General Services ("DGS") which project has been cancelled. Rental revenue decreased by \$451,370, with gross rental revenue decreasing by \$382,471. The majority of this decrease is due to losses within commercial revenue category, along with increases of \$151,457 in vacancy losses and loss to lease, and a decrease in low income subsidies of \$82,558. Interest income decreased slightly as a result of lower investment earnings compared to the prior year on funds held with the City Treasurer, net of interest income on a note receivable for the 1717 S Street project. The overall impact on revenue was a decrease of \$225,475 in total revenue.

Expenses increased by \$2,574,135 during the fiscal year ended June 30, 2021, largely due to development activities and the issue of new 2020 tax allocation bonds, along with increases in all the expense categories. Increases for development projects of \$1,160,844 were mainly the result of providing gap financing for a new affordable housing project at 1322 O Street. The increase of \$971,019 in interest expenses was mainly due to the interest expense for the new bonds.

Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2021 and 2020

			Change			
	2020	2019	\$	%		
Assets						
Current and other assets Capital assets, net	\$ 32,369,970 8,580,120	\$ 29,899,989 8,177,941	\$ 2,469,981 402,179	8% 5%		
Total assets	\$ 40,950,090	\$ 38,077,930	\$ 2,872,160	8%		
Deferred outflows of resources (DOR) DOR - Pensions and OPEB	\$ 1,621,272	\$ 1,693,104	\$ (71,832)	100%		
Liabilities						
Current liabilities Non-current liabilities	\$ 1,878,563 20,557,803	\$ 2,243,703 20,546,122	\$ (365,140) 11,681	-16% 0%		
Total liabilities	\$ 22,436,366	\$ 22,789,825	\$ (353,459)	-2%		
Deferred inflows of resources (DIR) DIR - Pensions and OPEB	\$ 1,182,749	\$ 830,100	\$ 352,649	100%		
Net position						
Net investment in capital assets Restricted for insurance and reserves Unrestricted	\$ (6,068,395) 1,223,866 23,796,776	\$ (6,202,742) 1,153,206 21,200,645	\$ 134,347 70,660 2,596,131	-2% 6% 12%		
Total net position	\$ 18,952,247	\$ 16,151,109	\$ 2,801,138	17%		

Condensed Statements of Net Position at June 30, 2020 and 2019

Analysis of Net Position - June 30, 2020:

The Authority's net position increased during the current year by \$2,801,138, as a result of consistent revenue and large growth in intergovernmental revenue offset by the retirement of the two Fremont Mews notes receivable.

A portion of the Authority's net position is invested in capital assets. This category, which increased by \$134,347, consists of the cost basis of assets acquired, less depreciation and related debt, net of unspent proceeds. The increase in the net investment in capital assets category of \$134,347 is the net effect of an increase of \$402,179 from additions in capital assets, and a decrease in the related debt due to debt repayments of \$267,832.

The historical cost of capital assets increased as a result of acquisitions of equipment and improvements to buildings for a total of \$1.2 million. Depreciation expense reduced the carrying value of the total capital assets by \$825,849, for a net increase in the net value of capital assets of \$402,179. Additional information on the Authority's capital assets can be found in Note 6 to the Financial Statements.

Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2021 and 2020

				Change		
	 2020		2019		\$	%
Revenue						
Operating revenue						
Rental revenue, net	\$ 8,100,143	\$	7,939,956	\$	160,187	2%
Other revenue	127,201		670,298		(543,097)	-81%
Non-operating revenue					(10/
Interest income	444,972		462,785		(17,813)	-4%
Intergovernmental	 6,754,262		5,228,139		1,526,123	29%
Total revenue	\$ 15,426,578	\$	14,301,178	\$	1,125,400	8%
Expenses Operating expenses Employee services and benefits Development projects Other Non-operating expenses Interest expense Other	\$ 4,336,031 1,565,254 5,205,877 1,517,653 625	\$	3,806,323 960,601 4,804,375 493,776 (2,687)	\$	529,708 604,653 401,502 1,023,877 3,312	14% 63% 8% 207%
Total expenses	 12,625,440		10,062,388		2,563,052	25%
Change in net position	2,801,138		4,238,790		(1,437,652)	-34%
Net position, beginning of year	 16,151,109		11,912,319	1	4,238,790	36%
Net position, end of year	\$ 18,952,247	\$	16,151,109	\$	2,801,138	17%

Condensed Statements of Revenue, Expenses and Changes in Net Position For the Fiscal Years Ended June 30, 2020 and 2019

The Authority's net position in the current year increased by \$2,801,138 as a result of fiscal year ended June 30, 2020 operations. This represents a \$1,437,652 decrease compared to the prior year, reflecting increases in all expense categories.

Revenue reflects a net increase from the prior year, mainly as a result of the net effect of changes in three revenue sources. The tax increment portion of Intergovernmental Revenue increased by \$1,526,123 and reflects a continued increase in property taxes within the Authority's boundaries. Other revenue decreased by \$543,097 mainly due to less funding received during the fiscal year compared to the prior year for reimbursement grant funds for the Truitt dog park from the City of Sacramento and the R Street Garage predevelopment work the Authority is doing on DGS's behalf. Rental rates increased and therefore, gross rental revenue increased by \$452,631, offset by increases of \$292,446 in the low-income subsidy, vacancy losses and loss to lease. Interest income decreased as a result of lower investment earnings compared to the prior year on funds held with the City Treasurer and less interest income due to the retirement of the Fremont Mews promissory notes. The overall impact on revenue was an increase of \$1,125,400 in total revenue.

Expenses increased by \$2,563,052 during the fiscal year ended June 30, 2020, largely due to the refinancing of the Biele Place project loan with the California Department of Housing Community Development recognizing the outstanding deferred loan of \$1,025,653. All the remaining expense categories increased as well, including increases in Employee Services and Benefits categories of \$529,708, mainly due to pension expenses and increase in the Development Projects category of \$604,653, reflecting professional services expenses for the 1717 S Street and the Courtyard project.

Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2021 and 2020

Capital Asset and Debt Administration

Capital assets: As reflected in the Statements of Net Position above, the Authority's investments in capital assets were \$10,393,446 and \$8,580,120 (net of accumulated depreciation) at June 30, 2021 and 2020, respectively. This investment in capital assets, as reflected in the Notes to the Financial Statements, includes land, construction in progress, building and improvements, and machinery and equipment. Additions during the years ended June 30, 2021 and 2020, totaled \$2.7 million and \$1.2 million, respectively. The 2021 additions included a land purchase of \$2 million, building improvements of \$366,583, machinery and equipment costs of \$58,878, and a reduction in construction in progress of \$198,755. The 2020 additions included building improvements of \$1,132,795, machinery and equipment costs of \$95,233, and a reduction in construction in progress of \$209,008. Depreciation on capital assets totaled \$871,196 and \$825,849, respectively, for the years ending June 30, 2021 and 2020.

Additional information on the Authority's capital assets can be found in Note 6 to the Financial Statements.

Notes and bonds payable: As reflected in the Financial Statements and Notes to the Financial Statements, the Authority is responsible for notes and bonds payable totaling \$45,516,140 and \$14,839,670 as of June 30, 2021 and 2020, respectively. The large increase to bonds payable was due to the Authority issuing new Tax Allocation Bond of \$31,455,000 in December 2020. During the fiscal years ended June 30, 2021 and 2020, principal payments reduced notes payable by \$227,675 and \$222,336, respectively, and bonds payable by \$550,855 and \$535,485, respectively.

Additional information on the Authority's Long-Term Debt can be found in Notes 7 and 8 to the Financial Statements.

Economic factors and budget process

The Authority adheres to a balanced budget directive, such that budgeted revenues will always equal budgeted expenses. Budgets are prepared using a modified cash flow concept. Consequently, debt principal payments and capitalized expenditures are included, and non-cash items, such as depreciation and amortization, are not included. At mid-year, the Authority reassesses its budgetary estimates.

The Authority is involved in the development of sites within the Capitol Area. Site preparation and development often require more than one fiscal year to complete. Consequently, the Authority operates using both annual General Operations Budgets and multi-year Capital Investment Program Budgets.

The following factors have been considered in preparing the Authority's budget for the fiscal year ended June 30, 2021:

 An increase to the Capital Area tax increment revenue was budgeted due to the current year receipts and anticipated tax levels for FY 2021-2022. This increase appeared to be due to increases in property values over the last fiscal year in the Authority's area. For FY 2021-2022 the Authority only increased this budget by 1%. Due to continued COVID-19 related property tax concerns, the County of Sacramento only proposed a 1% increase for FY 2021-2022 which is lower than legal limit of 2%.

Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2021 and 2020

- A small net increase was budgeted for rental revenue to reflect FY 2020-2021 current rental revenue levels. For FY 2021-2022 there were no rental increases to the residential and commercial tenants and residential revenue and commercial revenue were decreased to offer COVID-19 relief to CADA's commercial tenants.
- Budgeted current development projects of \$2,355,655 will be funded as part of the General Operations Budget for the fiscal year ending June 30, 2022. Development funding outlays have been increased from the prior year due to a new project in the R Street Area and additional funding need for current development projects.
- The remaining \$191,155 in bond proceeds for the 2016 Tax Allocation Bond ("TAB") will be used for the 1322 O Street project. \$615,000 of the 2020 TAB bond proceeds was budgeted for streetscape improvements and street projects in the O Street Corridor.
- The Authority will continue to maintain its current housing stock through its major construction program with a budgeted amount of \$1.55 million to be funded through the General Operations Budget and the release of prior year funding.
- The Authority budgeted \$185,800 to continue to fund the California Employers' Retiree Benefit Trust administered by the California Public Employees' Retirement System for the Authority's unfunded post-employment health benefit liabilities. This is an increase from the prior year based on the current actuarial analysis.

Future Events that will Financially Impact the Authority

- Due to the impact of COVID-19 on tenants, especially the commercial and ground lease tenants, the Authority has offered lease rebates during this time which has reduced these revenues into the next fiscal year.
- For Site 21, which is located at 14th and N Streets, Cresleigh Homes was unable to start construction on an 87-unit rental-to-condominium conversion project by the summer of 2020 as required by the DDA. The Authority purchased the property back from the developer in October of 2020 for the original purchase price. The Authority is currently working with a new developer to complete a housing project at this site.
- The Authority is continuing to work with the City of Sacramento on improvements to Roosevelt Park.
- The Authority has closed on financing through California Debt Limitation Allocation Committee ("CDLAC") tax credit program and has started construction on the 1717 S Street project. Soil remediation began in October 2020 and will take three months to complete. The housing project is scheduled to be completed in January 2023.
- The Authority is currently working to implement a concept plan for streetscape improvements and street projects in the O Street Corridor.
- The Authority closed on Financing through the CDLAC tax credit program to fund construction of a low-income housing project at the CADA Courtyard Site 16A at 1320 O Street. Construction started in the summer of 2020 and is scheduled to be completed in January 2023.

Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2021 and 2020

- The Authority will continue exploring options for the development of other sites, including but not limited to, Block 222, East End Gateway Site 5/6, and R Street.
- The Authority will continue to research possible development projects for the development of low-income housing in the R Street Corridor.
- The Authority is investigating purchasing multi-family properties in the Capitol Area and the R Street Area to address future affordable housing needs and prepare for possible future affordable housing projects.
- As the Authority continues to proceed with preparations for future development projects, there will be a high demand to fund pre-development activities, provide grant matching funds, potentially pay for toxic remediation and, pay for site preparation activities.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Noelle Mussen, at 1522 - 14th Street, Sacramento, CA 95814.

Statements of Net Position June 30, 2021 and 2020

	2021			2020		
<u>Assets</u>						
Current assets						
Cash and cash equivalents	\$	55,603,333	\$	26,944,436		
Accounts receivable, net		71,993		78,441		
Interest receivable		-		1,396		
Prepaid expenses		141,987		246,144		
Restricted cash and cash equivalents						
Tenant and event security deposits		400,631		402,982		
Debt covenant reserves		385,505		384,833		
Insurance impounds		24,600		19,265		
Employee benefits		26,710		25,775		
Funds held for others		215,362		243,858		
Total restricted cash and cash equivalents		1,052,808		1,076,713		
Total current assets		56,870,121		28,347,130		
Noncurrent assets						
Advance to affiliate, long-term		701,517		-		
Investment in joint venture		100		2,748,439		
Restricted cash and cash equivalents						
Reserve for replacements	635,823		529,601			
Insurance risk reserve	1	675,000		675,000		
Total restricted cash and cash equivalents		1,310,823		1,204,601		
Notes receivable, net of current portion Capital assets		3,400,000		69,800		
Non-depreciable		3,659,330		1,599,024		
Depreciable, net		6,734,116		6,981,096		
Total capital assets		10,393,446		8,580,120		
Total noncurrent assets		15,805,886		12,602,960		
Total assets	\$	72,676,007	\$	40,950,090		
Deferred Outflows of Resources						
	~		*			
Deferred outflows related to pensions	\$	995,992 567 522	\$	1,074,814		
Deferred outflows related to OPEB		567,532		546,458		
Total deferred outflows of resources	\$	1,563,524	\$	1,621,272		

Statements of Net Position June 30, 2021 and 2020

	2021	2020	
Liabilities			
Current liabilities Accounts payable Prepaid rent	\$ 815,985 40,120	\$ 146,551 27,365	
Due to state - HCD Accrued benefits payable Accrued interest payable Tenant security deposits	64,410 83,488 329,817 400,631	43,371 87,136 86,861 402,984	
Developer deposits Funds held for others Notes payable, current portion Bonds payable, current portion	70,000 207,268 233,210 1,454,552	70,000 235,764 227,675 550,856	
Total current liabilities	3,699,481	1,878,563	
Noncurrent liabilities Accrued interest payable Notes payable Bonds payable Net pension liability Net OPEB liability Compensated absences payable Total noncurrent liabilities	227,443 4,434,541 39,393,837 5,126,883 1,455,263 222,636 50,860,603	160,756 4,667,751 9,393,388 4,730,335 1,427,890 177,683 20,557,803	
Total liabilities	\$ 54,560,084	\$ 22,436,366	
Deferred Inflows of Resources Deferred inflows related to pensions Deferred inflows related to OPEB	\$	\$	
Total deferred inflows of Resources	\$ 725,672	\$ 1,182,749	
Net Position			
Net investment in capital assets Restricted for insurance and reserves Unrestricted	\$ (4,284,639) 1,335,423 21,902,991	\$ (6,068,395) 1,223,866 23,796,776	
Total net position	\$ 18,953,775	\$ 18,952,247	

Statements of Revenues, Expenses and Changes in Net Position Years Ended June 30, 2021 and 2020

	2021		2020	
Operating revenue Rental revenue, net Other revenue	\$	7,648,773	\$	8,100,143
Development projects Miscellaneous		- 46,095		84,419 42,782
Total operating revenue		7,694,868		8,227,344
Operating expense Employee services and benefits Services and supplies Development projects Repairs and maintenance Bad debt expense Depreciation		4,470,422 2,632,836 2,726,098 1,915,232 114,105 871,196		4,336,031 2,438,297 1,565,254 1,922,081 19,650 825,849
Total operating expense		12,729,889		11,107,162
Operating loss		(5,035,021)		(2,879,818)
Non-operating revenue (expense) Interest income Interest and financing expense HCD annuity Intergovernmental		439,838 (2,488,672) 18,986 7,066,397		444,972 (1,517,653) (625) 6,754,262
Total non-operating revenue		5,036,549		5,680,956
Change in net position		1,528		2,801,138
Net position, beginning of year		18,952,247		16,151,109
Net position, end of year	\$	18,953,775	\$	18,952,247

Statements of Cash Flows Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities Rental receipts Other development and operating receipts Tenant security deposits received Payroll and related costs paid Services and supplies expenses paid Development project expenses paid Operating and maintenance expenses paid Tenant security deposits paid Funds held for others	 \$ 7,553,871 46,095 82,426 (4,408,983) (2,312,748) (1,175,095) (1,719,136) (84,779) (28,496) 	<pre>\$ 8,539,662</pre>
Net cash used in operating activities	(2,046,845)	(1,973,333)
Cash flows from noncapital financing activities Intergovernmental	7,106,422	6,762,383
Net cash provided by noncapital financing activities	7,106,422	6,762,383
Cash flows from capital and related financing activities Principal payments on bonds and notes payable Interest paid on bonds and notes payable Proceeds from issuance of new tax allocation bonds Payments for capital assets	(778,530) (2,179,029) 31,455,000 (2,473,660)	(757,821) (438,016) - (1,311,725)
Net cash provided by (used in) capital and related financing activities	26,023,781	(2,507,562)
Cash flows from investing activities Investment in joint venture Issuance of notes receivable Repayment received on notes receivable Interest receipts	- (2,853,178) 69,800 441,234	(200,000) - 850,192 444,972
Net cash (used in) provided by investing activities	(2,342,144)	1,095,164
Net increase in cash and cash equivalents	28,741,214	3,376,652
Cash and cash equivalents, beginning of year	29,225,750	25,849,098
Cash and cash equivalents, end of year	\$ 57,966,964	\$ 29,225,750

Statements of Cash Flows Years Ended June 30, 2021 and 2020

		2021		2020
Reconciliation of cash and cash equivalents to the statement of				
net position				
Cash and cash equivalents	\$	55,603,333	\$	26,944,436
Restricted cash and cash equivalents				
Tenant security deposits		400,631		402,982
Debt covenant reserves		385,505		384,833
Insurance impounds		24,600		19,265
Employee benefits		26,710		25,775
Funds held for others		215,362		243,858
Reserve for replacements		635,823		529,601
Insurance risk reserve		675,000		675,000
Total cash and cash equivalents	\$	57,966,964	\$	29,225,750
Reconciliation of operating loss to net cash used in operating				
activities				
Operating loss	\$	(5,035,021)	\$	(2,879,818)
Adjustments to reconcile operating loss to net cash used in	Ŧ	(0,000,01)	Ŧ	(_,0:0,0:0)
operating activities				
Depreciation		871,196		825,849
Allowance for loan losses		1,500,000		-
Pension		(2,781)		823,006
OPEB		27,373		(716,417)
Changes in assets and liabilities		21,010		(110,417)
Accounts receivable		6,448		459,508
Prepaid expenses		104,157		(203,029)
Accounts payable		458,572		(258,346)
Prepaid rent		12,755		(339)
Accrued benefits payable		(3,648)		16,563
Tenant security deposits payable		(2,353)		1,639
Funds held for others		(28,496)		(50,406)
		(20,490) 44,953		23,457
Compensated absences payable		44,955		23,437
Net cash used in operating activities	\$	(2,046,845)	\$	(1,973,333)
Significant noncesh cenital and related financing activities				
Significant noncash capital and related financing activities	¢	210 962	ሱ	
Capital asset additions through accounts payable	\$	210,862	\$	-
Decrease in investment in joint venture reclassified as				
advances to affiliate and notes receivable	\$	2,748,339	\$	
Increase in notes payable	¢		¢	1 025 652
Increase in notes payable	φ	-	\$	1,025,653

Note 1 - Summary of significant accounting policies

The Financial reporting entity

The Capitol Area Development Authority ("Authority") was created by a joint powers agreement between the City of Sacramento ("City") and the State of California ("State") in July 1978. The Authority is governed by a five-member board of directors appointed by the City and the State. The Authority is responsible for management, maintenance and renovation of state-owned apartments (approximately 750 units) and commercial structures (approximately 31 leases); management of ground leases involving privately developed housing (approximately 136 units); developing new housing and commercial projects, including neighborhood amenities; and development of new state office and parking facilities upon request and approval of the State.

Accounting principles generally accepted in the United States of America ("GAAP") require that the component units be separated into blended, fiduciary or discretely presented units for reporting purposes. Although legally separate entities, blended component units are, in substance, part of the Authority's operations. Therefore, they are reported as part of the primary government. The primary government is financially accountable for these component units. The component unit presented has a June 30th fiscal year-end.

The component unit blended in the Authority's financial statements is the Capital Area Community Development Corporation ("CACDC"). This component unit was established for the purpose of assisting the City and State in revitalizing the State Capitol Area by providing financing and assistance for the acquisition, development and managing residential and commercial projects, including affordable housing projects, along with development of public infrastructure.

Basis of presentation

The Authority is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Authority's ongoing operations. The principal operating revenue of the Authority is rental income from tenants of its housing units. This revenue is recognized on the financial statements net of vacancy loss, low-income subsidies, and loss to leases. Operating expenses for the Authority include employee services, development projects expenses, administrative expenses, maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted net assets are available, unrestricted resources are used only after restricted resources are depleted.

Intergovernmental revenues

Pursuant to Government Code Sections 8160 and 8180 through 8193, the Authority annually receives from the County of Sacramento, property tax increments collected within the redevelopment project area. During the fiscal year ended June 30, 2003, legislation was passed that expanded the southern boundary of the Authority's redevelopment project area to include a segment of the R Street corridor. Additionally, the Authority regularly receives annuity payments from other governmental agencies, which provide subsidies for a portion of the low-income households served by the Authority.

Risk management

The Authority participates in a local government agency excess insurance liability pool to meet its commercial general liability, workers' compensation, umbrella liability, municipality and governmental authorities' errors and omissions, and employment practices liability insurance needs. The Authority is self-insured for these coverages to the extent that claim expenses are below the self-insured retention level set by the excess insurance liability carrier. The Authority has primary insurance policies for property, boiler and machinery, flood, fidelity/crime, site-specific pollution liability and automobile physical damage coverage. Public official bonds required by the joint powers agreement that established the Authority are in place. Funds are set-aside by the Authority to cover potential losses and deductibles. Settled claims have not exceeded coverage for the past three years.

Cash and cash equivalents

The Authority participates in the City's external investment pool. The City Treasurer pools cash and other City funds and invests to maximize income consistent with safe and prudent investment practices within the guidelines of the City's investment policy. The City, as a charter city, has adopted its own investment guidelines to guide investment of City funds by the Treasurer. These guidelines are consistent with the requirements of Government Code Section 53601. The City Council provides regulatory oversight of the City's investment pool and reviews its investment policy on a quarterly basis. The estimated fair value of investments in the pool is the quoted market price. However, the value of the pool shares in the City that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Authority's position in the pool. The Authority also invests in money market mutual funds through a fiscal agent that are restricted by debt covenants.

Restricted cash and cash equivalents include tenant security deposits, reserves required by debt covenants, insurance impounds, funds held for others, replacement reserves and insurance risk reserves.

For purposes of the statements of cash flows, the Authority considers cash and cash equivalents to include all pooled cash and investments, including restricted account balances, as these pooled balances have the general characteristic of a demand deposit account and investments with initial maturities of 90 days or less.

Accounts receivable

Accounts receivable are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of the receivables. It is reasonably possible that management's estimate of the allowance will change. As of June 30, 2021 and 2020, the allowance for doubtful accounts is \$424,085 and \$309,583, respectively.

Notes receivable

The Authority makes loans and advances. Interest on the notes receivable is accrued at least annually. The Authority assesses the collectability of the amounts based upon the terms of the promissory notes and the capacity of the borrowers to repay the funds based upon expected future cash flows. During the year ended June 30, 2021, note from the 1322 O Street Investor LP for \$1.5 million was determined to be uncollectable so an allowance for loan losses was created. As of June 30, 2021 and 2020, the Authority's management believes that the remaining outstanding loans are collectible and that the borrowers will be able to repay the loans under the terms of the promissory notes; therefore, no additional allowance for loan losses was considered necessary.

Capital assets

Capital assets, which are defined by the Authority as assets with an initial, individual cost of more than \$3,000 and an estimated useful life beyond one year, are stated at cost. Depreciation is calculated using the straight-line method based on the following estimated useful lives:

Building and improvements	5 - 30 years
Machinery and equipment	3 - 10 years

The costs of normal maintenance and repair that do not materially extend asset lives, enhance its efficiency or increase or amend asset usefulness are not capitalized.

Impairment of capital assets

The Authority reviews its capital assets for impairment whenever events or changes in circumstances indicate that there has been a decline in service utility that is large in magnitude and outside of the normal life cycle of the capital asset being evaluated. As of June 30, 2021, there has been no impairment of the capital assets.

Compensated absences payable and sick leave

Employee vacation benefits earned, but not used, are recognized as liabilities of the Authority. Fulltime employees accrue annual leave at rates based on length of service. Full-time employees with less than 3 years of service are allowed to carry a maximum of 160 hours of unused vacation, employees with 3-10 years of service may carry a maximum of 240 hours of unused vacation and employees with 10 years or more of service may carry a maximum of 320 hours of unused vacation. Part-time employees working more than, or are on paid status of, 50% a month are eligible to earn and use vacation time at their pro-rata rate according to the percentage of the month they work. Compensated absence accruals are considered long-term in nature and totaled \$222,636 and \$177,683 as of June 30, 2021 and 2020, respectively.

Sick leave benefits are earned and accumulated for each full-time employee at a rate of eight hours per month. A part-time employee earns a prorated share of sick leave, depending on the employee's percentage of full-time service. There is no limit to the number of hours of sick leave that an employee may accumulate, however, upon termination an employee is not paid for unused sick leave. As such, accumulated sick leave benefits are not recognized as liabilities of the Authority.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's portion of the California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's plan ("OPEB Plan") the assets of which are held by CalPERS and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Notes to Financial Statements June 30, 2021 and 2020

GAAP require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date:	June 30, 2019
Measurement Date:	June 30, 2020
Measurement Period:	July 1, 2019 to June 30, 2020

Bonds, notes payable and accrued interest

Bonds and notes payable consist of notes from commercial lenders, banks, local and state agencies. Interest on these notes is accrued at year end.

Income taxes

The Authority is exempt from federal and California income taxes.

Net position

Net position includes the net earnings from operations, non-operating revenues and expenses, and capital contributions. Net position is classified in the following three components:

- Net Investment in Capital Assets This component of net position consists of capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted This component of net position consists of constraints imposed by external creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation reduced by liabilities relating to those restricted assets.
- Unrestricted This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

Fair value

Authoritative guidance establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values, requiring that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets.
- Level 2: Unadjusted quoted market prices for similar assets or liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- Level 3: Significant unobservable inputs for the asset or liability.

Notes to Financial Statements June 30, 2021 and 2020

New accounting pronouncements

During the fiscal year ended June 30, 2021, the Authority has adopted the following new accounting standards issued by the GASB:

Statement No. 90, "Majority Equity Interests". The primary objective of GASB Statement No. 90 is to improve the consistency and comparability of reporting a governments' majority equity interest in a legally separate organization and to improve the financial statements relevance for certain component units. The adoption of this Statement had no impact on the Authority's financial statements for the period ended June 30, 2021.

Statement No. 84, "Fiduciary Activities". GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. The adoption of this Statement had no impact on the Authority's financial statements for the period ended June 30, 2021.

The Authority is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- Statement No. 87, "Leases". GASB Statement No. 87 requires that government lessees recognize a lease liability and an intangible asset representing the lessee's right to use the leased asset and report in its financial statements amortization expense for using the leased asset for the shorter of the lease term or the useful life of the underlying asset, interest expense on the lease liability and note disclosures about the lease. The Statement also requires government lessors recognize a lease receivable and a deferred inflow of resources and continue to report the leased asset in its financial statements and report in its financial statements lease revenue, recognized over the term of the lease, corresponding with the reduction of the deferred inflow, interest income on the receivable and note disclosures about the lease. The statement also financial statements lease revenue, recognized over the term of the lease, corresponding with the reduction of the deferred inflow, interest income on the receivable and note disclosures about the lease. The requirements of this Statement are effective for the Authority's fiscal year ending June 30, 2022.
- Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period". GASB Statement No. 89 provides accounting requirements for interest cost incurred before the end of a construction period. It establishes guidance designed to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. The requirements of this Statement are effective for the Authority's fiscal year ending June 30, 2022.
- Statement No 91, "Conduit Debt Obligations". The primary objectives of Statement No 91 are to provide a single method to report conduit debt obligations and to eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations and related note disclosures. The requirements of this Statement are effective for the Authority's fiscal year ending June 30, 2023.
- Statement No. 92, "Omnibus 2021". GASB Statement No. 92 addresses a variety of topics including, among other things, Leases, Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans, Fiduciary Activities, Measurement of liabilities related to AROs. The requirements of this Statement are effective for the Authority's fiscal year ending June 30, 2022.

- Statement No. 93, "Replacement of Interbank Offered Rates". GASB Statement No. 93 assists state and local governments in the transition away from existing interbank offered rates ("IBOR") to other reference rates because of global reference rate reform, wherein the London Interbank Offered Rate ("LIBOR") is expected to cease to exist in its current form at the end of 2021. The objective of this Statement is to address implications that result from the replacement of an IBOR in Statement No. 53, Accounting and Financial Reporting for Derivative Instruments and Statement No. 87, Leases and other accounting and financial reporting implications. The removal of LIBOR as an appropriate benchmark interest rate in this Statement are effective for Authority's fiscal year ending June 30, 2023. All other requirements of this statement are effective for the Authority's fiscal year ending June 30, 2022.
- Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". GASB Statement No. 94 establishes standards of accounting and financial reporting for Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs). The requirements of this Statement are effective for the Authority's fiscal year ending June 30, 2023.
- Statement No. 96, "Subscription-Based Information Technology Arrangements". GASB Statement No. 96 establishes standards of accounting and financial reporting for subscription-based information technology (SBITAs) for government end users. Under this Statement, a government generally should recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability. The requirements of the Statement are effective for the Authority's fiscal year ending June 30, 2023.
- Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32". The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit ("OPEB") plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans ("Section 457 plans") that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for the Authority's fiscal year ending June 30, 2022.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

Note 2 - Cash, cash equivalents and investments

Custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the California Government Code requires that a financial institution secure deposits made by state or local governmental units not covered by federal deposit insurance by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. The California Government Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. As a result, for purposes of custodial credit risk the collateral for cash deposits is considered to be held in the Authority's name.

The Authority's funds held with the City of Sacramento investment pool fall under the same requirements as noted above. In addition, the Authority maintains interest-bearing impound deposits and replacement reserve account in the amount of \$112,185 and \$119,746 as of June 30, 2021 and 2020, respectively, with the California Housing Finance Agency ("CalHFA") as required by the Authority's note payable with CalHFA. All such impound deposits are entirely insured or collateralized with securities held by CalHFA in the Authority's name.

At June 30, 2021 and 2020, the carrying amounts of the Authority's deposits with financial institution were \$5,440,282 and \$7,225,888, respectively. The financial institution balances at June 30, 2021 and 2020 were \$5,545,720 and \$7,652,015, respectively.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority manages its exposure to interest rate risk by investing the majority of its resources with the City Treasurer, which purchases a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the pool is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City's investment pool is unrated and the weighted average maturity is 3.14 years and 2.13 years as of June 30, 2021 and 2020, respectively.

Credit risk

Generally, credit risk is the risk that an issuer of a financial instrument will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority's investments in US Treasuries, impound accounts and deposits are not subject to these ratings (NA). It is the Authority's policy to purchase investments with the minimum ratings required by the California Government Code.

Notes to Financial Statements June 30, 2021 and 2020

As of June 30, 2021, the Authority's deposits, investments and credit ratings are as follows:

	Maturities							
-	Credit rating	Under 30 days		Under 30 days			1 - 5 years	 Total
Cash and cash equivalents City investment pool	Not rated	\$	-	\$	51,265,391	\$ 51,265,391		
Money market mutual funds Deposits	AAA/Aaa N/A		600,868 -		-	600,868 6,100,705		
Total		\$	600,868	\$	51,265,391	\$ 57,966,964		

As of June 30, 2020, the Authority's deposits, investments and credit ratings are as follows:

	Maturities							
_	Credit rating	Under 30 days		Under 30 days			1 - 5 years	 Total
Cash and cash equivalents City investment pool Money market mutual funds Deposits	Not rated AAA/Aaa N/A	\$	- 628,690 -	\$	20,822,306 - -	\$ 20,822,306 628,690 7,774,754		
Total		\$	628,690	\$	20,822,306	\$ 29,225,750		

Fair value classification

The Authority has determined that the amounts in the City investment pool are reported at net asset value and are not included in the fair value hierarchy categories.

Note 3 - Notes receivable

Notes receivable consist of the following at June 30:

	2021	2	2020
Letter City of ed by ts will e and ce of			
	\$ 100,000	\$	-

1322 O Street Investor, LP

Promissory note of \$100,000 for security on a Letter of Credit through Chase Morgan bank to the City of Sacramento. The Letter of Credit was required by the City to guarantee that off-site improvements will be completed. These funds will be release and refunded back to CADA upon acceptance of improvements by the City.

		2021	_	2020	
1717 S Street Investor, LP					
Promissory note of \$3.3 million for repayment of funds loaned to finance, in part, the development of affordable housing in the R Street area. This note is amortized over 55 years at a 3% interest rate, secured by the property with payments commencing 13 years after the Certificate of Occupancy or the first year after the deferred developer fee is paid in full, whichever comes first, in the amount equal to three (3%) percent of remaining residual cash flow when available.		3,300,000		_	
Allyson Dalton					
Promissory note of \$140,000 for property improvements. Interest shall accrue at 2% per year on the unpaid principal balance. Annual minimum payments will be made in the amount of the accrued interest with the entire outstanding principal balance due on October 20, 2021.	_	_	_	69,800	
Total	\$	3,400,000	\$	69,800	_

At the close of escrow on the Warehouse Artist Lofts ("WAL") project, the Authority entered into five residual receipts loans in exchange for property and project assistance for the development of a mix-income multifamily residential rental housing project. During the 2013-2014 fiscal year, the Authority entered into two additional residual receipts loans in exchange for the B&G property adjacent to the WAL project and project assistance for the development of a three story commercial building. According to the loan terms, the developer will pay 30% of residual receipts to the Authority after the first of either occurs: repayment in full of any deferred developer fee or twelve years for the WAL project and eight years for the B&G building after receipts and in no event shall the payment to the Authority exceed 30% for the WAL project and 15% for the B&G building. Due to the nature of these loans the Authority determined that these notes have no carrying value; therefore, they are not reflected on the Statements of Net Position. If payment is received in the future for these loans those payments will be recognized as revenue to the Authority.

At the close of escrow for the 1320 O Street project, the Authority entered into a residual receipts loan in exchange to finance, in part, the development of an affordable housing project. Due to the nature of this type of note and the insufficiency of expected future residual receipts of the project, the Authority determined there was no carrying value, so an allowance was created set up for the full amount of the loan.

Notes to Financial Statements June 30, 2021 and 2020

Residual receipt loans consist of the following at June 30, 2021:

R Street LP for the Warehouse Artist Lofts project

Warehouse residual receipt loan in the amount of \$3,600,000 amortized over 40 years at a 1% interest rate, secured by the Warehouse but subordinate to the developer's construction loan and permanent loan, and to be repaid from residual receipts.	\$	3,903,000
Lots 3&4 residual receipt loan, property adjacent to the Warehouse, in the amount of \$973,000 amortized over 40 years at a 1% interest rate, secured by Lots 3&4 but subordinate to the developer's construction loan and permanent loan, and to be repaid from residual receipts.		1,054,894
Authority Construction residual receipt loan in the amount of \$1.2 million amortized over 40 years at a 1% interest rate, secured by the Warehouse and Lots 3&4 but subordinate to the developer's construction loan and permanent loan, and to be repaid from residual receipts.		1,301,000
Remediation residual receipt loan in the amount of \$774,000 amortized over 40 years at a 1% interest rate, secured by the Warehouse but subordinate to the developer's construction loan and permanent loan, and to be repaid from residual receipts.		839,145
HCD Grant residual receipt loan in the amount of \$4,946,080 amortized over 55 years with zero interest, secured by the Warehouse but subordinate to the developer's construction loan and permanent loan, and to be repaid from residual receipts.		4,946,080
B&G Building Investors, LLC		
Land residual receipt loan, property adjacent to the WAL project, in the amount of \$260,000 amortized over 40 years at a 1% interest rate, secured by the property but subordinate to the developer's construction loan and permanent loan, and to be repaid from residual receipts.		282,317
Authority Construction residual receipt loan in the amount of \$500,000 amortized over 40 years at a 1% interest rate, secured by the property but subordinate to the developer's construction loan and permanent loan, and to be repaid from residual receipts.		540,167
1322 O Street Investor, LP		
Project financing loan, in the amount of \$1.5 million amortized over 55 years a a 4% interest rate, secured by the property with payments commencing 13 years after the Certificate of Occupancy or the first year after the deferred developer fee is paid in full, whichever comes first, in the amount equal to 50	3	
percent of remaining residual cash flow when available	,	1,500,000
Total	\$	14,366,603

Note 4 - Lease of state-owned real and personal property

The Authority leases and manages real and personal property located in the City of Sacramento from the State under a sixty-year operating lease terminating on October 31, 2038. The related cost of these properties is not included in the Authority's financial statements nor does the Authority pay rent on these properties. The State may terminate the lease in whole or as to any portion at any time by giving the Authority notice in writing at least 180 days prior to the date that any such termination shall be effective.

Exceptions to the 180-day notice of termination are the separate 60-year ground lease(s), which the Authority entered into with the State for the purposes of long-term development. In these instances, the Authority can develop the property itself or enter into a 59-year developmental ground lease with a developer for a specific project. These leases are used as security for the development of the property. Should the ground lease between the Authority and the State be terminated, the developmental ground leases will be honored by the State on behalf of the Authority.

Note 5 - Operating leases

The Authority leases office space (approximately 6,172 square feet) through the State of California Department of General Services (DGS). In January 2010, a new lease was negotiated with DGS for the currently leased space for a term of ten years from February 1, 2010 to January 31, 2021 for a monthly rental amount of \$8,172, with no annual rate adjustments. Under the terms of the current lease ending January 1, 2021 a total of \$88,890 and \$89,429 in operating lease rental expense was paid during each of the years ended June 30, 2021 and 2020, respectively.

In June 2017, the Authority negotiated with DGS to amend the current lease to include two five-year options (extending the term of the lease to January 31, 2031) at a reduced rental rate due to significant upgrades the Authority contributed to the premises in repair, replacement and upgrades to the heating, ventilation, air condition, electrical and plumbing systems.

Future minimum lease payments required under the leases subsequent to June 30, 2021 are as follows:

	,	Total				
2022	\$	77,340				
2023		77,340				
2024		77,340				
2025		78,305				
2026		79,656				
Thereafter		285,434				
Total	\$	675,415				

Note 6 - Capital assets

Information on changes in capital assets is presented below:

	Balance June 30, 2020	Increases	Transfers	Balance June 30, 2021
Capital assets not being depreciated Land Constrution in progress	\$ 1,282,385 316,639	\$ 2,000,000 259,061	\$- (198,755)	\$ 3,282,385 376,945
Total	1,599,024	2,259,061	(198,755)	3,659,330
Capital assets being depreciated Buildings and improvements Machinery and equipment	25,712,586 571,538	366,583 58,878	198,755 	26,277,924 630,416
	26,284,124	425,461	198,755	26,908,340
Less accumulated depreciation Buildings and improvements Machinery and equipment	(18,964,178) (338,850)	(796,817) (74,379)		(19,760,995) (413,229)
	(19,303,028)	(871,196)		(20,174,224)
Total capital assets being depreciated, net	6,981,096	(445,735)	198,755	6,734,116
Capital assets, net	\$ 8,580,120	\$ 1,813,326	\$-	\$ 10,393,446
	Balance June 30, 2019	Increases	Transfers	Balance June 30, 2020
Capital assets not being depreciated Land Constrution in progress		Increases \$ - 281,411	Transfers \$ - (209,008)	
Land	June 30, 2019 \$ 1,282,385	\$-	\$ -	June 30, 2020 \$ 1,282,385
Land Constrution in progress	June 30, 2019 \$ 1,282,385 244,236	\$ - 281,411	\$ - (209,008)	June 30, 2020 \$ 1,282,385 316,639
Land Constrution in progress Total Capital assets being depreciated Buildings and improvements	June 30, 2019 \$ 1,282,385 244,236 1,526,621 27,412,171	\$ - 281,411 281,411 851,384	\$(209,008) (209,008)	June 30, 2020 \$ 1,282,385 316,639 1,599,024 25,712,586
Land Constrution in progress Total Capital assets being depreciated Buildings and improvements	June 30, 2019 \$ 1,282,385 244,236 1,526,621 27,412,171 476,305	\$ - 281,411 281,411 851,384 95,233	\$	June 30, 2020 \$ 1,282,385 316,639 1,599,024 25,712,586 571,538
Land Constrution in progress Total Capital assets being depreciated Buildings and improvements Machinery and equipment Less accumulated depreciation Buildings and improvements	June 30, 2019 \$ 1,282,385 244,236 1,526,621 27,412,171 476,305 27,888,476 (20,966,934)	\$	\$	June 30, 2020 \$ 1,282,385 316,639 1,599,024 25,712,586 571,538 26,284,124 (18,964,178)
Land Constrution in progress Total Capital assets being depreciated Buildings and improvements Machinery and equipment Less accumulated depreciation Buildings and improvements	June 30, 2019 \$ 1,282,385 244,236 1,526,621 27,412,171 476,305 27,888,476 (20,966,934) (270,222)	\$	\$	June 30, 2020 \$ 1,282,385 316,639 1,599,024 25,712,586 571,538 26,284,124 (18,964,178) (338,850)

Notes to Financial Statements June 30, 2021 and 2020

Note 7 - Notes payable

Notes payable consists of the following at June 30:

	2021	2020	GASB 88 Disclosures
State of California Department of General Services ("DGS")			
Issued December 2005: Starting in December of 2009, both interest and principal payments were due. The resulting principal balance amortizes through the year 2028 (a period of 20 years) at 1.98% with consecutive annual payments of principal and interest of \$73,260. Secured by pledge of tax increment revenue.	\$ 537,128	\$ 598,537	A1, B1, C1, D1, E1
Issued December 2005: Starting in December of 2009, both interest and principal payments were due. The resulting principal balance amortizes through the year 2028 (a period of 20 years) at 1.98% with consecutive annual payments of principal and interest of \$23,033. Secured by pledge of tax increment revenue.	168,876	188,183	A1, B1, C1, D1, E1
Issued December 2005: Starting in December of 2009, both interest and principal payments were due. The resulting principal balance amortizes through the year 2028 (a period of 20 years) at 1.98% with consecutive annual payments of principal and interest of \$36,307. Secured by pledge of tax increment revenue.	266,202	296,635	A1, B1, C1, D1, E1
<u>California Housing Finance Agency</u> Monthly installments of \$7,836, including			
principal and interest at 5.25% to August 2033, secured by 17th Street Commons project. <u>Sacramento Housing Finance Agency</u>	848,261	896,377	A1, B2, C2, D1, E2
Noninterest-bearing note with annual principal payments of \$16,481 beginning December 2003 and maturing in the year 2028, secured by 17th Street Commons project.	148,342	164,823	A1, B2, C2, D2, E3

Notes to Financial Statements June 30, 2021 and 2020

	2021	2020	GASB 88 Disclosures
Noninterest-bearing note with principal payments of not less than \$25,000 annually beginning July 1, 2013 and maturing on July 1, 2022, secured by the pledge of tax increment funds on the Capital Lofts project.	,	75,000	A1, B3, C3, D3, E3
<u>California Department of Housing and</u> Community Development (HCD)			
Promissory note dated September 1, 2017, of \$1,197,213 payable to HCD, bearing simple interest at 3% per year. The loan matures 16 years from the date of the note (September 2033) at which time all outstanding principal and accrued interest will be due.		1,197,213	A1, B4, C4, D4, E4
Promissory note dated September 27, 2019, of \$1,025,653 payable to HCD, bearing simple interest at 3% per year. The loan matures 12 years from the date of the note (October 2030) at which time all outstanding principal and accrued interest will be due.		1,025,653	A1, B5, C6, D6, E6
<u>California Infrastructure & Economic</u> <u>Development Bank</u>			
Tax Allocation Loan for an amount up to \$600,000 secured by the Authority's tax increment. Average annual payments of principal, interest and fees of \$40,000 with a fixed interest rate of 2.77% to September 16, 2032.	: F	453,005	A1, B1, C5, D5, E5
Total	\$ 4,667,751	\$ 4,895,426	

Notes to Financial Statements June 30, 2021 and 2020

	 Principal	,	Interest		Total	
2022 2023	\$ 233,210 238,948	\$	73,994 68,245	\$	307,204 307,193	
2024 2025	219,898 226,070		62,285 56,100		282,183 282,170	
2026	232,473		49,686		282,159	
2027-2031 2032-2034	 2,008,641 1,508,511		145,968 591,807		2,154,609 2,100,318	
	\$ 4,667,751	\$	1,048,085	\$	5,715,836	

Future maturities on notes payable for years subsequent to June 30, 2021 are as follows:

The following is a summary of the notes payable transactions for the fiscal years ended June 30, 2021 and 2020:

Ju	Balance June 30, 2020		Additions		Retirements		Retirements		Retirements		Retirements		Retirements		Retirements		Balance ne 30, 2021	nounts due in one year
\$	4,895,426	\$		\$	(227,675)	\$	4,667,751	\$ 233,210										
Ju	Balance ne 30, 2019	/	Additions	Retirements		Ju	Balance ne 30, 2020	 nounts due in one year										
\$	4,092,109	\$	1,025,653	\$	(222,336)	\$	4,895,426	\$ 222,337										

Notes to Financial Statements June 30, 2021 and 2020

The following is a schedule required disclosures under GASB No. 88:

A. Amount of unused lines of credit

A1 The Authority has no open lines of credit

B. Assets Pledged as Collateral

- B1 Pledge of tax increment revenue
- B2 17th Street Commons project
- B3 Tax increment funds on the Capitol Lofts project
- B4 Somerset Parkside Apartments project
- B5 Biele Place Apartments project

C. Events of default with finance-related consequenses

- C1 Indebtedness becomes immediately due and payable, the Authority is liable for all costs of collection.
- C2 Indebtedness becomes immediately due and payable, and thereafter until paid bear interest at the rate of 10%.
- C3 Indebtedness becomes immediately due
- C4 Indebtedness becomes immediately due and payable, and thereafter until paid bear interest at the rate of 10%.
- C5 At the lender discretion indebtedness may become due or other remedies may be available
- C6 Indebtedness becomes immediately due and payable, and thereafter until paid bear interest at the rate of 10%.

D. Subjective Acceleration Clause

- D1 No prepayment penalty
- D2 The Authority may not prepay the indebtedness.
- D3 No prepayment penalty
- D4 The Authority may prepay the indebtedness only upon the prior written consent of the lender
- D5 With a written request 80 days prior to requested prepayment date, prepayment is allowable after 10 years, with a penalty in the 11th year of prepayment amount of 102% of the outstanding balance and in the 12th year the prepayment amount of 101% of the outstanding balance, and no penalty thereafter.
- D6 The Authority may prepay the indebtedness only upon the prior written consent of the lender

E. Termination events with finance-related consequenses

- E1 No Termination Clause
- E2 No Termination Clause
- E3 No Termination Clause
- E4 No Termination Clause
- E5 No Termination Clause
- E6 No Termination Clause

Note 8 - Bonds payable

On July 7, 2016, the Authority issued 2016 Tax Allocation Bonds. These bonds fully refunded the Authority's remaining obligations with respect to previously issued 2004 Tax Allocation Revenue Bonds.

On June 6, 2017, the Authority issued 2017 Tax Allocation Bonds. This issue fully refunded two outstanding notes one with F & M Bank for the purchase of the Fremont Wilshire Apartments at the corner of 15th & P Street and one with D'Ambrosia for the purchase of the Maintenance office on 701 S Street for principal and interest balances totaling \$1,169,964 and \$1,035,340, respectively.

On December 2020, the Authority issued \$31,455,000 in Tax Allocation Bonds. These bonds were issued to finance future affordable housing projects and other development projects within the Capitol and R Street Areas. The Bonds are secured by a pledge of tax increment revenue, with maturity and interest rates as follows:

Maturity Date	Amount		Interest Rate
10/1/2021	\$	880,000	0.957%
10/1/2022		715,000	1.027%
10/1/2023		725,000	1.174%
10/1/2026		755,000	1.967%
10/1/2027		770,000	2.177%
10/1/2028		785,000	2.458%
10/1/2029		805,000	2.558%
10/1/2030		825,000	2.658%
10/1/2031		850,000	2.778%
10/1/2032		870,000	2.878%
10/1/2033 - 10/1/2035		2,775,000	3.128%
10/1/2036 - 10/1/2040		5,290,000	3.615%
10/1/2041 - 10/1/2045		6,330,000	3.715%
10/1/2046 - 10/1/2050		7,605,000	3.815%
	\$	31,455,000	

Notes to Financial Statements June 30, 2021 and 2020

	Principal		 Interest		 Total	
2022 2023 2024 2025 2026 2027-2031 2032-2036	\$	1,454,552 1,301,957 1,339,964 1,360,018 1,379,225 7,453,600 7,334,072	\$)	1,302,718 1,274,590 1,245,704 1,214,432 1,181,057 5,308,235 4,126,193	\$ 2,757,270 2,576,547 2,585,668 2,574,450 2,560,282 12,761,835 11,460,265	
2037-2041 2042-2046 2047-2051		5,290,000 6,330,000 7,605,001		3,118,091 2,055,642 746,691	8,408,091 8,385,642 8,351,692	
	\$	40,848,389	\$ 5	21,573,353	\$ 62,421,742	

Future debt service requirements for years subsequent to June 30, 2021 are as follows:

The following is a summary of the bonds payable transactions for the fiscal years ended June 30, 2021 and 2020:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Amounts due within one year
TAB payable	\$ 9,944,244	\$ 31,455,000	\$ (550,855)	\$ 40,848,389	\$ 1,454,552
	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020	Amounts due within one year
TAB payable	\$ 10,479,729	\$-	\$ (535,485)	\$ 9,944,244	\$ 550,856

Note 9 - Compensated absences

The following is a summary of the compensated absences payable for the fiscal years ended June 30, 2021 and 2020:

-	Balance e 30, 2020	A	dditions	Retirements		Balance June 30, 2021	
\$	177,683	\$	141,554	\$	(96,601)	\$	222,636
	Balance June 30, 2019		dditions	R	etirements		Balance e 30, 2020
\$	154,226	\$	135,283	\$	(111,826)	\$	177,683

Note 10 - R Street Property and Business Improvement District

In June 2012, the Authority established the R Street Property and Business Improvement District ("District"). In January 2018, the District was extended for a 10-year term with the approval of the District property owners in accordance with the Property and Business Improvement District Law of 1994. The District will fund services such as security, street maintenance, marketing and advocacy for economic and neighborhood development within the proposed boundaries of the District.

Financing of the District will be provided by the levy of assessments upon real property that benefits from improvements and activities.

The Authority will act as a pass-through of the levied assessments from the County of Sacramento to the managing non-profit. For the years ended June 30, 2021 and 2020, the receipt and disbursement of the levied assessment was netted within Intergovernmental Revenue.

Note 11 - Agreements with the CACDC

The Authority entered into an administrative services agreement and development line of credit with the CACDC. The Authority will provide the CACDC with administrative and support services related to the nonprofit operations, facilities, supplies and equipment with no compensation to the Authority.

For development activities CACDC previously received a revolving line of credit from the Authority up to the amount of \$259,000 in FY 15-16. In FY16-17, the Board authorized the execution of an initial loan agreement and promissory note in the amount not to exceed \$2,108,000 and authorized a drawdown to repay the \$259,000 revolving Line of Credit. The terms and security remained the same as the line of credit. In FY 17-18, the Board approved amending the loan agreement and promissory note to increase the loan amount from \$2,108,000 to an amount not to exceed \$2,808,000 and amending repayment to be paid at the close of the project financing in the amount the CACDC received for cost reimbursement, with any remaining amounts to be paid with development fees received during construction.

CADA through the CACDC entered into a joint venture agreement with CFY Development Inc., a third party developer, to form a limited partnership, 1717 S Street Investors, LP where by CACDC was a 50% partner. This partnership is for the purpose of purchasing property for the development of a mixed-use, mixed-income project on the site in order to meet a portion of CADA's R Street Area affordable housing requirement. On March 10, 2017, the Partnership closed escrow to purchase the half block of property located on the north side of S Street between 17th and 18th Streets, known as 1717 S Street for the total amount of \$3,124,000, of this amount the CACDC contributed \$2,046,090 into escrow, with \$1,562,000 for the land and \$300,000 to fund a remediation trust fund. This contribution to the partnership was considered investment activity in a joint venture partnership. In October 2020, the partnership agreement was amended to include a tax credit limited partner investor where as CACDC investment was paid back in a form of a \$3.3 million loan and a \$701,517 long term advance receivable.

CADA through the CACDC, entered into a new limited partnership agreement, 1322 O Street Investors, LP with CACDC and Cyrus Youssefi as general partners and the tax credit investor as the majority owner as a limited partner to provide financing for an affordable housing project at 1322 O Street. At the time of closing, CADA contributed \$1.5 million in gap financing through a residual receipt note.

Note 12 - Funds held for others

The Authority acts as fiscal agent for two trust funds the 17R Orchard Partners, LP and the 1717 S Street Investors, LLC. Funds for both trusts are disbursed in accordance with the trusts' instructions and funds for both entities are reported as restricted cash and cash equivalents. Restricted cash balances for the 17 R Orchard Partners, LP is \$55,340 and \$55,340 and for the 1717 S Street Investors, LLC is \$160,022 and \$188,518 as of June 30, 2021 and 2020, respectively.

Note 13 - Pension plan

Plan description

The Authority contributes to CalPERS, a cost-sharing defined benefit pension plan (the "Plan"). CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by contract with CalPERS in accordance with the provisions of the Public Employees' Retirement Law. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The Authority selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Board Approval. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report ("CAFR") may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

The California Legislature passed and the Governor signed the "Public Employees' Pension Reform Act of 2013" ("PEPRA") on September 12, 2012. PEPRA contained a number of provisions intended to reduce future pension obligations. PEPRA primarily affects new pension plan members who are enrolled for the first time after December 2012. Benefit provisions and other requirements are established by State statute.

Benefits provided

The benefits for the Plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, military service credits, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service. The PEPRA created two benefit levels for the Authority's employees who qualify for membership in CalPERS. They are outlined below:

	Current Members*	New Members**
Retirement Formula	2% @ 55	2% @ 62
Retirement Contribution	7%	50% of Annual Normal Cost***
Final Compensation Method	Highest 1 Year Average	Highest 3 Year Average

*Current Member is defined as anyone who is or has been a member of CalPERS or another recognized public retirement system and who has not had more than a six-month break in service.

**New Member is defined as anyone who is or has been a member of CalPERS or another recognized public retirement system and who has not had more than a six-month break in service and was hired by the Authority after January 1, 2013.

***Annual Normal cost for New Members is determined annually by CalPERS and is dependent on the benefit levels, actuarial assumptions, and demographics of each plan. The Authority's New Member contribution for 2021 is 7.8%.

Funding policy

Active plan members are required to contribute 7% of their annual covered salary. The Authority is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CaIPERS

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Notes to Financial Statements June 30, 2021 and 2020

Board of Administration. The required employer contribution rates for classic members were 11.746% and 10.868% and for PEPRA members were 7.874% and 7.1% for the years ended June 30, 2021 and 2020, respectively. The Authority has been notified that the required employer contribution rate for classic members will be 11.60% and PEPRA members will be 7.73% for the year ending June 30, 2022 and an annual payment on the Authority's unfunded liability of \$426,774 for classic member and \$5,224 for PEPRA members. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS based on actuarial valuations performed by CalPERS actuaries.

Net pension liability

As of June 30, 2021, the Authority reported net pension liability for its proportionate share of the net pension liability of \$5,126,883.

The Authority's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020 (measurement date), and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. GASB 68 requires cost sharing employers to establish an approach to allocate the net pension liability and pension expense to the individual employers within the risk pool. Pools where contribution rates within the pool are based on separate relationships, the proportional allocation should reflect those relationships. The allocation method utilized by CalPERS determines the employer's share by reflecting these relations through the plans they sponsor within the risk pool. Plan liability and asset-related information are used where available, and proportional allocations of individual plan accounts as of the valuation date are used where not available. The Authority's proportionate share of the net pension liability for the Plan as of June 30, 2021 for all members was .11081% which increased as compared to the percentage as of June 30, 2020 of .11055%.

Pension expense and deferred outflows/inflows of resources related to pensions

For the year ended June 30, 2021, the Authority recognized pension expense of \$948,928. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflfows of resources		Deferred Inflows of resources	
Differences between expected and actual experience Net difference between projected and actual	\$	240,868	\$	-
earnings on pension plan investments Change in assumptions Contributions made subsequent to the measurement date		138,850 - 616,274		- 33,337 -
Total	\$	995,992	\$	33,337

Notes to Financial Statements June 30, 2021 and 2020

The \$616,274 reported as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense (revenue) as follows:

Years ending June 30,	/	Amounts
2022 2023 2024 2025	\$	53,559 125,901 100,324 66,597
	\$	346,381

Actuarial assumptions

For the measurement period ended June 30, 2020 (measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2020 and the June 30, 2021 total pension liability was based on the following actuarial method and assumptions:

Actuarial Cost Method Actuarial Assumptions:	Entry-Age Normal
•	
Discount Rate	7.15%
Inflation	2.5%
Salary Increases	Varies ⁽¹⁾
Payroll Growth	3.00%
Investment Rate of Return	7.15% ⁽²⁾
Mortality ⁽³⁾	CalPERS' Membership Data
Post Retirement Benefit Increase	Up to 2.50% ⁽⁴⁾

⁽¹⁾ Depending on entry age and service

⁽²⁾ Net of pension plan investment and administrative expenses, including inflation

- ⁽³⁾ The mortality table used was developed based on CalPERS specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period 1997 to 2015. Pre-retirement and Post-retirement mortality include 15 years of projected mortality improvements using 90% of Scale MP-2016 published by the Society of Actuaries.
- ⁽⁴⁾ The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS website under Forms and Publications.

Discount rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutory required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary

net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rate of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The table below reflects the long-term expected real rate of return by asset class:

Asset class	Assumed asset allocation	Real return years 1 - 10 (a)	Real return years 11+ (b)
Global equity	50%	4.80%	5.98%
Fixed income	28%	1.00%	2.62%
Inflation assets	0%	0.77%	1.81%
Private equity	8%	6.30%	7.23%
Real assets	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
	100%		

(a) An expected inflation of 2.0% used for this period

(b) An expected inflation of 2.92% used for this period

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	 scount rate - % (6.15%)	di	Current scount rate (7.15%)	Discount rate + 1% (8.15%)	
Net pension liability	\$ 8,187,215	\$	5,126,883	\$	2,598,227

Note 14 - Post-employment healthcare plan

Plan description

The Authority's defined benefit postemployment healthcare plan provides medical benefits to eligible retired employees and eligible family members. The Authority established the irrevocable trust to prefund the other post-employment benefits annual required contribution through the California Employer's Retiree Benefits Trust Program ("CERBT"), an agent multiple-employer plan. Benefit provisions are established and may be amended by the Authority's Board of Directors.

The Authority provides postretirement health insurance coverage in accordance with the Public Employees' Medical and Hospital Care Act ("PEMHCA") to employees through CalPERS. For all employees to be eligible for this benefit, the former employee must be fifty-five years of age, have the credited service based on hire date, and retired from the Authority.

Employees hired prior to May 1, 2005 are eligible for postretirement health insurance coverage under Government Code Section 22892 unless they elect to be covered under Government Code Section 22893. Under Code Section 22892, the retiree and their qualified family members are eligible for health benefits after five (5) years of service for 100% of the annual health benefit contribution adopted by the Authority's Board of Directors. The calendar year employer contribution may not be less than an amount stipulated by the Government Code which is \$133 per month for calendar year 2018.

All employees hired on or after May 1, 2005, as well as those hired prior to May 1, 2005 are eligible for postretirement health insurance coverage under Government Code Section 22893. Coverage under Code Section 22893 is based on the employee's completed years of service at retirement. The Authority contributes 50% of the weighted average of the four basic health benefit plans that had the largest state enrollment, for those employees with a minimum of ten (10) years of service, five (5) of those ten (10) years performed at the Authority. With each additional year of service after 10 years, the retiree will receive an additional 5% of the contribution up to 20 years of service which then entitles them to 100% of the contribution rate. The Authority also provides 90% of the health benefit contribution for the retiree's eligible family members.

Employees covered

As of the measurement date of June 30, 2020, there are 25 retirees receiving benefits under the program and 1 other retiree who is currently waiving coverage. At the same measurement date, the Authority had 37 active employees of which 26 were enrolled in the medical program and 11 were waiving coverage.

Funding policy

The obligation of the Authority to contribute to the plan is established and may be amended by the Board of Directors. Employees are not required to contribute to the plan.

Contributions

The Authority contributions to the OPEB Plan occur as benefits are paid to retirees and/or to the OPEB trust. The annual contribution is based on the actuarially determined contribution. For the year ended June 30, 2021, the Authority's cash contributions were \$395,530, in payments to the trust and the estimated implied subsidy was \$38,973 resulting in total payments of \$356,557. The Authority has a trust with the California Employers' Retiree Benefit Trust (CERBT) for the purpose of prefunding OPEB obligations for past services.

Net OPEB liability

The Authority's net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 that was rolled forward to determine the June 30, 2020 total OPEB liability based on the following actuarial methods and assumptions:

Actuarial assumptions

For the measurement period ended June 30, 2020 (measurement date), the total OPEB liability was based on the following actuarial method and assumptions:

Funding Method:	Entry-Age Normal Cost, level percent of pay
Asset Valuation Method:	Market value of assets
Long Term Return on Assets:	6.9%
Discount Rates:	6.9%
Participants Valued:	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in the valuation
Salary Increases:	3.00% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years
Assumed Wage Inflation:	3.00% per year; used as a component of assumed salary increases
General Inflation Rate:	2.50% per year
Mortality:	CalPERS 2017 experience study using data from 1997 to 2015, except for a different basis used to project future mortality improvements. Mortality rates used were those published by CalPERS, adjusted to back out 15 years of Scale MP-2016 to central year 2015, and then projected.
Mortality Improvements:	McLeod Watts Scale 2020 applied generationally from 2015.
Healthcare Trend Rate:	6.5% for 2021 decreasing to 4% in 2076

Discount rate

The discount rate used to measure the total OPEB liability was 6.9%. The projection of cash flows used to determine the discount rate assumed that the Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan assets was applied to all periods of projected benefit payments to determine the total OPEB liability.

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Changes in the OPEB liability

The changes in the net OPEB liability for the OPEB Plan are as follows:

	Total OPEB liability		Fiduciary net position		Net OPEB liability	
Balance at June 30, 2020 Changes recognized for the	\$	4,981,472	\$	3,553,582	\$	1,427,890
measurement period						
Service cost		224,159		-		224,159
Interest cost	351,625		-			351,625
Expected investment income	-		125,084			(125,084)
Employer contributions		-	425,066			(425,066)
Benefit payments		(219,240)	(219,240)			-
Investment expenses		-	(1,739)			1,739
Unexpected changes						
Plan experience		-		-		-
Assumption changes		-		-		-
Net changes during the year		356,544		329,171		27,373
Balance at June 30, 2021	\$	5,338,016	\$	3,882,753	\$	1,455,263

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the Authority's net OPEB liability if it were calculated using a discount rate that is one percent point lower or one percent point higher than the current rate as of the measurement date:

Changes in discount rate	Net OPEB liability
1% Decrease (5.90%) Current Discount Rate (6.90%) 1% Increase (7.90%)	\$ 2,127,725 1,455,263 893,456

Sensitivity of the net OPEB liability to changes in the Healthcare cost trend rates

The following presents the Authority's net OPEB liability if it were calculated using healthcare cost trend rates that are one percent point lower or one percent point higher than the current rate as of the measurement date:

Changes in Healthcare Cost Trend Rates	1	Net OPEB liability
1% Decrease	\$	817,329
Current Trend		1,455,263
1% Increase		2,232,448

Recognition of deferred outflows and deferred inflows of resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

- Net differences between projected and actual earnings on OPEB plan investments are recognized over a 5.5-year period using the straight-line method.
- All other amounts are recognized over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the measurement period.

OPEB expense and deferred outflows/inflows of resources related to OPEB

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

For the fiscal year ended June 30, 2021, the Authority recognized OPEB expense of \$87,468. As of June 30, 2021, the Authority reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources		Deferred inflows of resources	
Contributions made subsequent to the				
measurement date	\$	395,530	\$	-
Changes of assumptions		73,221		76,379
Difference between expected and actual				
experience		-		615,956
Net differences between projected and actual				
earnings on plan investments		98,781		-
Total	\$	567,532	\$	692,335

The \$395,530 reported as deferred outflows of resources related to contributions made subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the Authority's fiscal year ending June 30, 2022. Other amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized as expense (revenue) as follows:

Fiscal year ending June 30	(i	Deferred outflows/ nflows) of esources
2022 2023 2024 2025	\$	(237,816) (164,558) (97,005) (20,954)
	\$	(520,333)

Note 15 - Contingencies

Lawsuits and Claims

The Authority is subject to lawsuits and claims, which arise out of the normal course of its activities. In the opinion of management, based upon the opinions of legal counsel, the disposition of any and all such actions of which it is aware, will not have a material effect on the financial position of the Authority.

COVID-19 Pandemic

In 2021, the financial impact of the novel COVID-19 coronavirus has been felt both worldwide and in the United States. Throughout the United States businesses in all financial sectors have felt the negative impacts of the COVID-19 pandemic as jobs have been lost due to sheltering in place in order to mitigate the spread of the virus.

While the Authority cannot readily estimate the financial impact that the pandemic will have on its business operations, the Authority does not believe that the Agency's mission will be adversely and significantly impacted.

Note 16 - Subsequent events

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date, require disclosure in the accompanying notes. Management evaluated the activity of the Authority through January 4, 2022, the date the financial statements were available to be issued and concluded that no subsequent event have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Supplementary Information

Cost-Sharing Defined Benefit Pension Plan Schedule of the Authority's Proportionate Share of the Net Pension Liability

As of June 30, 2021 Last 10 Years*

	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the collective net pension liability	0.11081%	0.11055%	0.11038%	0.11312%	0.11367%	0.10455%	0.04431%
Authority's proportionate share of the collective net pension liability	\$ 5,126,883	\$ 4,730,335	\$ 4,331,810	\$ 4,433,887	\$ 3,804,599	\$ 2,868,163	\$ 2,757,022
Authority's covered payroll	\$ 2,469,638	\$ 2,281,221	\$ 2,234,432	\$ 2,090,603	\$ 2,021,924	\$ 1,987,171	\$ 1,959,177
Authority's proportionate share of the collective net pension liability as a percentage of its covered payroll	208%	207%	194%	212%	188%	144%	141%
Plan's fiduciary net position as a percentage of the Plan's total pension liability	77.70624%	76.20700%	76.76623%	75.52761%	76.75248%	81.31677%	81.31677%
Authority's proportionate share of the Plan's aggregate employer contributions	\$ 616,274	\$ 556,243	\$ 462,994	\$ 433,748	\$ 356,976	\$ 283,507	\$ 238,682

Notes to Schedule

Changes of benefit terms. In 2018, 2019, 2020 and 2021, there were no changes to the benefit terms.

<u>Changes in assumptions.</u> In 2021 and 2020 there were no changes in assumptions. In 2019, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2018, the discount rate was reduced from 7.65% to 7.15%.

* Fiscal year 2015 was the 1st year of implementation of GASB 68, therefore only seven years are shown.

Cost-Sharing Defined Benefit Pension Plan Schedule of the Authority's Contributions

As of June 30, 2021 Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 616,274	\$ 556,243	\$ 462,994	\$ 433,748	\$ 356,976	\$ 283,507	\$ 238,682
Contributions in relation to the contractually required contribution	(616,274)	(556,243)	(462,994)	(433,748)	(356,976)	(283,507)	(238,682)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$-	\$-
Authority's covered payroll	\$ 2,469,638	\$ 2,281,221	\$ 2,234,432	\$ 2,090,603	\$ 2,021,924	\$ 1,987,171	\$ 1,959,177
Contributions as a percentage of covered- payroll	24.95%	24.38%	20.72%	20.75%	17.66%	14.27%	12.18%
Notes to Schedule:							
Actuarial Cost Method		Entr	ry-Age Normal				

	Entry / igo Norman
Actuarial Assumptions:	
Inflation	2.5%
Salary Increases	Varies ⁽¹⁾
Payroll Growth	3.0%
Investment Rate of Return	7.15% ⁽²⁾
Retirement Age	2017 Experience Study ⁽³⁾
Mortality ⁽³⁾	2017 Experience Study ⁽⁴⁾

⁽¹⁾ Depending on age, service and type of employment

⁽²⁾ Net of pension plan investment and administrative expenses, including inflation

⁽³⁾ The probabilities of Retirement are based on the 2017 CalPERS Experience Study based on CalPERS demographic data from 1997 to 2015.

⁽⁴⁾ The probabilities of Retirement are based on the 2017 CalPERS Experience Study was developed based on CalPERS-specific data from 1997 to 2015. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP-2016.

* Fiscal year 2015 was the 1st year of implementation of GASB 68, therefore only seven years are shown.

Schedule of Changes in Net OPEB Liability and Related Ratios

As of June 30, 2021 Last 10 Years*

	2021	2020	2019	2018
Total OPEB liability Service cost Interest on total OPEB liability Changes of assumptions Differences between expected and actual experience Benefit payments	\$ 224,159 351,625 _ _ _(219,240)	\$ 197,834 377,988 (121,843) (568,761) (211,494)	\$ 191,607 353,450 _ 	\$ 188,788 382,973 265,905 (942,103) (190,888)
Net change in total OPEB liability	356,544	(326,276)	355,088	(295,325)
Total OPEB liability - beginning	4,981,472	5,307,748	4,952,660	5,247,985
Total OPEB liability - ending (a)	\$ 5,338,016	\$ 4,981,472	\$ 5,307,748	\$ 4,952,660
Plan fiduciary net position Contributions from employer Net investment income Benefit payments Administrative expenses Investment expenses	\$ 425,066 125,084 (219,240) (1,739) 	\$ 406,132 196,181 (211,494) (678)	\$ 396,403 218,384 (189,969) (5,092)	\$ 649,631 163,421 (190,888) (1,217) 72,294
Net change in plan fiduciary net position	329,171	390,141	419,726	693,241
Plan fiduciary net position - beginning	3,553,582	3,163,441	2,743,715	2,050,474
Plan fiduciary net position - ending (b)	\$ 3,882,753	\$ 3,553,582	\$ 3,163,441	\$ 2,743,715
Net OPEB liability - ending (a) - (b)	\$ 1,455,263	\$ 1,427,890	\$ 2,144,307	\$ 2,208,945
Plan fiduciary net position as a percentage of total OPEB liability Covered-employee payroll Net OPEB liability as a percentage of covered employee payroll	72.74% \$ 2,469,638 58.93%	71.34% 2,281,221 62.59%	59.60% \$ 2,146,924 108.56%	55.40% \$ 1,975,245 111.83%

Notes to Schedule

* Fiscal year 2018 was the first year of implementation of GASB 75, therefore only four years are shown.

Changes in assumptions. In 2021, there were no changes in assumptions.

In 2020, demographic assumptions were updated to those provided in the CalPERS 2017 Experience Study. Mortality rates were updated to the rates in the midpoint year of the 2017 Experience Study (2015), then projected on a generationally basis by McLeod Watts Scale 2018. The discount rate was decreased from 7% to 6.90%; the salary increases percentage changed from 3.25% to 3% and the inflation percentage changed from 2.75% to 2.5%.

Capitol Area Development Authority

Schedule of OPEB Plan Contributions

As of June 30, 2021 Last 10 Years*

	2021	2021 2020		2018
Actuarily Determined Contributions (ADC)	\$ 356,557	\$ 372,138	\$ 361,651	\$ 352,468
Contributions in relation to the ADC	(395,530)	(425,066)	(406,132)	(352,468)
Contributions deficiency (excess)	\$ (38,973)	\$ (52,928)	\$ (44,481)	\$-
Covered-employee payroll	\$ 2,469,638	\$ 2,281,221	\$ 2,146,924	\$ 1,975,245
Contributions as a percentage of covered employee payroll	16.02%	18.63%	18.92%	17.84%

Notes to Schedule of OPEB Plan Contributions

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year 2021 contribution rates are as follows:

Actuarial Cost Method Amortization Method/Period Asset Valuation Method Inflation	Entry Age Normal Cost Method Level percent of payroll over a closed 30-year period Market value of assets. 2.50%
Salary Increases	3.00% per year; since benefits do not depend on pay, this is covered only to allocate the cost of benefits between service years
Payroll Growth	3.0% per year; used as a component of assumed salary increases
Investment Rate of Return	6.9% net of plan investment fees and including inflation
Healthcare cost trend rates	6.5% in 2021, then decreasing to 4% by 2076
Retirement age	Tier 1 employees - 2.5% @55 and Tier 2 employees -
	2.0% @62. The probabilities of Retirement are based on
	the 2017 CalPERS Experience Study for the period from
	1997 to 2015.
Mortality	Projected with Macleod Watts Scale 2020 applied generationally fron 2015.

* Fiscal year 2018 was the first year of implementation of GASB 75, therefore only four years are shown.

<u>Changes in assumptions.</u> In 2021, there were no changes in assumptions.

In 2020, demographic assumptions were updated to those provided in the CalPERS 2017 Experience Study. Mortality rates were updated to the rates in the midpoint year of the 2017 Experience Study (2015), then projected on a generationally basis by McLeod Watts Scale 2018. The discount rate was decreased from 7% to 6.90%; the salary increases percentage changed from 3.25% to 3% and the inflation percentage changed from 2.75% to 2.5%.



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors Capitol Area Development Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Capitol Area Development Authority ("Authority") as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents, and have issued our report thereon dated January 4, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReynickLLP

Sacramento, California January 4, 2022



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> Financial Statements (With Supplementary Information) and Independent Auditor's Report

> > June 30, 2021 and 2020



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Independent Auditor's Report

Board of Directors Capitol Area Development Authority Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of Somerset Parkside Apartments (Contract Number 15-LPR-005) (the "Project"), a project of the Capitol Area Development Authority ("Authority"), which comprise the statements of net position as of June 30, 2021 and 2020, and the related statements of revenue, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Somerset Parkside Apartments as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Emphasis of Matter

As described in Note 1, the financial statements referred to above present only the financial position and changes in financial position and cash flows of the Project and do not purport to, and do not, present fairly, the financial position of the Authority as of June 30, 2021 and 2020 and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 15 to 25 as required by the California Department of Housing and Community Development is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Except for the budgetary information on pages 20 and 21 and the Sponsor's project rating information at pages 22 to 25, such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the budgetary information on pages 20 and 21 and the Sponsor's project rating information at pages 22 to 25 on which we express no opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of the Project's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Project's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Project's internal control over financial reporting and compliance.

Cohn Reznick ZZP

Sacramento, California December 14, 2021

Statements of Net Position June 30, 2021 and 2020

<u>Assets</u>

	2021	2020
Current assets Residential accounts receivable, net Due from HCD - annuity receivable Restricted cash - tenant security deposits	25,290 - 7,205	22,983 7,925 9,258
Total current assets	32,495	40,166
Noncurrent assets Restricted cash and cash equivalents - replacement reserve Restricted cash and cash equivalents - operating reserve Capital assets	192,984 55,276	149,604 55,248
Construction in progress Building and Improvements Less accumulated depreciation	- 1,829,309 (1,582,198)	68,802 1,740,923 (1,550,463)
Total capital assets	247,111	259,262
Total noncurrent assets	495,371	464,114
Total assets	\$ 527,866	\$ 504,280
Liabilities		
Current liabilities Accounts payable HCD monitoring fees payable Due to CADA Unearned revenue - prepaid rent Due to HCD - annuity payable Tenant security deposits	\$ 16,808 41,722 127,663 2,753 3,374 7,205	\$ 7,867 31,595 17,287 1,123 - 9,258
Total current liabilities	199,525	67,130
Noncurrent liabilities Accrued interest Note payable long term	173,596 1,197,213	137,679 1,197,213
Total noncurrent liabilities	1,370,809	1,334,892
Total liabilities	\$ 1,570,334	\$ 1,402,022
<u>Net Position</u> Net investment in capital assets Restricted for operating and replacement reserves Unrestricted	\$ (950,102) 248,260 (340,626)	\$ (937,951) 204,852 (164,643)
Total net position	\$ (1,042,468)	\$ (897,742)

See Notes to Financial Statements.

Statements of Revenue, Expenses and Changes in Net Position Years Ended June 30, 2021 and 2020

	2021	2020		
Operating revenue Rental revenue, net Coin-operated laundry Miscellaneous	\$ 161,599 - 3,347	\$ 204,214 2,183 2,554		
Total operating revenue	164,946	208,951		
Operating expenses Payroll Salaries and benefits	75,392	59,206		
	10,002	00,200		
Administrative Legal and accounting services Management fee Media	5,940 19,680 870	4,880 19,095 792		
Total administrative	26,490	24,767		
Utilities	38,119	50,125		
Operating and maintenance Services and supplies Courtesy patrol Maintenance contract Decorating and painting	8,916 4,080 85,889 1,060	880 1,944 27,226 1,155		
Total operating and maintenance	99,945	31,205		
Insurance and taxes Insurance Property taxes	9,198 1,863	7,454 1,750		
Total insurance and taxes	11,061	9,204		
Depreciation	31,735	29,930		
Total operating expenses	282,742	204,437		
Operating income (loss)	(117,796)	4,514		

Statements of Revenue, Expenses and Changes in Net Position Years Ended June 30, 2021 and 2020

	 2021	 2020
Nonoperating revenue (expenses) CADA annuity expense HCD annuity revenue (expense) Interest income HCD monitoring fee Interest expense	 18,986 128 (10,127) (35,917)	 (45,760) (13,782) 2,929 (10,127) (35,916)
Total nonoperating revenue (expenses), net	 (26,930)	 (102,656)
Change in net position	(144,726)	(98,142)
Net position, beginning	 (897,742)	 (799,600)
Net position, end	\$ (1,042,468)	\$ (897,742)

See Notes to Financial Statements.

Statements of Cash Flows Years Ended June 30, 2021 and 2020

	 2021	2020		
Cash flows from operating activities Rental receipts HCD annuity Other receipts Tenant security deposits received (paid) Payroll and related costs Administrative Utilities Operating and maintenance Insurance and taxes	\$ 160,922 30,285 3,347 (2,053) (75,392) (26,491) (38,119) (91,004) (11,061)	\$	206,611 (5,535) 4,737 (1,055) (59,206) (24,767) (50,125) (29,770) (9,204)	
Net cash provided by (used in) operating activities	 (49,566)		31,686	
Cash flows from noncapital financing activities CADA annuity and advances received (paid)	 110,376		(28,473)	
Net cash provided by (used for) noncapital financing activities	 110,376		(28,473)	
Cash flows from capital and related financing activities Acquisition of capital assets	 (19,583)		(50,682)	
Net cash used for capital and related financing activities	 (19,583)		(50,682)	
Cash flows from investing activities Interest income received	 128		2,929	
Net cash provided by investing activities	 128		2,929	
Net increase (decrease) in cash and cash equivalents	41,355		(44,540)	
Cash and cash equivalents, beginning	 214,110		258,650	
Cash and cash equivalents, end	\$ 255,465	\$	214,110	

Statements of Cash Flows Years Ended June 30, 2021 and 2020

	 2021	 2020
Reconciliation to the statements of net position Restricted cash and cash equivalents Tenant security deposits Replacement reserve Operating reserve	 7,205 192,984 55,276	 9,258 149,604 55,248
Total cash and cash equivalents	\$ 255,465	\$ 214,110
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by operating activities	\$ (117,796)	\$ 4,514
Depreciation Changes in assets and liabilities	31,735	29,930
Residential accounts receivable Accounts payable Unearned revenue - prepaid rent Due to HCD Tenant security deposits	 (2,307) 8,941 1,629 30,285 (2,053)	 3,754 1,435 (1,357) (5,535) (1,055)
Net cash provided by (used in) operating activities	\$ (49,566)	\$ 31,686

See Notes to Financial Statements.

Notes to Financial Statements June 30, 2021 and 2020

Note 1 - Organization and summary of significant accounting policies

General

Somerset Parkside Apartments (the "Project") is a 26-unit apartment complex located in downtown Sacramento, California. It provides housing for eligible low-income families under the State of California Department of Housing and Community Development ("HCD") Rental Housing Construction Program ("RHCP"). This program provides long-term financing to construct the housing project and monthly annuities to fund operating deficits. Effective September 2016, the Authority and HCD terminated the old regulatory agreement (Contract No. 80-RHC-007) and entered into a 16-year term new regulatory agreement for the Project under the Loan Portfolio Restructuring Program (Contract No. 15-LPR-005).

Since April 8, 1982, the Capitol Area Development Authority ("Authority") manages the Project. The Authority is a joint powers agency with a Board of Directors comprised of appointees of the City of Sacramento ("City") and the State of California. The accompanying financial statements are not intended to present fairly the financial position or changes in financial position and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Basis of presentation

The Project is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows occur. The Project distinguishes operating from nonoperating revenue and expenses. Operating revenue and expenses generally result from providing services in connection with the Project's ongoing operations. The principal operating revenue of the Project is rental income from tenants of its housing units. This revenue is recognized on the financial statements net of vacancy loss, low-income subsidies, and loss to leases. Operating expenses for the Project include payroll expenses for employee services, administrative expenses, utilities expenses, operating and maintenance expenses, insurance and taxes expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses. When both restricted and unrestricted resources are available for use, it is the Project's policy to use restricted resources first, then unrestricted resources as needed.

Cash, cash equivalents and restricted cash equivalents

The Project participates in the City's external investment pool. The City Treasurer pools cash and other City funds and invests to maximize income consistent with safe and prudent investment practices within the guidelines of the City's investment policy. The City, as a charter city, has adopted its own investment guidelines to guide investment of City funds by the Treasurer. These guidelines are consistent with the requirements of California Government Code Section 53601. The City Council provides regulatory oversight of the City's investment pool and reviews its investment policy on a quarterly basis. The estimated fair value of investments in the pool is based upon quoted market prices. However, the value of the pool shares in the City's investment pool that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Project's position in the pool. The City's investment pool is unrated and the weighted average maturity is 3.14 years and 2.13 years at June 30, 2021 and 2020, respectively. At June 30, 2021 and 2020, a portion of the Project's cash and cash equivalents and restricted cash and cash equivalents is invested in the City's external investment pool. Detailed disclosures, including

Notes to Financial Statements June 30, 2021 and 2020

investment policies and associated risk policies, regarding the Project's cash and investments are included in the notes to the Authority's basic financial statements.

For purposes of the statements of cash flows, the Authority considers cash and cash equivalents to include all pooled cash and investments, including restricted account balances, as these pooled balances have the general characteristic of a demand deposit account. Restricted cash and cash equivalents includes replacement reserves and tenant security deposits.

Resident accounts receivable

Resident accounts receivable are due from tenants and reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of the receivables. It is reasonably possible that management's estimate of the allowance will change. As of June 30, 2021 and 2020, the allowance for doubtful accounts was \$19,417 and \$19,625, respectively.

Capital assets

Capital assets, which are defined by the Authority as assets with an initial, individual cost of more than \$3,000 and an estimated useful life beyond one year, are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over an estimated useful life of between 5 to 30 years. Maintenance and repair costs are expensed as incurred. The Project does not own land, only the building and improvements on the land and therefore only construction in progress are reported as nondepreciable capital assets.

Impairment of capital assets

The Authority reviews the capital assets of the Project for impairment whenever events or changes in circumstances indicate that there has been a decline in service utility that is large in magnitude and outside of the normal life cycle of the capital asset being evaluated. As of June 30, 2021, there has been no impairment of the capital assets.

Rental income

The Project's rental property is generally leased to tenants under one-year noncancelable operating leases. Rental income is recognized as rents become due. Rental payments received in advance are recorded as unearned revenue.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

Note 2 - Tenant security deposits

The Project collects security deposits from tenants at the inception of the tenant lease. These deposits, which are reported in the basic financial statements as restricted cash, are refundable to the tenants to the extent there are no unpaid rents or damages to the housing unit. Tenant security deposits held as of June 30, 2021 and 2020 amounted to \$7,205 and \$9,258, respectively.

Notes to Financial Statements June 30, 2021 and 2020

Note 3 - Capital assets

Information on additions and disposals of capital assets as of June 30, 2021 and 2020 are as follows:

	June 30, 20)20 I	ncreases	De	ecreases	Jur	ne 30, 2021
Capital assets not being depreciated Construction in progress Capital assets being depreciated	\$ 68,	802 \$	19,584	\$	(88,386)	\$	-
Buildings and improvements	1,740,	923	-		88,386		1,829,309
Less accumulated depreciation for Buildings and improvements	(1,550,	463)	(31,735)				(1,582,198)
Capital assets being depreciated, net	\$ 259,	262 \$	(12,151)	\$		\$	247,111
	June 30, 20)19I	ncreases	De	ecreases	Jur	ne 30, 2020
Capital assets not being depreciated Construction in progress	\$ 18,	120 \$	50,682	\$	-	\$	68,802
Capital assets being depreciated Buildings and improvements Less accumulated depreciation for	1,740,	923			-		1,740,923
Buildings and improvements	(1,520,	533)	(29,930)		-		(1,550,463)
Capital assets being depreciated, net	\$ 220,	390 \$	(27,506)	\$	-	\$	259,262

Note 4 - Replacement reserve

The replacement reserve reported in these financial statements as restricted cash and cash equivalents is funded monthly to provide for future major additions, repairs or replacements. The replacement reserve activity is as follows at June 30:

	 2021	 2020
Beginning balance Interest earned Required deposits Withdrawals	\$ 149,604 81 43,299 -	\$ 150,655 250 43,299 (44,600)
Ending balance	\$ 192,984	\$ 149,604

Note 5 - Operating reserve

The regulatory agreement executed with HCD required the project to establish an operating reserve to be funded in the initial amount of \$54,905. The operating reserve account is reported in these financial statements as restricted cash and cash equivalents. The operating reserve activity is as follows for the years ended June 30:

	 2021	2020		
Beginning balance Interest earned	\$ 55,248 28	\$	55,149 99	
Ending balance	\$ 55,276	\$	55,248	

Notes to Financial Statements June 30, 2021 and 2020

Note 6 - Note payable

In September 2016, the Authority executed the new regulatory agreement with HCD and the Authority entered into a new promissory note in the amount of \$1,197,213 for a term of 16 years. The promissory note is secured by the Project property and bears interest at 3% per annum. No payment is required until maturity in September 2033 at which time all outstanding principal and accrued interest will be due. Payments are not to come from the Project cash flow and the Authority is to provide the funds necessary to pay off the loan at maturity. For the years ended June 30, 2021 and 2020, interest expense was \$35,917 and \$35,916, respectively. Outstanding principal and accrued interest are \$1,197,213 and \$173,596 at June 30, 2021, and \$1,197,213 and \$137,679 at June 30, 2020, respectively.

Note 7 - Program payments

As stated in Note 1, the HCD RHCP provides operating funds to the Project to cover the operating costs not covered by rental revenue for the HCD assisted units. In the case the Project operates at a surplus, the net surplus is remitted to HCD or deposited to the replacement reserve subject to HCD approval.

HCD approved the Project's operating budget with certain changes. In determining the qualifying operating costs, HCD disallows certain expenses reflected in these financial statements. Specific items disallowed include vacancy in excess of an approved percentage, interest income on the replacement reserve, depreciation expense, repairs paid out of replacement reserve and asset acquisitions exceeding the authorized budget.

For the fiscal years ended June 30, 2021 and 2020, the Project had a net annuity income (expense) of \$18,986 and \$(13,782), respectively. Net unexpended program payments are reported as due to (from) HCD on the Project's statements of net position. As of June 30, 2021 and 2020, the Authority has HCD project annuities (payable) receivable of \$(3,374) and \$7,925, respectively. The activity in the due to (from) HCD account for the fiscal years ended June 30, are as follows:

	 2021	2020		
Due from HCD, beginning	\$ (7,925)	\$	(16,172)	
Excess program payments for the year	(18,986)		(12,326)	
Excess program payment received	14,158		1,027	
Excess program payment cash flow	-		3,374	
HCD corrections and adjustments	 16,127		16,172	
Due to (from) HCD, end	\$ 3,374	\$	(7,925)	

Under the terms of the new regulatory agreement, the Project is to pay HCD an annual monitoring fee of \$10,127 increasing annually based upon the consumer price index. The annual monitoring fee is subject to the Project generating sufficient cash flow. During the years ended June 30, 2021 and 2020, the Project incurred annual monitoring fees of \$10,127 and \$10,127, which are included in the statements of revenue, expenses and changes in net position. As of June 30, 2021 and 2020, the Project owes HCD monitoring fees payable of \$41,722 and \$31,595, respectively, which are included in the statements of net position.

Notes to Financial Statements June 30, 2021 and 2020

Note 8 - Assistance from the Authority

The Authority ("CADA") has committed to provide funding to the Project to cover deficits and future capital improvement needs with additional annuities paid to the Project. During the year ended June 30, 2021, the Authority made no such contributions. During the year ended June 30, 2020, \$45,760 of funding was not required and returned to the Authority. In addition, CADA makes advances to the Project to pay for operating expenses of the Project. Such advances are not interest bearing and are expected to be repaid one month in arrears. As of June 30, 2021 and 2020, \$131,769 and \$17,287 respectively, is due to CADA and included in the statements of net position.

Note 9 - Leased property

The land on which the Project is located is owned by the State of California. On June 12, 1981, a 60-year operating lease was entered into between the Authority and the State of California. This lease is without cost; therefore, it is not reflected in these financial statements.

The State of California or the Authority may terminate the lease at any time by giving a 60-day notice. Should this lease be terminated, the developmental ground lease will be honored by the State of California on behalf of the Authority.

Note 10 - Contingency

In early 2020, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity which could result in a loss of lease revenue and other material adverse effects to the Project's financial position, results of operations, and cash flows. As of June 30, 2021, the global pandemic is still ongoing. Management continues to monitor the results of operations to evaluate the economic impact of the pandemic on the Project.

Note 11 - Subsequent events

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the Project through December 14, 2021 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure is required in the notes to the financial statements.

Supplementary Information Required by the California Department of Housing and Community Development

Supplementary Information Years Ended June 30, 2021 and 2020

Cash and Cash Equivalents

Cash and cash equivalents Unrestricted account Operating account	\$
Restricted accounts	
Operating reserve	55,276
Tenant security deposits	7,205
Reserve for replacements	192,984
Total restricted accounts	 255,465
Total cash and cash equivalents	\$ 255,465

The Project follows the practice of pooling its cash with all of the Authority's projects into a central fund maintained by the Authority. All accounts are segregated on the books of the Authority. The impound and reserve accounts are maintained in interest-bearing accounts.

Reserve for Replacement and Operating Expenses

In accordance with the provisions of the regulatory agreement, reserves are maintained in accounts to be used for replacements of property. Withdrawals are made upon approval by HCD.

	Replacement Reserve			Operating reserve		
Balance, June 30, 2020 Deposits Interest income Approved withdrawals	\$	149,604 43,299 81 -	\$	55,248 - 28 -		
Balance, June 30, 2021	\$	192,984	\$	55,276		

Capital assets

Following are the details of capital assets, which include building and leasehold improvements:

Capital assets balance, June 30, 2020		1,809,725
Additions		19,584
Capital assets balance, June 30, 2021	\$	1,829,309

Accounts payable

Accounts payable in the amount of \$16,377 represents amounts due to suppliers. All accounts payable are current.

Supplementary Information Years Ended June 30, 2021 and 2020

Schedules of operating revenues and expenses

Account No.	 2021		2020	
Operating revenue5120Rent revenue5121Tenant assistance payments	\$ 161,599 -	\$	204,214 -	
Rental revenue	 161,599		204,214	
Other revenue5910Coin-operated laundry5190Miscellaneous	 3,347		2,183 2,554	
Total other revenue	 3,347		4,737	
Total operating revenue	 164,946		208,951	
Operating expenses Payroll				
6330Manager salaries6331Manager rent fee unit6510Janitor payroll	30,336 10,272 18,598		21,730 9,228 17,611	
Total payroll	 75,392		59,206	
6350Accounting services6320Management fee6210Media	5,940 19,680 870		4,880 19,095 792	
Total administrative	 26,490		24,767	
Utilities 6450 Electricity 6452 Gas 6453 Water/Sewer 6525 Garbage	4,394 480 29,722 3,523		3,259 722 43,201 2,943	
Total utilities	 38,119		50,125	

Supplementary Information Years Ended June 30, 2021 and 2020

			2021		2020
0545	Operating and maintenance		0.040		000
6515 6530	Services and supplies		8,916		880
6530	Courtesy patrol Janitor and cleaning contracts		4,080 18,803		1,944 4,840
6537	Grounds contract		31,060		8,040
6541	Repairs material		-		575
6560	Decorating and painting Misc. Ops. And Maint. Expense (if over \$2,500,		1,060		1,155
6590	detail is required)		36,026		13,771
	Total operating and maintenance		99,945		31,205
	Insurance and taxes				
6729	Insurance		9,198		7,454
6710	Property taxes		1,863		1,750
	Total insurance and taxes		11,061		9,204
	Depreciation		31,735		29,930
	Total operating expenses		282,742		204,437
	Operating income (loss)		(117,796)		4,514
	Non-operating revenue (expense)				
5970	CADA annuity		-		(45,760)
5990	HCD annuity		18,986		(13,782)
5410	Interest income		128		2,929
5415	HCD monitoring fee		(10,127)		(10,127)
5420	Interest expense		(35,917)		(35,916)
	Change in net position	\$	(144,726)	\$	(98,142)
Detail of acco	unts - schedule of activities				
			2021		2020
	aneous (Accounts No. 5190)	ሱ	0.047	ሱ	
IVIISCE	llaneous income - other tenant fees	\$	3,347	\$	2,554
		\$	3,347	\$	2,554
Misc. O	ps. And Maint. Expense (Accounts No. 6590)				
Floori	,	\$	27,984	\$	3,566
	tertops/cabinets	Ŧ	8,042	Ŧ	2,079
	ure and appliances		-		4,504
	ng supplies		_		3,185
Repai			-		437
i topul					
		\$	36,026	\$	13,771

Supplementary Information Year Ended June 30, 2021

Gross potential rents

Qualified tenant rental income Other tenant rental income	\$ 412,679 -
Total gross potential rents Less	412,679
Vacancy loss	(150,655)
Loss to lease	(13,548)
Low income subsidy	 (86,877)
Rental revenues, net	\$ 161,599

Management fee

A property management fee of \$19,680 was incurred during the fiscal year ended June 30, 2021 for the property management services provided by the Authority.

Reconciliation to RHCP Forms 180

Reconciliation to Form 180 Total operating revenues Interest income Less interest income for equipment reserve Less difference for allocation calculation		2021	2020		
		164,946 128 - (1)	\$	208,951 2,929 - -	
Effective gross rent from form 180	\$	165,073	\$	211,880	
Total expenses Less depreciation Less replacement reserve deposit Less major construction expense Less difference for allocation calculation	\$	282,742 (31,735) (42,737) - -	\$	204,437 (29,930) - - (1)	
Total operating cost from form 180	\$	208,270	\$	174,506	

Accumulated limited distributions

At inception, there were no allocable accumulated limited distributions unpaid. Also, there were no accumulated limited distributions paid during the fiscal year ended June 30, 2021.

Insurance

Insurance premiums are current as of June 30, 2021. The annual renewal policy was paid before the due date.

Supplementary Information Year Ended June 30, 2021

Operating cash flow/surplus cash computation

The operating cash flow/surplus cash generated by the Project during the year ended June 30, 2021 is as follows:

Operation income Total income Interest earned on restricted reserve accounts	\$ 165,074 (81)
Adjusted operating income	 164,993
Operating expenses less depreciation	 (251,007)
Adjusted net income	 (86,014)
Other activity Debt service Purchases of capital assets Withdrawals from replacement reserve account Deposits into replacement reserve account	 (19,584) - (43,299)
Total other activity	 (62,883)
Operating cash flow/surplus cash (deficit)	\$ (148,897)

Date Prepared:		Rev 9/28/16					
ACCOUNT NAME					PENSES	1	-
	ACCOUNT	Approved	Actual	Approved Non-	Actual Non-	Proposed	Actual
	CODES	Assisted	Assisted	Assisted	Assisted	Commercial	Commercial
MANAGEMENT FEE: 6200/6300		(A)				-	
1 Management Fee or Sponsor Overhead	6320	6,812	6,812	12,868	12,868	0	0
ADMINISTRATIVE EXPENSES: 6200/6300				,			
2 Advertising	6210	301	304	569	566	0	0
3 Apartment Resale Expense (Cooperatives)4 Other Renting Expenses	6235 6250	0 35	0 105	0 65	0 195	0	0
5 Office Salaries	6310	0	105	0	0	0	0
6 Office Supplies	6311	Ō	0	Ō	Ō	Ō	Ō
7 Office or Model Apartment Rent	6312	0	0	0	0	0	0
8 Manager and Superintendent Salaries 9 Manager's or Superintendent's Rent Free Unit	6330 6331	7,979 3,556	7,833 3,556	15,071 6,716	14,547 6,716	0	0
10 Legal Expense - Project	6340	346	556	654	1,034	Ő	Ő
11 Audit Expense - Project	6350	1,454	1,522	2,746	2,828	0	0
12 Bookkeeping Fees/Accounting Services 13 Telephone and Answering Service Expenses	6351	0	0	0	0	0	0
14 Bad Debt Expense	6360 6370	0 0	0	0	0	0	0
15 Miscellaneous Administrative Expenses (specify)	6390	0	0	0	0	0	0
16 TOTAL ADMINISTRATIVE EXPENSES	6200/6300T	13,670	13,876	25,822	25,886	0	0
UTILITIES EXPENSES: 6400 17 Fuel Oil/Coal	6420	0	0	0	0	0	0
18 Electricity	6450	1,385	1,538	2,615	2,856	0	0
19 Water	6451	12,946	10,403	24,454	19,319	0	0
20 Gas	6452	519	169	981	313	0	0
21 Sewer 22 TOTAL UTILITIES EXPENSES	6453 6400T	0 14,850	0 12,110	0 28,050	0 22,488	0	0
OPERATING AND MAINTENANCE EXPENSES: 650		14,000	12,110	20,030	22,400	0	0
23 Janitor and Cleaning Payroll	6510	3,808	0	7,192	0	0	0
24 Janitor and Cleaning Supplies	6515	1,904	2,764	3,596	5,134	0	0
25 Janitor and Cleaning Contracts 26 Exterminating Payroll/Contract	6517 6519	0	0	0	0	0	0
27 Exterminating Supplies	6520	11,032	27,869	20,839	51,757	0	0
28 Garbage and Trash Removal	6525	1,212	1,233	2,288	2,290	0	0
29 Security Payroll/Contract	6530	1,412	1,428	2,668	2,652	0	0
30 Grounds Payroll 31 Grounds Supplies	6535 6536	0 0	0 0	0	0	0	0
32 Grounds Contract	6537	ő	ő	0 0	0	0 0	0
33 Repairs Payroll	6540	0	0	0	0	0	0
34 Repairs Material 35 Repairs Contract	6541	0	0 0	0	0	0	0
36 Elevator Maintenance/Contract	6542 6545	0	0	0	0	0	0
37 Heating/Cooling Repairs and Maintenance	6546	Ő	Ő	Ő	Ő	Ő	Ő
38 Swimming Pool Maintenance/Contract	6547	0	0	0	0	0	0
39 Snow Removal 40 Decorating/Payroll Contract	6548 6560	0	0 0	0	0	0	0
41 Decorating Supplies	6561	0	0	0	0	0	0
42 Vehicle and Maint. Equipment Operation/Repairs	6570	0	0	0	0	0	0
43 Misc. Operating and Maintenance Expenses (specify)	6590	2,077	2,815	3,923	5,227	0	0
44 TOTAL OPERATING & MAINTENANCE EXPENSES TAXES AND INSURANCE: 6700	6500T	21,445	36,109	40,506	67,060	0	0
45 Real Estate Taxes	6710	616	652	1,164	1,211	0	0
46 Payroll Taxes (Project's Share)	6711	0	0	0	0	0	0
47 Misc. Taxes, Licenses and Permits	6719	0	0	0	0	0	0
48 Property and Liability Insurance (Hazard) 49 Fidelity Bond Insurance	6720 6721	3,462 0	3,219 0	6,538 0	5,979 0	0	0
50 Worker's Compensation	6722	Ő	Ő	Ő	Ő	Ő	Ő
51 Health Insurance and Other Employee Benefits	6723	0	0	0	0	0	0
52 Other Insurance 53 TOTAL TAXES AND INSURANCE	6729 6700T	0 4,078	0 3,871	0 7,702	0 7,190	0	0
ASSISTED LIVING/BOARD & CARE EXPENSES; 6900	0.001	+,070	3,071	1,102	7,100		ľ
54 Food	6932	0	0	0	0	0	0
55 Recreation and Rehabilitation 56 Rehabilitation Salaries	6980 6983	0	0 0	0	0	0	0
57 Other Service Expenses	6983 6990	0	0	0	0	0	0
58 TOTAL ASSISTED LIVING EXPENSES	6900T	0	0	0	0	0	0
61 TOTAL OPERATING COSTS		60,855	72,778	114,948	135,492	0	0
For each account below, itemize the Account below itemize the Account						Am	ount
a Account	6390 Miscella	meous Aami	mstrative Ex	rpenses			
63							
64							
65 Total Account 6390 Miscellaneous Administrative Expenses							0
Account 6590 Miscellaneous Operations & Maintenance Expenses						3	
Account 6590 M 67 Countertops	liscellaneous	o Operations	& Maintena	nce Expense	s		
68							
69							
70					_		
71 Total Acco	ount 6590 Mis			Maintenand	ce Expenses	\$	60
70	Account 6	729 Other In	surance				
72			Total Acces	Int 6729 Oth	er Insurance		0
						. 4	-

Rental Housing Construction Program -- Original

Rental Housing Construction Program Original 7. AMC 181a - ACTUAL CASH FLOW ANALYSIS - Operating Budget/Annual Report										
Contract No: 80-RHC-007		orting Period:	7/1/20	to	6/30/21		•		Ft Assisted:	9
Project Name: Somerset Parkside Prepared by:								Units/s	Sq. Ft Total:	26
Date Prepared:		Rev 9/28/16							Unit Months:	312
ACCOUNT NAME		ASSIST	ED UNITS	NON-ASSI	STED UNITS	СОММ	ERCIAL	TOTAL P	ROJECT	PROJECT VARIANCE
		Approved	Actual	Approved	Actual	Proposed	Actual	Approved	Actual	Cashflow
	Account Codes	Cashflow (A)	Cashflow (B)	Cashflow (C)	Cashflow (D)	Cashflow (E)	Cashflow (F)	Cashflow (G)	Cashflow (H)	Variance (I)
REVENUE ACCOUNTS/RENT REVENUE: 5100	Codes	(A)	(B)	(0)	(D)	(Ľ)	(1)	(0)	(1)	(1)
1 Rent Revenue	5120	54,768	99,751	181,284	53,712	0	0	236,052	153,463	(82,589)
2 Tenant Assistance Payments 3 Rent revenue - Stores and Commercial	5121 5140	9,072 0	8,136 0	0	0	0	0	9,072 0	8,136 0	(936)
4 Garage and Parking Spaces	5140	0	0	0	0	0	0	0	0	0
5 Flexible Subsidy Revenue	5185	0	0	0	0	0	0	0	0	0
6 Miscellaneous Rent Revenue	5190	0	1,171	0	2,175	0	0	0	3,346	3,346
7 Excess Rent 8 Rent Revenue/Insurance	5191 5192	0	0	0	0	0	0	0	0	0
9 Special Claims Revenue	5193	0	0	0	Ō	0	0	0	ő	ő
10 Retained Excess Income	5194	0	0	0	0	0	0	0	0	0
11 GROSS RENT REVENUE VACANCIES: 5200	5100T	63,840	109,058	181,284	55,887	0	0	245,124	164,945	(80,179
Vacancy Percentage:		0	0	0	0	0	0			
11 Apartments -	5220				0	0	0			
12 Stores and Commercial 13 Rental Concessions	5240 5250				0	0	0			
14 Garage and Parking Spaces	5250				0	0	0			
15 Miscellaneous	5290				0	0	0			
Total Vacancies (HCD Use Only)	5200T	1,643	0	9,064	0	0	0	10,707	0	(
ASSISTED LIVING/BOARD & CARE REVENUES: 5300 17 Food	5332	0	0	0	0	0	0	0	0	0
18 Recreation (Activities) and Rehabilitation	5380	0	0	0	0	0	0	0	0	0
19 Rehabilitation	5385	0	0	0	0	0	0	0	0	0
20 Other Service Revenue Total Living Revenue	5390 6300T	0	0	0 0	0	0 0	0 0	0	0 0	0
FINANCIAL REVENUE: 5400		Ŭ	Ŭ				Ű	, , , , , , , , , , , , , , , , , , ,		
21 Financial Revenue - Project Operations	5410	485	45	915	83	0	0	1,400	128	(1,272)
Total Financial Revenue OTHER REVENUE: 5900	5400T	485	45	915	83	0	0	1,400	128	(1,272)
22 Laundry and Vending Revenue	5910	831	0	1,569	0	0	0	2,400	0	(2,400)
23 NSF and Late Charges	5920	0	0	0	0	0	0	0	0	0
24 Damages and Cleaning Fees 25 Forfeited Tenant Security Deposits	5930 5940	0	0	0	0	0	0	0	0	0
26 Other Revenue	5990	0	0	0	0	0	0	0	0	0
Total Other Revenue	5900T	831	0	1,569	0	0	0	2,400	0	(2,400)
27 EFFECTIVE GROSS RENT (EGR) 28 TOTAL OPERATING EXPENSES	5152T 6000T	63,513 62,681	109,103 72,778	174,704 118,397	55,970 135,492	0	0	238,217 181,077	165,073 208,270	(73,144)
29 NET OPERATING INCOME (NOI)	5000T	832	36,325	56,307	(79,522)	Ő	0	57,140	(43,197)	(100,337)
FINANCIAL EXPENSES: 6800										
30 Non-Contingent Debt Service (specify lender) 1st Mortgage =	6895	0	0	0	0	0	0	0	0	0
2nd Mortgage=		0	0	ŏ	ő	ŏ	ő	ő	ŏ	ő
3rd Mortgage=		0	0	0	0	0	0	0	0	0
31 HCD Required Payments 32 Lease Payment	6890 6890	0	0	10,127	0	0	0	10,127 0	0	10,127
33 Miscellaneous Financial Expenses	6890	0	0	0	0	0	0	0	0	0
Total Financial Expenses	6800T	ō	0	10,127	0	ō	0	10,127	ō	10,127
FUNDED RESERVES: 34 Escrow Deposits	1300 1310	0	0	0	0	0	0	0	0	0
35 Replacement Reserve-Deposit	1320	14,990	14,990	28,309	28,309	0	0	43,299	43,299	0
36 Operating Reserve-Deposit	1300	0	0	0	0	0	0	0	0	0
37 Other Reserves (specify)	1330	0	0	0	0	0	0	0	0	0
#1 #2	1330	0	0	0	0	0	0	0	0	0
#3	1330	0	0	0	0	0	0	0	Ō	0
Total Reserve Deposits		14,990	14,990	28,309 17,871	28,309	0 0	0 0	43,299	43,299	0
38 PROJECT CASH FLOW (CF) ADDITIONAL REVENUE:		(14,158)	21,335	17,8/1	(107,831)	0	0	3,714	(86,496)	(90,210)
39 RHCP-O Annuity Fund Request (For Assisted Units Only)		14,158	18,986					14,158	18,986	4,828
40 Withdrawal from Operating Reserves		0	0	0	0	0	0	0	0	0
41 Borrower Contribution 42 Other (specify)		0	0	0	0	0	0	0	0	0
Total Additional Revenue		14,158	18,986	0	0	Ő	0	14,158	18,986	4,828
USE OF CASH FLOW:										
43 HCD Interest Payments 44 Asset Mgmt Fee (CHRP-R/SUHRP & HOME-pre-UMR Only)		0	0	0	0	0	0	0	0	0
45 Asset Mgmt Fee/Prtrshp Costs (MHP/HOME under UMR)		Ō	Ō	0	Ō	0	0	0	Ō	0
46 Borrower Distributions		0	0	0	0	0	0	0	0	0
47 Residual Receipt Loan Payments 48 Other (specify)		0	0	0	0	0	0	0	0	0
Total Use of Cash Flow		0	0	0	0	0	0	0	0	0
						. •	. v	· · · · ·	. v.	

6. AMC 184 - SPONSOR'S PROJECT RATING						
				90-RHC-007		
Project Name:	Somerset Parkside		з. пср contratt	15-LPR-005		
Prepared By:	Noelle Mussen	#. Date Prepared:	11.15.2021			
Management Co.:	CADA		Phone #:	916-323-1276		
Physical Condi						
1. Rate the condition of	of the grounds:	Excellent	 Average 	O Poor		
2. Estimated amount of	of building exterior deferred maintenance:	None	 Some 	O Much		
3. Estimated amount o cooling, electrical, plu	of building systems deferred maintenance (heating, mbing systems):	None	• Some	O Much		
	of common area deferred maintenance (meeting , trash collection areas; kitchens, baths):	None	Some	O Much		
5. Frequency of unit ir	nspections; if "Other" , explain below:	 Annually 	Semi-Annually	Other		
N/A						
	condition or "Much" deferred maintenance in 1-4 at	oove:				
N/A						
7. What, if anything, n	nay impact the physical condition of the property in th	e coming year?				
None						
-	citations for housing code violations (attach copy of n	otices or citations):				
None						
9. List any major repa	ir, replacement or maintenance work needed:					
No major repair projec	ts are budgeted					
Financial:						
1. Are you aware of a If " Yes ", please expla	ny special risks to the short or long term fiscal conditi in.	on of the Project?	O Yes	• No		
2. Are any Project loans past due? If " Yes ", please explain (include loan, past due amount and reason).				No		
	an paid off in the last year or has any new debt been paid off or new debt source, amount and attach loan		O Yes	No		

Management:						
	Date	Annual F	requency			
 Indicate the last date of staff training and the frequency of the training concerning tenant eligibility and HCD compliance regarding rent, income and occupancy: 	4/1/21	C Zero	 Twice Three or more 			
2. Indicate the last meeting date and the frequency of meetings between the Property Management Agent and Sponsor:	3/1/19	ZeroOnce	 Twice Three or more 			
3. Is a waiting list being used? If "Yes", enter how many on the list.	• Yes	◯ No				
4. Are all property taxes current?	-	O Yes	◯ No			
5. If the Project has commercial space, is it rented?		Yes I	No N/A			
6. Explain any " No" answer:						
7. Vacancy rate as of the last day of the Reporting Period?			35.00%			
8. Describe any problems in filling vacancies and steps taken to address the	nem:					
Vacancies were not filled due to the high number of move outs, the limited and extensive unit upgrades, in addition to the negative impact of the conti the Affordable Agent from February - June 2021 . Two modified positions h	nued office closure f	or the entire FY and I	imited availability of			
9. How many units turned over during the Reporting Period?			7			
10. During the Reporting Period, what was the average turnover time in da	ys (move out to mov	e in)?	202			
11. How many evictions occurred last year? Identify the reasons for evictio	ns and applicable ur	nit numbers:	0			
12. Describe any problems with nonpayment of rent, bad debts, abandonm						
Current delinquencies due to Covid-19 are given payment plan options and with the SERA requirements are being served proper notices, and will be for	0		ive not complied			
13. Describe any additional management problems and steps taken to alle	viate the problems:					
We are filling 2 Leasing Department positions and increasing the staff time	in the office in order	r to resume filling vac	ancies.			
14. Have there been changes or do you anticipate changes in Project owner Partners or property management? If " Yes ", please explain and identify new or anticipated entities below:	ership, General	🔵 Yes	• No			
15. Comments to HCD Asset Management Representative:						
We would like a meeting with our HCD Management Representative as so have regular meetings annually going forward.	on as time and Covie	d-19 precautions/guid	elines allow, and			

The following information is required <u>only</u> if your Project includes HCD Home Investment Partnership (HOME) Community Housing Development Organization (CHDO) funds.							
			-	O) funds.			
HCD HOME CHDO Assisted Units:	# of Fixed Units	0 26	Floating Units Comparable?	◯ Yes ◯ No			
	# of Floating Units		•				
	garding project type(s) and enter co	rresponding in	iormation:				
TCAC Project, enter	TCAC ID # and the TCAC 15 year expiration date:						
CalHFA Project, ente	er CalHFA ID #:						
USDA-RD Project, e	nter USDA ID #:						
HUD 811 Project, er	nter HUD ID #:						
HUD 202 Project, er	nter HUD ID #:						
Rents:							
	nt use the most current State HOME-published High limits, as applicable, for all HOME-assisted units? I		• Yes	O No			
HUD	Other, describe:						
2. Does the owner/agent use the most current utility allowance schedule from the local housing authority to calculate maximum rent levels?		 Yes No - HUD 202 Project No - HUD 811 Project No - other, describe below 					
Enter the effective	date of the Utility Allowance Amounts:		5/11/21				
0 Bedroom Amt.	N/A	3 Bedroom Amt.	\$105				
1 Bedroom Amt.	N/A	4 Bedroom Amt.	N/A				
2 Bedroom Amt.	\$86	5 Bedroom Amt.	N	I/A			
tenants in HCD HOME Fixed Unit Projects: le	nt correctly calculate rents for over-income (exceed CHDO-assisted units? esser of rent control amount or 30% of adjusted inco <u>s</u> : 30% of adjusted income-may not exceed market r	• Yes No, explain why not below me-no rent cap;		xplain why not below			
Income Eligibili	ty:						
income limits?	nt use the most current State HOME published mit; <u>Very Low Income</u> = 50% Limit	Yes No - HUD No, explain what other limits are used below					
2. Does the owner/age	nt annually recertify the income of each household I	iving in HOME					
2. Does the owner/agent annually recertify the income of each household living in H0 assisted units?			Yes	O No			
going eligibility for HO	nt use the Part 5 definition of annual income to mea ME-assisted units? ned 1996 (formerly known as the Section 8 Prog i		• Yes () No, descri	be method used below			

Occupancy Eligibility:							
In properties of 5 or more HOME-assisted units, does the owner/agent monitor and enforce							
the HCD Regulatory Agreement Exhibit B unit designations?							
Property Mana	gement:						
1. Does a property ma	anagement company manage this Project?		• Yes	No, skip to #3			
2. Has the property management company changed during the past year?		 Yes No, enter Manage 	ement Agreement date:				
If " Yes ", was HCD approval obtained?		🔿 Yes 🔷 No, A	ATTACH NEW MANAGEN	MENT AGREEMENT			
3. Enter information	regarding who manages the property below:						
Company Name:	Capitol Area Development Authority		Phone #:	916-322-2114			
Address, City, Zip:	1522 14th St. Sacramento, CA 95814						
4. Who should a prospective renter contact to apply for occupancy or get on the waiting list?							
Company Name:	Capitol Area Development Authority		Phone #:	916-322-2114			
Address, City, Zip:	1522 14th St. Sacramento, CA 95814						
Website:	www.cadanet.org	Email:	tharville@cadanet.o	rg			
5. Enter date of last revision to the Management Plan: Has the Management Plan changed during the past year?		8/1/19) Yes	No			
lf " Yes ", was ⊢	ICD approval obtained?	Yes No	, ATTACH NEW MANAG	EMENT PLAN			
0	nent Fee comply with the amount per unit per month a w.hcd.ca.gov/fa/home/HUD_MF_PUPM_Schedules.x	,	Yes No, explain why not below				
Physical Needs	s Assessment (PNA) and Replacemer	nt Reserve Stud	dy (RRS):				
An updated PNA sho work remaining to be	uld be commissioned every five to ten years. The RR done.	S should be updated	annually to reflect w	ork completed and			
1. Year constructed:	1985	2. What is the dat	te of the last PNA?				
3. As of the end of thi	s fiscal year, has the RRS been adjusted/updated?		Yes I	No N/A			
• •	DA Rural Development funds, use the USDA Rura da.gov/rhs/mfh/MPR/CNA-TRN/CNAExample.xls	I Development Capita	al Needs Assessmen	it form found at:			
For projects without	t USDA Rural Development funds, use the Fannie M	vlae (FNMA) PNA Gu	lidelines and forms b	elow:			
FNMA PNA Guideli	nes found at: <u>https://www.fanniemae.com/content/gui</u>	ide form/4099.pdf					
FNMA PNA Forms found at: <u>http://www.hcd.ca.gov/fa/mhp/MHP-LoanClosing/PNA4327.doc</u>							
Guidelines for Physical Needs Assessments, Replacement Reserve Analyses and Replacement Reserve Studies with Model							
Contract Addendum	ns found at: <u>http://www.hcd.ca.gov/fa/mhp/MHP-Loan</u>	Closing/GuidelinesFo	orPNAReserveStudie	<u>əs.pdf</u>			
Comments to HCD H	HOME Asset Management Representative:						

Certification of Executive Director Years Ended June 30, 2021 and 2020

I, as Executive Director of CADA, hereby certify that I have examined the accompanying financial statements and supplementary information of Somerset Parkside Apartments, A Project of CADA as of and for the years ended June 30, 2021 and 2020, and to the best of our knowledge and belief, these financial statements and supplementary information are complete and accurate.

Pivector Executie

12/14/2021 Date



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors Capitol Area Development Authority Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Somerset Parkside Apartments (Contract Number 15-LPR-005) ("Project"), a project of the Capitol Area Development Authority ("Authority") which comprise the statement of net position as of June 30, 2021, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated December 14, 2021, which included an emphasis of matter paragraph as indicated at page 3.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Project's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control. Accordingly, we do not express an opinion on the effectiveness of the Project's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Project's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Project's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Project's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Project's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cohn Reznick LLP

Sacramento, California December 14, 2021



Independent Member of Nexia International cohnreznick.com

Biele Place Apartments (Contract Number 17-LPR-0029) A Project of the Capitol Area Development Authority

> Financial Statements (With Supplementary Information) and Independent Auditor's Report

> > June 30, 2021 and 2020



Biele Place Apartments (Contract Number 17-LPR-0029) A Project of the Capitol Area Development Authority

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RHCP - Sponsor's Project Rating	20		
Certification of Executive Director			
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>			



Independent Auditor's Report

Board of Directors Capitol Area Development Authority

Report on the Financial Statements

We have audited the accompanying financial statements of Biele Place Apartments (Contract Number 17-LPR-0029) (the "Project"), a project of the Capitol Area Development Authority ("Authority"), which comprise the statements of net position as of June 30, 2021 and 2020, and the related statements of revenue, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Biele Place Apartments as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Emphasis of Matter

As described in Note 1, the financial statements referred to above present only the financial position and changes in financial position of the Project and do not purport to, and do not, present fairly, the financial position of the Authority as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Project as a whole. The accompanying supplementary information on pages 15 to 23 as required by the California Department of Housing and Community Development is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Except for the Sponsor's project rating information at pages 20 to 23, such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the Sponsor's project rating information at pages 20 to 23 on which we express no opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of the Project's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Project's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Project's internal control over financial reporting and compliance.

CohnReznickZLP

Sacramento, California December 14, 2021

Statements of Net Position June 30, 2021 and 2020

<u>Assets</u>

	 2021	 2020
Current assets Residential accounts receivable Restricted cash and cash equivalents - tenant	\$ 7,775	\$ 6,254
security deposits	 11,070	 12,320
Total current assets	 18,845	 18,574
Noncurrent assets Restricted cash and cash equivalents - replacement reserve Restricted cash and cash equivalents - operating reserve	 224,078 51,300 275,378	 172,991 <u>51,277</u> 224,268
Capital assets Building and Improvements Less accumulated depreciation	 1,456,872 (1,274,665)	 1,456,872 (1,259,078)
Total capital assets	 182,207	 197,794
Total noncurrent assets	 457,585	 422,062
Total assets	\$ 476,430	\$ 440,636
Liabilities		
Current liabilities Accounts payable Unearned revenue - prepaid rent HCD monitoring fees payable Due to CADA Tenant security deposits Total current liabilities	\$ 1,934 767 19,314 59,585 11,070	\$ 1,057 529 8,402 29,179 12,320
	92,670	 51,487
Non current liabilities Mortgage note payable Accrued interest - mortgage note payable	 1,025,653 53,847	 1,025,653 23,077
Total non current liabilities	 1,079,500	 1,048,730
Total liabilities	\$ 1,172,170	\$ 1,100,217
Net Position		
Net investment in capital assets Restricted for replacement and operating reserves Unrestricted	\$ (843,446) 275,378 (127,672)	\$ (827,859) 224,268 (55,990)
Total net position	\$ (695,740)	\$ (659,581)

See Notes to Financial Statements.

Statements of Revenue, Expenses and Changes in Net Position Years Ended June 30, 2021 and 2020

	2021	2020	
Operating revenue Rental revenue, net Coin-operated laundry Miscellaneous	\$ 169,955 2,178 1,855	\$ 174,967 2,032 973	
Total operating revenue	173,988	177,972	
Operating expenses Payroll			
Salaries and benefits	54,571	53,967	
Administrative Legal and accounting services Management fee Media Total administrative	5,300 24,980 940 31,220	4,500 24,251 <u>1,168</u> 29,919	
Utilities	26,057	28,154	
Operating and maintenance Supplies Service contracts Courtesy patrol Decorating and painting	6,490 21,292 3,050	1,707 31,204 2,904 4,060	
Total operating and maintenance	30,832	39,875	
Insurance and taxes Insurance Property taxes	9,409 1,102	7,626 1,037	
Total insurance and taxes	10,511	8,663	
Depreciation	15,587	16,882	
Total operating expenses	168,778	177,460	
Operating income	5,210	512_	

Statements of Revenue, Expenses and Changes in Net Position Years Ended June 30, 2021 and 2020

	2021	2020
Nonoperating revenue (expenses)		
CADA Annuity	-	(126,429)
Interest expense	(30,770)	(, ,
Funding obligation	-	(1,025,653)
HCD monitoring fee	(10,912)	(8,402)
Interest income	313	5,866
Total nonoperating revenue, net	(41,369)	(1,177,695)
Change in net position	(36,159)	(1,177,183)
Net position, beginning	(659,581)	517,602
Net position, end	\$ (695,740)	\$ (659,581)

See Notes to Financial Statements.

Statements of Cash Flows Years Ended June 30, 2021 and 2020

	2021		2020	
Cash flows from operating activities Rental receipts Other receipts Tenant security deposits received (paid) Payroll and related costs Administrative Utilities Operating and maintenance Insurance and taxes	\$	168,672 4,033 (1,250) (54,571) (31,220) (26,057) (29,955) (10,511)	\$	175,749 3,005 97 (53,967) (29,919) (28,154) (42,411) (8,663)
Net cash provided by operating activities		19,141		15,737
Cash flows from noncapital financing activities Contributions and advances received from (paid to) from CADA		30,406		(110,407)
Net cash provided by (used in) noncapital financing activities		30,406		(110,407)
Cash flows from investing activities Interest receipts		313		5,866
Net cash provided by investing activities		313		5,866
Net increase (decrease) in cash and cash equivalents		49,860		(88,804)
Cash and cash equivalents, beginning		236,588		325,392
Cash and cash equivalents, end	\$	286,448	\$	236,588

Statements of Cash Flows Years Ended June 30, 2021 and 2020

	2021		2020	
Reconciliation to the statements of net position Cash and cash equivalents Restricted cash and cash equivalents	\$	-	\$	-
Tenant security deposits Replacement reserve Operating reserve		11,070 224,078 51,300		12,320 172,991 51,277
Total cash and cash equivalents	\$	286,448	\$	236,588
Reconciliation of operating income to net cash provided by operating activities				
Operating income Adjustments to reconcile operating income to net cash	\$	5,210	\$	512
provided by operating activities Depreciation Changes in assets and liabilities		15,587		16,882
Residential accounts receivable Accounts payable Unearned revenue - prepaid rent		(1,521) 877 238		880 (2,536) (98)
Tenant security deposits		(1,250)		97
Net cash provided by operating activities	\$	19,141	\$	15,737
Significant noncash capital and related financing activities Increase in mortgage note payable	\$		\$	1,025,653

See Notes to Financial Statements.

Notes to Financial Statements June 30, 2021 and 2020

Note 1 - Organization and summary of significant accounting policies

General

Biele Place Apartments (the "Project") is a 35-unit apartment complex located in downtown Sacramento, California. It provides housing for eligible low-income families under the State of California Department of Housing and Community Development ("HCD") Rental Housing Construction Program ("RHCP"). This program provides long-term financing to construct the housing project and monthly annuities to fund operating deficits. The operating subsidy agreement with HCD expired in a prior year. Effective September 2019, the Authority and HCD terminated the old regulatory agreement (Contract No. 80-RHC-032) and entered into a 12-year term new regulatory agreement for the Project under the Loan Portfolio Restructuring Program (Contract No. 17-LPR-0029).

In accordance with a regulatory agreement dated December 30, 1982, the Capitol Area Development Authority ("Authority") manages the Project. The Authority is a joint powers agency with a Board of Directors comprised of appointees of the City of Sacramento ("City") and the State of California. The accompanying financial statements are not intended to present fairly the financial position or changes in financial position and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Basis of presentation

The Project is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows occur. The Project distinguishes operating from non-operating revenue and expenses. Operating revenue and expenses generally result from providing services in connection with the Project's ongoing operations. The principal operating revenue of the Project is rental income from tenants of its housing units. This revenue is recognized on the financial statements net of vacancy loss, low income subsidies, and loss to leases. Operating expenses for the Project include payroll expenses for employee services, administrative expenses, utilities expenses, operating and maintenance expenses, insurance and taxes expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses. When both restricted and unrestricted resources are available for use, it is the Project's policy to use restricted resources first, then unrestricted resources as needed.

Cash, cash equivalents and restricted cash and cash equivalents

The Authority participates in the City's external investment pool. The City Treasurer pools cash and other City funds and invests to maximize income consistent with safe and prudent investment practices within the guidelines of the City's investment policy. The City, as a charter city, has adopted its own investment guidelines to guide investment of City funds by the Treasurer. These guidelines are consistent with the requirements of California Government Code Section 53601. The City Council provides regulatory oversight of the City's investment pool and reviews its investment policy on a quarterly basis. The estimated fair value of investments in the pool is based on quoted market prices. However, the value of the pool shares in the City's investment pool that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Project's position in the pool. The City's investment pool is unrated and the weighted average maturity is 3.14 years and 2.13 years as of June 30, 2021 and 2020, respectively. At June 30, 2021 and 2020, the majority of the Project's cash and cash equivalents and restricted cash and cash equivalents are invested in the City's investment pool. Detailed disclosures, including investment

Notes to Financial Statements June 30, 2021 and 2020

policies and associated risk policies, regarding the Project's cash and investments are included in the notes to the Authority's basic financial statements.

For purposes of the statements of cash flows, the Authority considers cash and cash equivalents to include all pooled cash and investments, including restricted account balances, as these pooled balances have the general characteristic of a demand deposit account. Restricted cash and cash equivalents includes the replacement reserve, operating reserve and tenant security deposits.

Resident accounts receivable

Resident accounts receivable are due from tenants and reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of the receivables. It is reasonably possible that management's estimate of the allowance will change. As of June 30, 2021 and 2020, there is no allowance for doubtful accounts.

Capital assets

Capital assets, which are defined by the Authority as assets with an initial, individual cost of more than \$3,000 and an estimated useful life beyond one year, are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over an estimated useful life of between 5 to 30 years. Maintenance and repair costs are expensed as incurred. The Project does not own the land, only the building on the land and therefore there are no nondepreciable capital assets disclosed.

Impairment of capital assets

The Authority reviews the capital assets of the Project for impairment whenever events or changes in circumstances indicate that there has been a decline in service utility that is large in magnitude and outside of the normal life cycle of the capital asset being evaluated. As of June 30, 2021, there has been no impairment of the capital assets.

Rental income

The Project's rental property is generally leased to tenants under one-year non-cancelable operating leases. Rental income is recognized as rents become due. Rental payments received in advance are recorded as unearned revenue.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

Note 2 - Tenant security deposits

The Project collects security deposits from tenants at the inception of the tenant lease. These deposits, which are reported in these financial statements as restricted cash, are refundable to the tenants to the extent there are no unpaid rents or damages to the housing unit. Tenant security deposits held as of June 30, 2021 and 2020 amounted to \$11,070 and \$12,320, respectively.

Notes to Financial Statements June 30, 2021 and 2020

Note 3 - Capital assets

Information on additions and disposals of capital assets is presented below:

	June 30, 2020	Increases	Decreases	June 30, 2021
Capital assets not being depreciated Construction in progress	\$ -	<u>\$ </u>	\$ -	\$
Capital assets being depreciated Buildings and improvements Less accumulated depreciation for	1,456,872	-	-	1,456,872
Buildings and improvements	(1,259,078)	(15,587)		(1,274,665)
Capital assets being depreciated, net	197,794	(15,587)		182,207
Capital assets, net	\$ 197,794	\$ (15,587)	\$ -	\$ 182,207
	June 30, 2019	Increases	Decreases	June 30, 2020
Capital assets not being depreciated Construction in progress	\$ -	\$ -	\$ -	\$ -
Capital assets being depreciated Buildings and improvements Less accumulated depreciation for	1,456,872	-	-	1,456,872
Buildings and improvements	(1,242,196)	(16,882)		(1,259,078)
Capital assets being depreciated, net	214,676	(16,882)		197,794
Capital assets, net	\$ 214,676	\$ (16,882)	\$ -	197,794

Note 4 - Replacement reserve

The replacement reserve account reported in these financial statements as restricted cash is funded monthly to provide for future major additions, repairs or replacements. The replacement reserve activity is as follows for the years ended June 30:

	 2021	2020		
Beginning balance Interest earned Required deposits Authorized expenses	\$ 172,991 75 51,012 -	\$	172,223 75 693 -	
Ending balance	\$ 224,078	\$	172,991	

Notes to Financial Statements June 30, 2021 and 2020

Note 5 - Operating reserve

The new regulatory agreement executed with HCD required the project to establish an operating reserve to be funded in the initial amount of \$51,210. The operating reserve account is reported in these financial statements as restricted cash. The operating reserve activity is as follows for the years ended June 30:

	 2021	2020		
Beginning balance Initial deposits Interest earned Authorized expenses	\$ 51,277 23 	\$	51,210 67 -	
Ending balance	\$ 51,300	\$	51,277	

Note 6 - Note payable

On September 27 2019, the Authority executed the new regulatory agreement with HCD and the authority entered into a new promissory note in the amount of \$1,025,653 for a term of 12 years. The promissory note is secured by the Project property and bears interest at 3% per annum. Payments are to be made out of surplus cash as defined in the regulatory agreement until maturity in September 30, 2030 at which time all outstanding principal and accrued interest will be due. Upon closing on the loan, the Authority recorded the note payable and recognized a loan funding obligation expense which is included in nonoperating expenses in the statement of revenues, expenses, and changes in net position for the year ended June 30, 2020. For the years ended June 30, 2021 and 2020, interest expense was \$30,770 and \$23,077, respectively. Outstanding principle and accrued interest are \$1,025,653 and \$53,847 at June 30, 2021, and \$1,025,653 and \$23,077 at June 30, 2020, respectively.

Note 7 - Due to HCD

As stated in Note 1, under the old regulatory agreement, HCD RHCP was to provide operating funds to the Project to cover the operating costs not covered by rental revenue. In the case the Project operates at a surplus, the net surplus is remitted to HCD or deposited to the replacement reserve subject to HCD approval. The operating subsidy ended with the new regulatory agreement.

Effective with the new regulatory agreement, the project owes HCD a monitoring fee in the annual amount of \$11,233 and increasing annually by the consumer price index. The HCD monitoring fee is payable from net cash flow (surplus cash) of the Project as defined in the regulatory agreement. During the years ended June 30, 2021 and 2020, HCD monitoring fees expensed were \$10,912 and \$8,402 respectively, and as of June 30, 2021 and 2020, \$19,314 and \$8,402 are payable and are included in due to HCD on the statements of net position. The account activities are as follows at June 30:

Notes to Financial Statements June 30, 2021 and 2020

	2021		2020	
Due to HCD, beginning Excess cash deposited to operating reserve Current year monitoring fee Payments to HCD	\$	8,402 - 10,912 -	\$	13,157 (13,157) 8,402 -
Due to HCD, end	\$	19,314	\$	8,402

Note 8 - Due to CADA

The Authority ("CADA") makes contributions to the Project based upon the capital budget needs and receives distributions for any funds in excess of such needs. In addition, CADA makes advances to the Project to pay for operating expenses of the Project. Such advances are not interest bearing and are expected to be repaid one month in arrears. As of June 30, 2021 and 2020, \$59,585 and \$29,179, respectively, is due to CADA and included in the statements of net position.

Note 9 - Leased property

The land on which the Project is located is owned by the State of California. On August 29, 1980, a 60-year operating lease was entered into between the Authority and the State of California. This lease is without cost; therefore, it is not reflected in these financial statements.

The State of California or the Authority may terminate the lease at any time by giving 60 days' notice. Should this lease be terminated, the developmental ground lease will be honored by the State of California on behalf of the Authority.

Note 10 - Contingency

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity which could result in a loss of lease revenue and other material adverse effects to the Project's financial position, results of operations, and cash flows. As of June 30, 2021, the global pandemic is still ongoing. Management continues to monitor the results of operations to evaluate the economic impact of the pandemic on the Project.

Note 11 - Subsequent events

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the Project through December 14, 2021 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Supplementary Information

Required by the California Department of Housing Community Development

Supplementary Information Required by HCD Year Ended June 30, 2021

Cash and cash equivalents

Cash and cash equivalents	
Unrestricted account	
Operating account	\$
Restricted accounts	
Insurance and tax impounds	-
Tenant security deposits	11,070
Reserve for replacements	224,078
Operating reserve	 51,300
Total restricted accounts	206 110
	 286,448
Total cash and cash equivalents	\$ 286,448

The Project follow the practice of pooling its cash with all of the Authority's projects into a central fund maintained by the Authority. All accounts are segregated on the books of the Authority. The reserve accounts are maintained in interest-bearing accounts.

Reserve for Replacements and Operating Reserve

	Replacement reserve		operating reserve	
Balance, June 30, 2020	\$	172,991	\$	51,277
Required Deposits		51,012		-
Interest income		75		23
Balance, June 30, 2021	\$	224,078	\$	51,300

Supplementary Information Required by HCD Year Ended June 30, 2021

Capital Assets

Following are the details of capital assets, which include building and leasehold improvements:

Capital assets balance, June 30, 2020 Additions	\$ 1,456,872 -
Capital assets balance, June 30, 2021	\$ 1,456,872

Accounts Payable

Accounts payable in the amount of \$1,934 represents amounts due to suppliers. All accounts payable are current.

Gross Potential Rents

Qualified tenant rental income Other tenant rental income	\$ 374,720
Total gross potential rents	374,720
Less	
Vacancy loss	(42,800)
Loss to lease	(9,120)
Low income subsidy	 (152,845)
Rental revenues, net	\$ 169,955

Management Fee

A property management fee of \$24,980 was incurred during the fiscal year ended June 30, 2021 for the property management services provided by the Authority.

Supplementary Information Required by HCD Year Ended June 30, 2021

Operating cash flow/Surplus cash computation

The operating cash flow/surplus cash generated by the Project during the year ended June 30, 2021 is as follows:

Operation income	
Total income	\$ 174,301
Interest earned on restricted reserve accounts	 (98)
Adjusted operation income	 174,203
Operating expenses less depreciation	(153,191)
Adjusted net income	 21,012
Other activity	
Debt service	-
Deposits into replacement reserve account	(51,012)
Deposits into operating reserve account	
Total other activity	 (51,012)
Operating cash flow/surplus cash (deficit)	\$ (30,000)

Accumulated Limited Distributions

At inception, there were no allowable accumulated limited distributions unpaid. Also, there were no accumulated limited distributions paid during the fiscal year ended June 30, 2021.

Supplementary Information Required by HCD Years Ended June 30, 2021 and 2020

Schedules of Operating Revenues

Account No		 2021	 2020
5120 5121	Operating revenues Rent revenue Tenant assistance payments	\$ 169,955 -	\$ 174,967 -
	Rental revenue	 169,955	 174,967
5910 5190	Other revenues Coin-operated laundry Miscellaneous	 2,178 1,855	 2,032 973
	Total operating revenues	 173,988	 177,972
	Operating expenses Payroll		
6330 6331 6510	Manager salaries Manager rent fee unit Janitor payroll	 33,938 9,286 11,347	 33,562 9,183 11,221
	Total payroll	 54,571	 53,967
6340 6350 6320 6210	Legal Accounting services Management fee Media	 5,300 24,980 940	 4,500 24,251 1,168
	Total administrative	 31,220	 29,919
0.450	Utilities	0.704	0.044
6450 6452	Electricity Gas	3,784 4,079	3,211 3,503
6453 6525	Water/Sewer Garbage	17,048 1,146	20,379 1,061
	Total utilities	26,057	 28,154

Supplementary Information Required by HCD Years Ended June 30, 2021 and 2020

Schedules of Operating Expenses

cneaule	s of Operating Expenses		
		2021	2020
	Operating and maintenance		
6515	Services and supplies	6,490	1,707
6530	Courtesy patrol	3,050	2,904
6517	Janitor and Cleaning Contracts	4,827	7,378
6537	Grounds Contract	-	-
6560	Decorating and painting	-	4,060
6545	Elevator Maintenance	-	-
6541	Repairs Material	16,465	23,826
6590	Misc. Ops. And Maint. Expense	-	-
6591	Major Construction Expense	<u>-</u>	
	Total operating and maintenance	30,832	39,875
	Insurance and taxes		
6729	Insurance	9,409	7,626
6710	Property taxes	1,102	1,037
	Total insurance and taxes	10,511	8,663
	Depreciation	15,587	16,882
	Total operating expenses	168,778	177,460
	Operating income (loss)	5,210	512
	Non-operating revenues		
5400	CADA annuity	-	(126,429)
6820	Interest expense	(30,770)	(23,077)
6870	Funding obligation	-	(1,025,653)
6890	HCD monitoring fee	(10,912)	(8,402)
5410	Interest income	313	5,866
	Change in net position	(36,159)	(1,177,183)
	Net position, beginning	(659,581)	517,602
	Net position, end	\$ (695,740)	\$ (659,581)

Insurance

Insurance premiums are current as of June 30, 2021. The annual renewal policy was paid before the due date.

	6. AMC 184 - SPONSOR'S PROJECT RATING				
			1. HCD Contract #.	80-RHC-032	
Project Name:	Biele Place		2. HCD Contraët	17-LPR-0029	
			3. HOD Contract #-		
Prepared By:	Noelle Mussen		Date Prepared:	11.15.2021	
Management Co.:	CADA		Phone #:	916-323-1276	
Physical Condi	ition :				
1. Rate the condition	of the grounds:	O Excellent	Average	O Poor	
2. Estimated amount	of building exterior deferred maintenance:	O None	 Some 	O Much	
3. Estimated amount cooling, electrical, plu	of building systems deferred maintenance (heating, mbing systems):	O None	Some	Much	
	of common area deferred maintenance (meeting , trash collection areas; kitchens, baths):	None	Some	O Much	
5. Frequency of unit ir	nspections; if "Other" , explain below:	Annually	Semi-Annually	Other	
N/A 6. Explain any "Poor' N/A	' condition or "Much" deferred maintenance in 1-4 at	oove:			
	nay impact the physical condition of the property in th	e coming year?			
N/A					
8. List any notices or	citations for housing code violations (attach copy of n	otices or citations):			
None					
9. List any major repair, replacement or maintenance work needed:					
improvement to the C	ourtyard is budgeted for FY 21-22				
Financial:					
1. Are you aware of a If " Yes ", please expla	ny special risks to the short or long term fiscal conditi iin.	on of the Project?	O Yes	No	
2. Are any Project loans past due? If " Yes" , please explain (include loan, past due amount and reason).			• No		
	3. Was any Project loan paid off in the last year or has any new debt been added? If " Yes ", identify loan paid off or new debt source, amount and attach loan documents.				

Management:					
	Date	Annual F	requency		
1. Indicate the last date of staff training and the frequency of the training concerning tenant eligibility and HCD compliance regarding rent, income and occupancy:	4/1/21	Once	Twice Three or more		
Indicate the last meeting date and the frequency of meetings between the Property Management Agent and Sponsor:	3/1/19	ZeroOnce	 Twice Three or more 		
3. Is a waiting list being used? If "Yes", enter how many on the list.	31	• Yes	No		
4. Are all property taxes current?	I. Are all property taxes current?				
5. If the Project has commercial space, is it rented?		Yes I	No 💿 N/A		
6. Explain any " No " answer:		-			
7. Vacancy rate as of the last day of the Reporting Period?			17.00%		
8. Describe any problems in filling vacancies and steps taken to address the					
Vacancies were not filled due to continued office closure for the entire FY, a June 2021. Two modified positions have been created within the Leasing D provide assistance and support to the Leasing Department. We are prepari	epartment and new	staff will be starting i	n November 2021 to		
9. How many units turned over during the Reporting Period?			4		
10. During the Reporting Period, what was the average turnover time in day	/s (move out to mov	e in)?	217		
11. How many evictions occurred last year? Identify the reasons for eviction	ns and applicable ur	it numbers:	0		
12. Describe any problems with nonpayment of rent, bad debts, abandonme					
No issues or abnormal balances. When delinquencies occur, our delinquen payment plan if needed.	cy procedures are f	ollowed. Tenants may	/ be put on a		
13. Describe any additional management problems and steps taken to allev	viate the problems:				
We are filling 2 Leasing Department positions and increasing the staff time	in the office in order	to resume filling vac	ancies.		
14. Have there been changes or do you anticipate changes in Project ownership, General Partners or property management? If " Yes ", please explain and identify new or anticipated entities below:					
15. Comments to HCD Asset Management Representative:					
We would like a meeting with our HCD Management Representative as soc have regular meetings annually going forward.	on as time and Covid	I-19 precautions/guid	elines allow, and		

The following	The following information is required only if your Project includes HCD Home Investment				
Partnershi	ip (HOME) Community Housing Deve	elopment Orga	nization (CHD	O) funds.	
HCD HOME CHDO	# of Fixed Units	0	Floating Units	Yes No	
Assisted Units:	# of Floating Units	35	Comparable?		
Check below regarding project type(s) and enter corresponding information:					
TCAC Project, enter	TCAC ID # and the TCAC 15 year expiration date:				
CalHFA Project, ente	er CalHFA ID #:				
USDA-RD Project, e	nter USDA ID #:				
HUD 811 Project, er	nter HUD ID #:				
HUD 202 Project, er	nter HUD ID #:				
Rents:					
	nt use the most current State HOME-published Higl limits, as applicable, for all HOME-assisted units? I		• Yes	O No	
V HUD	Other, describe:				
	nt use the most current utility allowance schedule authority to calculate maximum rent levels?	 Yes No - HUD 811 		IUD 202 Project ther, describe below	
	date of the Utility Allowance Amounts:	0 De due euro Aust	5/11/21	1/A	
0 Bedroom Amt. 1 Bedroom Amt.	<u>N/A</u> \$69	3 Bedroom Amt. 4 Bedroom Amt.		I/A I/A	
2 Bedroom Amt.	\$05 N/A	5 Bedroom Amt.		I/A	
3. Does the owner/age tenants in HCD HOME Fixed Unit Projects : k	nt correctly calculate rents for over-income (exceed CHDO-assisted units? esser of rent control amount or 30% of adjusted inco <u>s</u> : 30% of adjusted income-may not exceed market in	ing 80% limit) ome-no rent cap;		xplain why not below	
Income Eligibili					
income limits?	1. Does the owner/agent use the most current State HOME published income limits? Low Income = 80% Limit; Very Low Income = 50% Limit No, explain what other limits are used below				
2. Does the owner/agent annually recertify the income of each household living in HOME- assisted units?				🔵 No	
3. Does the owner/agent use the Part 5 definition of annual income to measure initial and on- going eligibility for HOME-assisted units? 24 CFR Part 5 published 1996 (formerly known as the Section 8 Program definition)					

Occupancy Elig	gibility:				
	In properties of 5 or more HOME-assisted units, does the owner/agent monitor and enforce the HCD Regulatory Agreement Exhibit B unit designations?				
Property Manag	gement:				
1. Does a property ma	anagement company manage this Project?		• Yes	No, skip to #3	
2. Has the property m	anagement company changed during the past year?	YesNo, enter Manage	ment Agreement date:		
lf " Yes ", was H	ICD approval obtained?	Yes No, /	ATTACH NEW MANAGEI	MENT AGREEMENT	
3. Enter information r	regarding who manages the property below:	•			
Company Name:	Capitol Area Development Authority		Phone #:	916-322-2114	
Address, City, Zip:	1522 14th St. Sacramento, CA 95814			•	
4. Who should a pros	pective renter contact to apply for occupancy or get o	on the waiting list?			
Company Name:	Capitol Area Development Authority		Phone #:	916-322-2114	
Address, City, Zip:	1522 14th St. Sacramento, CA 95814				
Website:	www.cadanet.org	Email:	tharville@cadanet.o	rg	
	evision to the Management Plan: ent Plan changed during the past year?	9/1/19	🔵 Yes	No	
lf " Yes ", was H	ICD approval obtained?	Yes No	, ATTACH NEW MANAG	SEMENT PLAN	
	nent Fee comply with the amount per unit per month w.hcd.ca.gov/fa/home/HUD_MF_PUPM_Schedules.x		🔵 Yes 🔵 No, ex	kplain why not below	
Physical Needs	s Assessment (PNA) and Replaceme	nt Bosonia Stu			
			,		
An updated PNA shot work remaining to be	uld be commissioned every five to ten years. The RR done.	S should be updated	annually to reflect w	ork completed and	
1. Year constructed:	1984	2. What is the dat	e of the last PNA?		
3. As of the end of thi	s fiscal year, has the RRS been adjusted/updated?		🔵 Yes 🔵 I	No 🔘 N/A	
	DA Rural Development funds , use the USDA Rura da.gov/rhs/mfh/MPR/CNA-TRN/CNAExample.xls	I Development Capit	al Needs Assessmer	t form found at:	
For projects without	USDA Rural Development funds , use the Fannie I	Mae (FNMA) PNA Gu	idelines and forms b	elow:	
FNMA PNA Guidelines found at: <u>https://www.fanniemae.com/content/guide_form/4099.pdf</u>					
FNMA PNA Forms	found at: <u>http://www.hcd.ca.gov/fa/mhp/MHP-LoanCl</u>	losing/PNA4327.doc			
	ical Needs Assessments, Replacement Reserve Ana				
	ns found at: <u>http://www.hcd.ca.gov/fa/mhp/MHP-Loar</u>	Closing/GuidelinesF	orPNAReserveStudie	<u>es.pdf</u>	
Comments to HCD H	IOME Asset Management Representative:				

Certification of Executive Director Years Ended June 30, 2021 and 2020

I, as Executive Director of CADA, hereby certify that I have examined the accompanying financial statements and supplementary information of Biele Place Apartments, A Project of CADA as of and for the years ended June 30, 2021 and 2020, and to the best of our knowledge and belief, these financial statements and supplementary information are complete and accurate.

anature

Executive Director Title



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors Capitol Area Development Authority Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Biele Place Apartments (Contract Number 17-LPR-0029) (the "Project"), a project of the Capitol Area Development Authority (Authority) which comprise the statement of net position as of June 30, 2021, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 14, 2021 which included an emphasis of matter paragraph as indicated at page 3.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Project's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control. Accordingly, we do not express an opinion on the effectiveness of the Project's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Project's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Project's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Project's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReynickLLP

Sacramento, California December 14, 2021



Independent Member of Nexia International cohnreznick.com

> Financial Statements (With Supplementary Information) and Independent Auditor's Report

> > June 30, 2021 and 2020



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Independent Auditor's Report

Board of Directors Capitol Area Development Authority Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Seventeenth Street Commons (Contract Number 99-024-N) (the "Project"), a project of the Capitol Area Development Authority ("Authority"), which comprise the statements of net position as of June 30, 2021 and 2020, and the related statements of revenue, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Seventeenth Street Commons as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Emphasis of Matter

As described in Note 1, the financial statements present only the financial position and changes in financial position of the Project and do not purport to, and do not, present fairly, the financial position of the Authority as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 15 to 20 as required by the California Housing Finance Agency is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021 on our consideration of the Project's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Project's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Project's internal control over financial reporting and compliance.

CohnReynickLLP

Sacramento, California December 14, 2021

Statements of Net Position June 30, 2021 and 2020

<u>Assets</u>

	2	2021	 2020
Current assets Cash and cash equivalents Accounts receivable Restricted cash and cash equivalents	\$	710,388 17,581	\$ 743,550 7,743
Insurance impounds Tenant security deposits		24,600 19,354	 19,265 21,409
Total restricted cash and cash equivalents		43,954	 40,674
Total current assets		771,923	 791,967
Noncurrent assets Restricted cash - replacement reserve Capital assets Construction in progress		112,185 254,004	100,481 90,527
Building and Improvements Less accumulated depreciation		2,291,183 1,807,844)	2,291,183 (1,743,169)
Total capital assets		737,343	638,541
Total noncurrent assets		849,528	 739,022
Total assets	\$	1,621,451	\$ 1,530,989
Liabilities			
Current liabilities Accounts payable Prepaid rent Tenant security deposits Notes payable, current portion	\$	129,867 2,091 19,354 67,185	\$ 8,135 987 21,409 64,597
Total current liabilities		218,497	95,128
Noncurrent liabilities Notes payable, net of current portion		929,417	 996,602
Total liabilities	\$	1,147,914	\$ 1,091,730
Net Position			
Net investment in capital assets Restricted for impounds and replacement reserve Unrestricted	\$	(259,259) 136,785 596,011	\$ (422,658) 119,746 742,171
Total net position	\$	473,537	\$ 439,259
See Notes to Financial Statements.			

Statements of Revenue, Expenses and Changes in Net Position Years Ended June 30, 2021 and 2020

	2021	2020	
Operating revenue Rental revenue, net Other revenue Parking Coin-operated laundry Miscellaneous	\$ 359,876 11,540 858 975	\$ 358,357 11,760 1,614 3,416	
Total operating revenues	373,249	375,147	
Operating expenses Payroll Salaries and benefits	49,754	52,394	
Total payroll	49,754	52,394	
Administrative Management fee Audit Media	30,440 5,586 4,113	27,875 4,283 696	
Total administrative	40,139	32,854	
Utilities Electricity Water and garbage Gas	6,919 36,186 1,727	5,438 38,815 1,572	
Total Utilities	44,832	45,825	
Operating and maintenance Services and supplies Maintenance and repairs Courtesy patrol Decorating and painting	1,174 70,941 6,975 -	7,760 52,865 6,644 623	
Total operating and maintenance	79,090	67,892	
Insurance and taxes Insurance Property taxes	17,278 4,986	14,272 2,597	
Total insurance and taxes	22,264	16,869	

Statements of Revenue, Expenses and Changes in Net Position Years Ended June 30, 2021 and 2020

	2021	2020
Depreciation	64,675	67,197
Total operating expenses	300,754	283,031
Operating income	72,495	92,116
Nonoperating revenue (expense) Contributions from CADA Interest income Interest expense	7,696 (45,913)_	71,000 15,202 (48,369)
Total nonoperating revenue (expense), net	(38,217)	37,833
Change in net position	34,278	129,949
Net position, beginning	439,259	309,310
Net position, end	\$ 473,537	\$ 439,259

See Notes to Financial Statements.

Statements of Cash Flows Years Ended June 30, 2021 and 2020

	2021		2020	
Cash flows from operating activities Rental receipts Other receipts Tenant security deposits received Payroll and related costs Administrative Utilities Operating and maintenance Insurance and taxes	\$	351,142 13,373 (2,055) (49,754) (40,139) (44,832) (87,192) (22,264)	\$	360,053 16,790 4,100 (52,394) (32,854) (45,825) (51,826) (16,869)
Net cash provided by operating activities		118,279		181,175
Cash flows from capital and related financing activities Payments for acquisition of capital assets Contributions from CADA Principal payment on debt Interest paid on debt		(33,643) - (64,597) (45,913)		(109,120) 71,000 (62,143) (48,369)
Net cash used in capital and related financing activities		(144,153)		(148,632)
Cash flows from investing activities Interest receipts		7,696		15,202
Net cash provided by investing activities		7,696		15,202
Net increase (decrease) in cash and cash equivalents		(18,178)		47,745
Cash and cash equivalents, beginning		884,705		836,960
Cash and cash equivalents, end	\$	866,527	\$	884,705
Reconciliation to the statements of net position Cash and cash equivalents Restricted cash and cash equivalents Insurance impounds Tenant security deposits Reserve for replacements	\$	710,388 24,600 19,354 112,185	\$	743,550 19,265 21,409 100,481
Total cash and cash equivalents	\$	866,527	\$	884,705

Statements of Cash Flows Years Ended June 30, 2021 and 2020

	2021		2020	
Reconciliation of operating income to net cash provided by operating activities Operating income Adjustments to reconcile operating income to net cash provided by operating activities	\$	72,495	\$	92,116
Depreciation		64,675		67,197
Changes in assets and liabilities Accounts receivable Accounts payable Prepaid rent Tenant security deposits		(9,838) (8,102) 1,104 (2,055)		1,140 16,066 556 4,100
Net cash provided by operating activities	\$	118,279	\$	181,175
Significant noncash capital and related financing activities Increase in accounts payable included in capital assets	\$	129,834	\$	

See Notes to Financial Statements.

Notes to Financial Statements June 30, 2021 and 2020

Note 1 - Organization and summary of significant accounting policies

General

Seventeenth Street Commons (the "Project") is a 28-unit apartment complex located in downtown Sacramento, California. The Project provides at least 20% of the apartments to eligible low-income families under the California Housing Finance Agency ("CalHFA") 80/20 program. Mortgage financing was provided by CalHFA.

In accordance with a regulatory agreement dated December 30, 1982, the Capitol Area Development Authority ("Authority") manages the Project. The Authority is a joint powers agency with a Board of Directors comprised of appointees of the City of Sacramento ("City") and the State of California. The accompanying financial statements are not intended to present fairly the financial position or changes in financial position and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Basis of presentation

The Project is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow occurs. The Project distinguishes operating from nonoperating revenue and expenses. Operating revenue and expenses generally result from providing services in connection with the Project's ongoing operations. The principal operating revenue of the Project is rental income from tenants of its housing units. This revenue is recognized on the financial statements net of vacancy loss, low-income subsidies, and loss to leases. Operating expenses for the Project include payroll expenses for employee services, administrative expenses, utilities expenses, operating and maintenance expenses, insurance and taxes expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses. When both restricted and unrestricted resources are available for use, it is the Project's policy to use restricted resources first, then unrestricted resources as needed.

Cash, cash equivalents and restricted cash and cash equivalents

The Project participates in the City's external investment pool. The City Treasurer pools cash and other City funds and invests to maximize income consistent with safe and prudent investment practices within the guidelines of the City's investment policy. The City, as a charter city, has adopted its own investment guidelines to guide investment of City funds by the Treasurer. These guidelines are consistent with the requirements of California Government Code Section 53601. The City Council provides regulatory oversight of the City's investment pool and reviews its investment policy on a quarterly basis. The estimated fair value of investments in the pool is based upon the quoted market price. However, the value of the pool shares in the City's investment pool that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Project's position in the pool. The City's investment pool is unrated and the weighted average maturity is 3.14 years and 2.13 years as of June 30, 2021 and 2020, respectively. Detailed disclosures, including investment policies and associated risk policies, regarding the Project's cash and investments are included in the notes to the Authority's basic financial statements.

Notes to Financial Statements June 30, 2021 and 2020

Cash and cash equivalents and restricted cash and cash equivalents include operating accounts, replacement reserves, insurance impounds, and tenant security deposits. Replacement reserves and insurance impound accounts are held in an interest-bearing account by CalHFA. As required by the Authority's regulatory agreement with the CalHFA, the Project remits monthly deposits to cover replacement reserve requirements, hazard insurance, and earthquake insurance expenses. All disbursements from the CalHFA accounts are subject to supervision and approval by CalHFA. All such deposits and reserves are entirely insured or collateralized with securities held by the mortgagor in the Project's name.

The Project also maintains an operating account and tenant security deposits which are held in the City's external investment pool and a financial institution. For purposes of the statements of cash flows, the Project considers cash and cash equivalents to include all pooled cash and investments, including restricted account balances, as these pooled balances have the general characteristic of a demand deposit account.

Accounts receivable

Accounts receivable are due from tenants and reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of the receivables. It is reasonably possible that management's estimate of the allowance will change. As of June 30, 2021 and 2020, there is no allowance for doubtful accounts.

Capital assets

Capital assets, which are defined by the Authority as assets with an initial, individual cost of more than \$3,000 and an estimated useful life beyond one year, are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over an estimated useful life of 5 to 30 years. Maintenance and repair costs are expensed as incurred. The Project does not own land, only the building on the land. The Project's building is pledged as security for notes payable.

Impairment of capital assets

The Authority reviews the capital assets of the Project for impairment whenever events or changes in circumstances indicate that there has been a decline in service utility that is large in magnitude and outside of the normal life cycle of the capital asset being evaluated. As of June 30, 2021, there has been no impairment of the capital assets.

Rental income

The Project's rental property is generally leased to tenants under one-year noncancelable operating leases. Rental income is recognized as rents become due. Rental payments received in advance are recorded as unearned revenue.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

Notes to Financial Statements June 30, 2021 and 2020

Note 2 - Cash, cash equivalents and restricted cash and cash equivalents

The Project's cash and cash equivalents are as follows at June 30:

	2021		2020	
City investment pool Deposits with CalHFA	\$	729,742 136,785	\$	764,959 119,746
Total	\$	866,527	\$	884,705

Note 3 - Tenant security deposits

The Project collects security deposits from tenants at the inception of the tenant lease. These deposits, which are reported in these financial statements as restricted cash and cash equivalents, are refundable to the tenants to the extent there are no unpaid rents or damages to the housing unit. Tenant security deposits held as of June 30, 2021 and 2020 amounted to \$19,354 and \$21,409, respectively.

Note 4 - Capital assets

Information on additions and disposals of capital assets is presented below:

	Jur	ie 30, 2020	In	creases	Dec	reases	Jur	ne 30, 2021
Capital assets not being depreciated Construction in progress	\$	90,527	\$	163,477	\$		\$	254,004
Capital assets being depreciated Buildings and improvements Less accumulated depreciation for		2,291,183		-		-		2,291,183
Buildings and improvements		(1,743,169)		(64,675)		-		(1,807,844)
Capital assets, net	\$	638,541	\$	98,802	\$	-	\$	737,343
	Jur	ie 30, 2019	In	creases	Dec	reases	1	
	- 001	10 00, 2010		CIEdSES	Dec	Teases	Jur	ne 30, 2020
Capital assets not being depreciated Construction in progress	\$		\$	90,527	<u> </u>	-	<u> </u>	90,527
Construction in progress Capital assets being depreciated Buildings and improvements		- 2,291,183						
Construction in progress						- -		90,527

Notes to Financial Statements June 30, 2021 and 2020

Note 5 - Notes payable

Notes payable secured by the Project consist of the following at June 30:

	 2021	 2020
<u>Payable to CalHFA</u> Monthly installments of \$7,836, including principal and interest at 5.25% annually to maturity in September 2033 and secured by the Project.	\$ 848,260	\$ 896376
Payable to Sacramento Housing Financing Agency Noninterest-bearing note with annual principal payments of \$16,481 beginning December 2003 and maturing in 2029 and secured by the Project.	 148,342	 164823
Total	\$ 996,602	\$ 1,061,199

Future maturities on the notes payable are as follows:

Years ending June 30	F	Principal Interest		Total		
2022	\$	67,185	\$	43,325	\$	110,510
2023		69,912		40,598		110,510
2024		72,786		37,725		110,511
2025		75,814		34,696		110,510
2026		79,005		31,505		110,510
2027 - 2031		432,762		103,321		536,083
2032 - 2036		199,138		12,428		211,566
	\$	996,602	\$	303,598	\$	1,300,200

The following is a summary of the notes payable transactions for the years ended June 30, 2021 and 2020:

Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Amounts due within one year
\$ 1,061,199	\$	\$ (64,597)	\$ 996,602	\$ 67,185
Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020	Amounts due within one year
\$ 1,123,342	\$ -	\$ (62,143)	\$ 1,061,199	\$ 64,597

Notes to Financial Statements June 30, 2021 and 2020

Note 6 - Assistance from the Authority

In 1999, the Authority commenced major construction rehabilitation of the Project. On August 23, 2003, subsequent to substantial completion of construction rehabilitation, CalHFA paid off the construction loan and outstanding debt financing by providing long-term financing to the Project.

During the fiscal years ended June 30, 2021 and 2020, the Project realized an excess of revenue over expenses (excluding depreciation) of \$98,953 and \$126,146, respectively. During the years ended June 30, 2021 and 2020, the Authority contributed \$0 and \$71,000, respectively, to the Project. The Authority has committed to fund any future deficits with contributions, as required.

Note 7 - Contingency

In early 2020, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity which could result in a loss of lease revenue and other material adverse effects to the Project's financial position, results of operations, and cash flows. As of June 30, 2021, the global pandemic is still ongoing. Management continues to monitor the results of operations to evaluate the economic impact of the pandemic on the Project.

Note 8 - Subsequent events

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the Project through December 14, 2021 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Supplementary Information

Required by the California Housing Finance Agency

Supplementary Information Required by CalHFA Years Ended June 30, 2021 and 2020

Schedules of Operating Revenues

Account N	0.	2021		2020	
	Operating revenues				
5120	Rent revenue	\$ 359,876	\$	358,357	
5121	Tenant assistance payments	-		-	
5170	Parking	 11,540		11,760	
	Rental revenue	 371,416		370,117	
	Other revenues				
5910	Coin-operated laundry	858		1,614	
5190	Miscellaneous	 975		3,416	
	Total operating revenues	 373,249		375,147	

Supplementary Information Required by CalHFA Years Ended June 30, 2021 and 2020

Schedules of Operating Expenses

Account N	-	2021	2020
	Operating expenses		
6330	Payroll Manager salaries	49,754	52,394
6331	Manager rent fee unit	49,704	52,594
6510	Janitor payroll	_	_
0010	-		
	Total payroll	49,754	52,394
6340	Legal	-	-
6350	Accounting services	5,586	4,283
6320	Management fee	30,440	27,875
6210	Media	4,113	696
	Total administrative	40,139	32,854
	Utilities		
6450	Electricity	6,919	5,438
6452	Gas	1,729	1,572
6453	Water/Sewer	29,837	32,859
6525	Garbage	6,349	5,956
	Total utilities	44,834	45,825
	Operating and maintenance		
6515	Services and supplies	772	7,760
6530	Courtesy patrol	6,975	6,644
6517	Janitor and Cleaning Contracts	400	1,850
6537	Grounds Contract	48,937	27,340
6560	Decorating and painting	-	623
6545	Elevator Maintenance	-	-
6541	Repairs Material	3,408	9,800
6590 6591	Misc. Ops. And Maint. Expense (if over \$2,500, Major Construction Expense	18,596	13,875
0001			
	Total operating and maintenance	79,088	67,892

Supplementary Information Required by CalHFA Years Ended June 30, 2021 and 2020

Account No		2021	2020
6729 6710	Insurance and taxes Insurance Property taxes	17,278 4,986	 14,272 2,597
	Total insurance and taxes	22,264	 16,869
	Depreciation	64,675	67,197
	Total operating expenses	300,754	283,031
	Operating income (loss)	72,495	 92,116
5400 6820 5410	Non-operating revenues (expenses) CADA annuity Interest on first mortgage Interest income Change in net position Net position, beginning Net position, end	\$ (45,913) 7,696 34,278 439,259 473,537	\$ 71,000 (48,369) 15,202 129,949 309,310 439,259
Detail of A	Accounts - Schedule of Activities		
		2021	 2020
	Miscellaneous Other Revenue (Accounts No. 6590) Flooring	\$ 18,596	\$ 13,875
		\$ 18,596	\$ 13,875

Supplementary Information Required by CalHFA Year Ended June 30, 2021

Cash and cash equivalents

Cash and cash equivalents Unrestricted account	
Operating account	\$ 710,388
Restricted accounts	
Insurance and tax impounds	24,600
Tenant security deposits	19,354
Reserve for replacements	 112,185
Total restricted accounts	 156,139
Total cash and cash equivalents	\$ 866,527

The Project follows the practice of pooling its cash with all of the Authority's projects into a central fund maintained by the Authority. All accounts are segregated on the books of the Authority. The impound and reserve accounts are maintained in interest-bearing accounts by CalHFA.

Reserve for Replacements

In accordance with the provisions of the regulatory agreement, reserves are maintained in accounts by CalHFA to be used for replacements of property. Withdrawals are made upon approval by CalHFA. Activity during the year ended June 30, 2021 was as follows:

Balance, June 30, 2020	\$ 100,481
Deposits	10,584
Interest income	1,120
Approved withdrawals	 -
Balance, June 30, 2021	\$ 112,185

Impound Accounts

	_	Hazard insurance		rthquake surance	Total		
Balance, June 30, 2020 Deposits Interest earned CalHFA adjustment Payments applied	\$	14,743 6,909 178 - (1,556)	\$	4,522 6,811 50 - (7,057)	\$	19,265 13,720 228 - (8,613)	
Balance, June 30, 2021	\$	20,274	\$	4,326	\$	24,600	

Supplementary Information Required by CalHFA Year Ended June 30, 2021

Capital Assets

Following are the details of capital assets, which include building and leasehold improvements:

Capital assets balance, June 30, 2020 Additions	\$ 2,381,710 163,477
Capital assets balance, June 30, 2021	\$ 2,545,187

Accounts Payable

Accounts payable in the amount of \$133,977 represents amounts due to suppliers. All accounts payable are current.

Gross Potential Rents

Qualified tenant rental income Other tenant rental income	\$ 76,048 466,380
Total gross potential rents Less	542,428
Vacancy loss Loss to lease Low income subsidy	(66,025) (39,894) (76,633)
Rental revenues, net	\$ 359,876

Management Fee

A property management fee of \$30,440 was incurred during the fiscal year ended June 30, 2021 for the property management services provided by the Authority.

Supplementary Information Required by CalHFA Year Ended June 30, 2021

Operating cash flow/Surplus cash computation

The operating cash flow/surplus cash generated by the Project during the year ended June 30, 2021 is as follows:

Operation income	
Total income	\$ 380,945
Interest earned on restricted reserve accounts	 (1,348)
Adjusted operation income	 379,597
Operating expenses less depreciation	 (236,079)
Adjusted net income	 143,518
Other activity	
Debt service	(110,510)
Deposits into replacement reserve account	 (10,584)
Total other activity	 (121,094)
Operating cash flow/surplus cash	\$ 22,424

Accumulated Limited Distributions

At inception, there were no allowable accumulated limited distributions unpaid. Also, there were no accumulated limited distributions paid during the fiscal year ended June 30, 2021.



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors Capitol Area Development Authority Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Seventeenth Street Commons (Contract Number 99-024-N) (the "Project"), a project of the Capitol Area Development Authority ("Authority") which comprise the statement of net position as of June 30, 2021, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 14, 2021 which included an emphasis of matter paragraph as indicated at page 3.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Project's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control. Accordingly, we do not express an opinion on the effectiveness of the Project's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Project's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Project's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Project's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReynickLLP

Sacramento, California December 14, 2021

Certification of Officers Years Ended June 30, 2021 and 2020

We, as officers of Capitol Area Development Authority (Joint Powers Authority), hereby certify that we have examined the accompanying financial statements and supplemental data of Seventeenth Street Commons as of and for the years ended June 30, 2021 and 2020, and, to the best of our knowledge and belief, these financial statements and data are complete and accurate.

Name

citor Executi Title

Date

ust Name

12/14/2021 Date



Independent Member of Nexia International cohnreznick.com

Capitol Area Development Authority (CADA) Summary Statement of Revenues and Expenditures From 7/1/2020 Through 6/30/2021

	Annual Budget	YTD Actual	YTD Variance
FUNDING SOURCES		,	
Rental Income			
Parking	244,700.00	249,220.00	4,520.00
Residential Rental Revenue	8,944,500.00	9,302,895.00	358,395.00
Commercial Rental Revenue	245,000.00	288,103.00	43,103.00
Rental Vacancy Loss	(516,500.00)	(933,597.00)	(417,097.00)
Low Income Subsidy	(791,000.00)	(737,614.00)	53,386.00
Loss to Lease	(560,900.00)	(607,587.00)	(46,687.00)
Other	180,900.00	87,802.00	(93,098.00)
Total Rental Income	7,746,700.00	7,649,223.00	(97,477.00)
Tax Increment Revenue PBID Assessment Revenue	250.088.00	257 280 00	6,291.00
Tax Increment Revenue	250,988.00 5,350,000.00	257,280.00 7,087,436.00	1,737,436.00
Total Tax Increment Revenue Governmental Agency Revenue	5,600,988.00	7,344,716.00	1,743,728.00
HCD Monitoring Fee Payable	<u>-</u>	21,039.00	21,039.00
Annuity (HCD)	-	18,986.00	18,986.00
Total Governmental Agency Revenue		40,025.00	40,025.00
Financial Income		40,025.00	40,025.00
General Operations Investment Funding	370,900.00	439,837.00	68,937.00
Non-Operating Investment Funding			
Bond Proceeds	31,455,000.00	31,455,000.00	
Total Non-Operating Investment Funding	31,455,000.00	31,455,000.00	-
Total Financial Income	31,825,900.00	31,894,837.00	68,937.00
Drawdowns from Reserves			,
Development Reserve Drawdown	649,851.00	649,851.00	-
Capital Improvement Reserve Drawdown	175,000.00	175,000.00	-
Equipment Replace Reserve Drawdown	81,000.00	-	(81,000.00)
Acquisition Reserve drawdown	1,350,149.00	1,350,149.00	-
Development Reserve Drawdown for D&A	985,500.00	985,500.00	-
Afford Housing Reserve Drawdown for D&A	667,700.00	667,700.00	
Total Drawdowns from Reserves	3,909,200.00	3,828,200.00	(81,000.00)
Miscellaneous Funding Sources			
	42,100.00	45,646.00	3,546.00
Total Miscellaneous Funding Sources	42,100.00	45,646.00	3,546.00
Total FUNDING SOURCES	49,124,888.00	50,802,647.00	1,677,758.00
OPERATING EXPENSES			
Employee Services & Benefits			
Salaries	2,825,000.00	2,834,329.00	(9,329.00)
Cafeteria Plan	496,000.00	424,055.00	71,945.00
Workers Compensation	121,900.00	68,952.00	52,948.00
PERS Retirement	590,500.00	948,928.00	(358,428.00)
Post Retirement Health Benefit Contributions	201,338.00	200,702.00	636.00
Retiree Health Benefits	170,800.00	155,854.00	14,946.00
Other	141,260.00	(162,397.00)	303,657.00
Total Employee Services & Benefits Outside Services	4,546,798.00	4,470,422.00	76,376.00
Insurance	285,000.00	267,115.00	17,885.00
Other	1,105,019.00	1,050,594.00	54,425.00
Total Outside Services	1,390,019.00	1,317,709.00	72,309.00
Maintenance & Repair			
Service Contracts	249,561.00	306,738.00	(57,177.00)
Flooring	210,000.00	244,305.00	(34,305.00)
Landscaping	243,490.00	263,137.00	(19,647.00)
Other	898,050.00	744,897.00	153,153.00
Total Maintenance & Repair	1,601,101.00	1,559,077.00	42,024.00
Utilities Utilities-Garbage	55,000.00	61 124 00	(6,124.00)
Utilities-SMUD/Electricity	141,710.00	61,124.00 136,574.00	5,136.00
Culles Shield Internet	141,/10.00	150,574.00	5,150.00

Capitol Area Development Authority (CADA) Summary Statement of Revenues and Expenditures From 7/1/2020 Through 6/30/2021

250,000.00	220,903.00	29,097.00
617,400.00	554,837.00	62,563.00
69,000.00	61,378.00	7,622.00
1,133,110.00	1,034,816.00	98,294.00
882,418.00	726,215.00	156,203.00
882,418.00	726,215.00	156,203.00
2,000,000.00	2,000,000.00	-
2,000,000.00	2,000,000.00	-
		65,258.00
2,253,790.00	2,650,346.00	(396,556.00)
2,947,301.00	3,278,599.00	(331,298.00)
1 903 667 00	2 914 351 00	(1,010,684.00)
		(1,010,684.00)
		(896,774.00)
10,404,415.00	17,501,109.00	(0)0,774.00)
1,185,758.00	726,253.00	459,506.00
1,185,758.00	726,253.00	459,506.00
22 212 855 00	2 706 782 00	28,516,072.00
		28,516,072.00
33,498,613.00	4,523,036.00	28,975,577.00
(778,140.00)	28,978,422.00	29,753,562.00
781,836.00	781,836.00	-
337,902.00	332,474.00	(5,428.00)
(3,696.00)	-	3,696.00
(337,902.00)	(332,474.00)	5,428.00
778,140.00	781,836.00	3,696.00
-	29,760,258.00	29,760,258.00
	(45,629.00) plu	g
	(21 455 000 00)	
	227,675.00	
	617,400.00 69,000.00 1,133,110.00 882,418.00 882,418.00 2,000,000.00 2,000,000.00 2,000,000.00 2,000,000.00 2,000,000.00 2,000,000.00 2,000,000.00 2,000,000.00 2,000,000.00 2,000,000.00 2,000,000.00 2,947,301.00 1,903,667.00 1,903,667.00 1,903,667.00 1,903,667.00 1,903,667.00 1,903,667.00 1,185,758.00 32,312,855.00 32,312,855.00 33,498,613.00 (778,140.00) 781,836.00 337,902.00 (3,696.00) (337,902.00)	$\begin{array}{c ccccc} 617,400.00 & 554,837.00 \\ \hline 69,000.00 & 61,378.00 \\ \hline 1,133,110.00 & 1,034,816.00 \\ \hline \\ 882,418.00 & 726,215.00 \\ \hline \\ 882,418.00 & 726,215.00 \\ \hline \\ 2,000,000.00 & 2,000,000.00 \\ \hline \\ 02,253,790.00 & 2,000,000.00 \\ \hline \\ 2,947,301.00 & 3,278,599.00 \\ \hline \\ 1,903,667.00 & 2,914,351.00 \\ \hline \\ 1,903,667.00 & 3,796,783.00 \\ \hline \\ 32,312,855.00 & 3,796,783.00 \\ \hline \\ 32,312,855.00 & 3,796,783.00 \\ \hline \\ 33,498,613.00 & 4,523,036.00 \\ \hline \\ 1,781,836.00 & 781,836.00 \\ \hline \\ 337,902.00 & 332,474.00 \\ \hline \\ 1,375,140.00 & 781,836.00 \\ \hline \\ \end{array}$

Capitol Area Development Authority (CADA) Summary Statement of Revenues and Expenditures From 7/1/2020 Through 6/30/2021

Interest Expense-Accrual Adjustment Bond Debt Svc-Liability Reduction		(65,431.00) 550,856.00
Bond Interest-Accrual Adjustment		(244,212.00)
Total Reduction in Outstanding Debt Service		(30,986,112.00)
Change in Net Pension Liability		
Net Pension Liability		396,548.00
Net OPEB liability		27,373.00
Total Change in Net Pension Liability		423,921.00
Change in Deferred Inflows of Resources		
Deferred Inflows related to Pension		(142,716.00)
Deferred Inflow Related to OPEB Total Change in Deferred Inflows of Resources		(314,361.00) (457,077.00)
-		
Impact of Changes in Notes Receivable		(1.150.5(1.00)
1717 S St note B/S Adj - Developer Loan Funding		(1,159,561.00)
Allowance for Uncollectibles		100,000.00 (114,105.00)
Total Impact of Changes in Notes Receivable		(1,173,666.00)
Impact of Changes in Investment		
Joint Venture Investment		1,159,561.00
Total Impact of Changes in Investment		1,159,561.00
Immed of Nat Changes in Fixed Assets		
Impact of Net Changes in Fixed Assets Capitalized Acquisitions		
Software - Capitalized or Prepaid		(12,653.00)
Computer Hdwe - Capitalized		28,053.00
Acquisitions Capitalized		2,000,000.00
D&A - Site Impr Capitalized		14,970.00
Investments B/S Adj - Dev Capitalized		1,159,561.00
Capitalized Expenses - Various		6,061.00
Maint Furn, Mach & Eq-Cap'd		30,825.00
Accd CIP Encumbrance Expense		(2,025.00)
Capitalized Major Construction		604,613.00
Total Capitalized Acquisitions		3,829,405.00
Depreciation Expense Total Impact of Net Changes in Fixed Assets		(871,196.00) 2,958,209.00
Reduction of deferred Outflows of Resources Deferred Outflows Related to Pension		78 822 00
Deferred Outflow Related to PEB		78,822.00 (21,074.00)
Total Reduction of deferred Outflows of Resources		57,748.00
Impact of Changes in Other Balance Sheet Sections		
Net Increase (Decline) in Reserves		
Reserve Drawdowns-Equity Adjustment		(3,828,200.00)
Reserve Contributions-Equity Adjustment		2,914,351.00
Total Net Increase (Decline) in Reserves		(913,849.00)
Net Contribution to (Utilization of) Fund Balance		(*******
BS Adj - Fund Bal Util or Contrib		(781,836.00)
Total Net Contribution to (Utilization of) Fund Balance		(781,836.00)
Total Impact of Changes in Other Balance Sheet Sections		(1,695,685.00)
Total Audit Reconciliations		(29,758,730.00)
AUDITED, CHANGE IN NET ASSETS		1,528.00
		<u>.</u>
	F/S change in NP	1,528.00

-

	Budget-Annual	YTD Budget	YTD Year Actual	YTD Variance
FUNDING SOURCES of General Operations				
Rental Income				
Parking	244,700.00	244,700.00	249,220.00	4,520.00
Ground Lease Revenue	143,000.00	143,000.00	61,644.00	(81,356.00)
Residential Rental Revenue	8,944,500.00	8,944,500.00	9,302,895.00	358,395.00
Commercial Rental Revenue	245,000.00	245,000.00	288,103.00	43,103.00
Coin Op Laundry Revenue	35,300.00	35,300.00	25,709.00	(9,591.00)
Rental Vacancy Loss	(516,500.00)	(516,500.00)	(933,597.00)	(417,097.00)
Low Income Subsidy	(791,000.00)	(791,000.00)	(737,614.00)	53,386.00
Loss to Lease	(560,900.00)	(560,900.00)	(607,587.00)	(46,687.00)
Forfeited Security Deposits	2,100.00	2,100.00	-	(2,100.00)
Bad Debt Recovery	500.00	500.00	449.00	(51.00)
Misc Current Svcs - Mgmt Fees	99,580.00	99,580.00	99,580.00	-
Misc Current Svcs - Salaries	141,630.00	141,630.00	199,139.00	57,509.00
Total Rental Income	7,987,910.00	7,987,910.00	7,947,942.00	(39,968.00)
Tax Increment Revenue				
Tax Increment Revenue	5,350,000.00	5,350,000.00	7,087,436.00	1,737,436.00
Total Tax Increment Revenue	5,350,000.00	5,350,000.00	7,087,436.00	1,737,436.00
Other Government Agency Revenue				
Annuity (HCD)	-	-	18,986.00	18,986.00
Total Other Government Agency Revenue	-	-	18,986.00	18,986.00
Interest and Other Investment Income				
Interest Income on Investments with City	373,900.00	373,900.00	202,205.00	(171,695.00)
Interest Income Received	-	-	2,269.00	2,269.00
Interest Income-Reserve Allocation	(3,000.00)	(3,000.00)	-	3,000.00
Interest Income - Pool A Tax Exempt	-	-	382.00	382.00
Interest Income - Pool A Taxable Bond	-	-	142,982.00	142,982.00
Bond Proceeds	1,455,000.00	1,455,000.00	1,455,000.00	
Total Interest and Other Investment Income	1,825,900.00	1,825,900.00	1,802,837.00	(23,063.00)
Miscellaneous Revenue				
Miscellaneous Income	42,100.00	42,100.00	45,646.00	3,546.00
Allowance for Uncollectibles	-	-	(114,105.00)	(114,105.00)
Total Miscellaneous Revenue	42,100.00	42,100.00	(68,459.00)	(110,559.00)
Drawdowns from Reserves				
Development Reserve Drawdown	649,851.00	649,851.00	649,851.00	-
Acquisition Reserve drawdown	1,350,149.00	1,350,149.00	1,350,149.00	-
Development Reserve Drawdown for D&A	887,300.00	887,300.00	887,300.00	-
Afford Housing Reserve Drawdown for D&A	667,700.00	667,700.00	667,700.00	-
Total Drawdowns from Reserves	3,555,000.00	3,555,000.00	3,555,000.00	-
Total FUNDING SOURCES of General Operations	18,760,910.00	18,760,910.00	20,343,742.00	1,582,832.00
-				

	Budget-Annual	YTD Budget	YTD Year Actual	YTD Variance
General Operations EXPENSE				
Employee Services & Benefits				
Special Management Salaries	(150,540.00)	(150,540.00)	(213,991.00)	(63,451.00)
Salaries	(2,825,000.00)	(2,825,000.00)	(2,834,329.00)	(9,329.00)
Employee Recognition	(37,000.00)	(37,000.00)	(39,543.00)	(2,543.00)
Social Security/Medicare	(41,500.00)	(41,500.00)	(41,580.00)	(80.00)
Cafeteria Plan	(496,000.00)	(496,000.00)	(424,055.00)	71,945.00
Long Term Disability	(29,300.00)	(29,300.00)	(26,483.00)	2,817.00
State Unemployment	(11,000.00)	(11,000.00)	(9,708.00)	1,292.00
Workers Compensation	(121,900.00)	(121,900.00)	(68,952.00)	52,948.00
Life & AD&D Insurance	(11,200.00)	(11,200.00)	(11,988.00)	(788.00)
PERS Retirement	(590,500.00)	(590,500.00)	(948,928.00)	(358,428.00)
Post Retirement Health Benefit Contributions	(201,338.00)	(201,338.00)	(200,702.00)	636.00
Retiree Health Benefits	(170,800.00)	(170,800.00)	(155,854.00)	14,946.00
OPEB Expense	-	-	308,062.00	308,062.00
Employee Assist Program (EAP)	(2,350.00)	(2,350.00)	(1,510.00)	840.00
Total Employee Services & Benefits	(4,688,428.00)	(4,688,428.00)	(4,669,561.00)	18,867.00
Outside Services				
Prop Mgmt Marketing - Sp Mgmt Credit	3,130.00	3,130.00	3,130.00	-
Marketing & Media	(25,000.00)	(25,000.00)	(9,764.00)	15,236.00
Property Management Marketing	(16,130.00)	(16,130.00)	(3,148.00)	12,982.00
Printing and Binding	(4,250.00)	(4,250.00)	(2,198.00)	2,052.00
Employment Rcruitment & Notices	(2,000.00)	(2,000.00)	(1,692.00)	308.00
Legal Services	(121,980.00)	(121,980.00)	(256,133.00)	(134,153.00)
Accounting and Auditing	(45,500.00)	(45,500.00)	(51,100.00)	(5,600.00)
Community Activities	(32,500.00)	(32,500.00)	(32,281.00)	219.00
Document Storage & Destruction	(3,000.00)	(3,000.00)	(1,190.00)	1,810.00
Network Administration Services	(85,000.00)	(85,000.00)	(79,170.00)	5,830.00
Payroll Services	(10,000.00)	(10,000.00)	(9,012.00)	988.00
Banking & Investment Fees	(13,360.00)	(13,360.00)	(5,446.00)	7,914.00
Admin Other Professional Services	(67,500.00)	(67,500.00)	(44,090.00)	23,410.00
Prop Mgmt Other Professional Services	(15,000.00)	(15,000.00)	(16,188.00)	(1,188.00)
Asset Mgmt Other Professional Services	(72,000.00)	(72,000.00)	(25,738.00)	46,262.00
Courtesy Patrol	(140,065.00)	(140,065.00)	(133,063.00)	7,002.00
Courtesy Patrol-Sp Mgmt Credit	15,065.00	15,065.00	15,065.00	-
Insurance - Special Management	(59,500.00)	(59,500.00)	(59,520.00)	(20.00)
Insurance	(285,000.00)	(285,000.00)	(267,115.00)	17,885.00
Self-Insured Losses	(77,500.00)	(77,500.00)	(62,000.00)	15,500.00
Project Banking Fees	(19,000.00)	(19,000.00)	(7,880.00)	11,120.00
Admin Temporary Outside Svcs	(20,000.00)	(20,000.00)	(38,571.00)	(18,571.00)
Temporary Outside Services	(230,000.00)	(230,000.00)	(222,628.00)	7,372.00
Eng/Arch-Miscellaneous	(39,000.00)	(39,000.00)	-	39,000.00
Legal - Dev Project Related	(20,000.00)	(20,000.00)	(867.00)	19,133.00
D&A Other Professional Services	(10,000.00)	(10,000.00)	(3,000.00)	7,000.00
D&A Miscellaneous Expense	(7,000.00)	(7,000.00)	-	7,000.00
•				-

	Budget-Annual	YTD Budget	YTD Year Actual	YTD Variance
Total Outside Services	(1,402,090.00)	(1,402,090.00)	(1,313,599.00)	88,491.00
Maintenance & Repair				
Emerg Relocation-Ops Related	(10,500.00)	(10,500.00)	(1,022.00)	9,478.00
Operation Location Improvements	(154,000.00)	(154,000.00)	(17,717.00)	136,283.00
Admin Office - General Maintenance	(31,800.00)	(31,800.00)	(20,127.00)	11,673.00
Maint Office Janitorial	(6,000.00)	(6,000.00)	(5,952.00)	48.00
Maint Office - General Maintenance	(10,000.00)	(10,000.00)	(10,928.00)	(928.00)
Equipment Rental Expense	(5,000.00)	(5,000.00)	(2,757.00)	2,243.00
Construction Mitigation Expense	(25,000.00)	(25,000.00)	(9,450.00)	15,550.00
Repair & Maint - Misc	(118,600.00)	(118,600.00)	(128,194.00)	(9,594.00)
Lndscape-Sp Mgmt Credit	17,650.00	17,650.00	17,650.00	-
Travel-Fuel on CADA Vehicles	(9,000.00)	(9,000.00)	(10,016.00)	(1,016.00)
Travel-Maint Staff Reimburse	(10,000.00)	(10,000.00)	(11,517.00)	(1,517.00)
Travel-RSR Reimbursement	(2,000.00)	(2,000.00)	(353.00)	1,647.00
Elevator/Bldg Phone & Monitor Service	(2,300.00)	(2,300.00)	(3,755.00)	(1,455.00)
Service Contracts	(249,561.00)	(249,561.00)	(306,738.00)	(57,177.00)
State Fire Marshal	(8,000.00)	(8,000.00)	(6,600.00)	1,400.00
Flooring	(210,000.00)	(210,000.00)	(244,305.00)	(34,305.00)
Plumbing	(9,300.00)	(9,300.00)	(2,338.00)	6,962.00
Countertops/Cabinets	(56,500.00)	(56,500.00)	(26,591.00)	29,909.00
Landscaping	(243,490.00)	(243,490.00)	(263,137.00)	(19,647.00)
Pest Services	(54,700.00)	(54,700.00)	(54,230.00)	470.00
Permits and Fees	(4,500.00)	(4,500.00)	(3,269.00)	1,231.00
Painting & Decorating	(14,900.00)	(14,900.00)	(1,060.00)	13,840.00
Supplies	(15,000.00)	(15,000.00)	(17,732.00)	(2,732.00)
Vehicle Repair and Maint	(10,000.00)	(10,000.00)	(11,359.00)	(1,359.00)
Prop Mgmt Furn & Appliances	(60,000.00)	(60,000.00)	(104,734.00)	(44,734.00)
Building Supplies - Misc	(222,000.00)	(222,000.00)	(264,288.00)	(42,288.00)
Clothing and Uniforms	(5,500.00)	(5,500.00)	(4,664.00)	836.00
Maintenance Mach & Equip	(57,100.00)	(57,100.00)	(48,927.00)	8,173.00
Operating Budget Major Repairs	(12,000.00)	(12,000.00)		12,000.00
Total Maintenance & Repair	(1,599,101.00)	(1,599,101.00)	(1,564,110.00)	34,991.00
Utilities				
Admin Office Utilities	(32,000.00)	(32,000.00)	(22,037.00)	9,963.00
Maint Office Utilities	(37,000.00)	(37,000.00)	(39,341.00)	(2,341.00)
Utilities-Garbage	(55,000.00)	(55,000.00)	(61,124.00)	(6,124.00)
Utilities-SMUD/Electricity	(141,710.00)	(141,710.00)	(136,574.00)	5,136.00
Utilities-PG&E/Gas	(250,000.00)	(250,000.00)	(220,903.00)	29,097.00
Utilities-Water/Sewer	(617,400.00)	(617,400.00)	(554,837.00)	62,563.00
Total Utilities	(1,133,110.00)	(1, 133, 110.00)	(1,034,816.00)	98,294.00
Overhead				
Postage and Deliveries	(6,000.00)	(6,000.00)	(4,095.00)	1,905.00
Telephone and Wireless Svcs	(30,000.00)	(30,000.00)	(5,958.00)	24,042.00
Cellular Phone Service	(30,000.00)	(30,000.00)	(41,161.00)	(11,161.00)
Internet Services	(26,000.00)	(26,000.00)	(16,412.00)	9,588.00
Admin Bldg Rent	(95,000.00)	(95,000.00)	(88,890.00)	6,110.00
Leased Facilities Rent	(60,000.00)	(60,000.00)	(2,000.00)	58,000.00

	Budget-Annual	YTD Budget	YTD Year Actual	YTD Variance
Equipment Rental Expense	(2,500.00)	(2,500.00)	(1,617.00)	883.00
Parking Program	(1,500.00)	(1,500.00)	-	1,500.00
JPA Board Expenses	(7,000.00)	(7,000.00)	(290.00)	6,710.00
Professional Organizations	(15,000.00)	(15,000.00)	(12,044.00)	2,956.00
Subscriptions	(2,000.00)	(2,000.00)	(1,042.00)	958.00
Education and Training	(20,000.00)	(20,000.00)	(8,037.00)	11,963.00
Management Fee	(99,580.00)	(99,580.00)	(99,580.00)	-
Transportation-Admin Staff	(2,000.00)	(2,000.00)	(277.00)	1,723.00
Resident Relations	(9,800.00)	(9,800.00)	(9,189.00)	611.00
Sp Mgmt Prop Taxes & Assessments	(9,530.00)	(9,530.00)	(10,980.00)	(1,450.00)
Property Taxes & Assessments	(121,600.00)	(121,600.00)	(115,951.00)	5,649.00
Hospitality	(1,500.00)	(1,500.00)	(1,319.00)	181.00
Office Supplies - General	(15,000.00)	(15,000.00)	(10,214.00)	4,786.00
Software	(80,000.00)	(80,000.00)	(75,461.00)	4,539.00
Computer Hardware	(50,000.00)	(50,000.00)	(32,299.00)	17,701.00
Admin Furn Mach & Equip	(16,000.00)	(16,000.00)	(476.00)	15,525.00
Safety - General Admin	(5,500.00)	(5,500.00)	(7,784.00)	(2,284.00)
Office Equipment leases	(25,500.00)	(25,500.00)	(23,438.00)	2,062.00
Total Overhead	(731,010.00)	(731,010.00)	(568,516.00)	162,494.00
Building/Land Acquisition				
Building/Land Acquisition	(2,000,000.00)	(2,000,000.00)	(2,000,000.00)	
Total Building/Land Acquisition	(2,000,000.00)	(2,000,000.00)	(2,000,000.00)	-
Debt Service				
Debt Service Principal Paid	(280,308.00)	(280,308.00)	(227,675.00)	52,633.00
Debt Interest Paid	(113,203.00)	(113,203.00)	(79,539.00)	33,664.00
Bond Debt Svc-Principal Pd	(486,270.00)	(486,270.00)	(550,856.00)	(64,586.00)
Bond Issuance Costs	(1,455,000.00)	(1,455,000.00)	(1,440,026.00)	14,974.00
Bond Interest Paid	(312,520.00)	(312,520.00)	(659,464.00)	(346,944.00)
Tax Increment Pledge	(300,000.00)	(300,000.00)	(300,000.00)	-
HCD Monitoring Fee			(21,039.00)	(21,039.00)
Total Debt Service	(2,947,301.00)	(2,947,301.00)	(3,278,599.00)	(331,298.00)
Contributions to Reserves				
Development Reserve Contribution	(1,092,079.00)	(1,092,079.00)	(2,066,942.00)	(974,863.00)
Affordable Housing Reserve Contribution	(494,705.00)	(494,705.00)	(530,526.00)	(35,821.00)
Equipment Replace Reserve Contribution	(104,883.00)	(104,883.00)	(104,883.00)	-
Debt Retirement Reserve Contribution	(212,000.00)	(212,000.00)	(212,000.00)	
Total Contributions to Reserves	(1,903,667.00)	(1,903,667.00)	(2,914,351.00)	(1,010,684.00)
Total General Operations EXPENSE	(16,404,707.00)	(16,404,707.00)	(17,343,550.00)	(938,843.00)
Inter-Fund Operation TRANSFERS				
Inter-Fund Operating TRANSFERS IN				
	1,664,441.00	1,664,441.00	500,167.00	(1 164 274 00)
Operations Transfer from F 50-CAP Tax Incr		, ,	,	(1,164,274.00)
Operations Transfer from F 51-CAP Set-Aside	471,740.00	471,740.00	471,740.00	-

	Budget-Annual	YTD Budget	YTD Year Actual	YTD Variance
Operations Transfer from F60-RSt TI	141,000.00	141,000.00	141,000.00	
Total Inter-Fund Operating TRANSFERS IN	2,277,181.00	2,277,181.00	1,112,907.00	(1,164,274.00)
Inter-Fund Operating TRANSFERS OUT				
Operations Transfer to F10-General	(2,277,181.00)	(2,277,181.00)	(1,112,907.00)	1,164,274.00
Total Inter-Fund Operating TRANSFERS OUT	(2,277,181.00)	(2,277,181.00)	(1,112,907.00)	1,164,274.00
Total Inter-Fund Operation TRANSFERS				
OPERATING RESULTS, before Capital Investment Program	2,356,203.00	2,356,203.00	3,000,192.00	643,990.00
CAPITAL INVESTMENT PROGRAM				
Investment in MAJOR CONSTRUCTION Program				
CIP Transfer to F10-General	(1,099,758.00)	(1,099,758.00)	(1,099,758.00)	-
CIP Transfer to F38 - 17th St. Commons	(8,000.00)	(8,000.00)	(23,000.00)	(15,000.00)
Total Investment in MAJOR CONSTRUCTION Program	(1,107,758.00)	(1,107,758.00)	(1,122,758.00)	(15,000.00)
Investment in DEVELOPMENT Program				
Dev Program TF to F 10 - General	(2,026,584.00)	(2,026,584.00)	(2,026,584.00)	
Total Investment in DEVELOPMENT Program	(2,026,584.00)	(2,026,584.00)	(2,026,584.00)	
Total CAPITAL INVESTMENT PROGRAM	(3,134,343.00)	(3,134,343.00)	(3,149,343.00)	(15,000.00)
UTILIZATION OF FINANCIAL RESOURCES				
Utilization of Available Fund Balance	781,836.00	781,836.00	781,836.00	-
Contribution to Available Fund Balance	(3,696.00)	(3,696.00)		3,696.00
Total UTILIZATION OF FINANCIAL RESOURCES	778,140.00	778,140.00	781,836.00	3,696.00
NET RESULTS OF GENERAL OPERATIONS			632,686.00	632,686.00

Adopted by the Capitol Area Development Authority

January 14, 2022

RESOLUTION ACCEPTING AND AUTHORIZING RELEASE OF INDEPENDENT AUDITOR'S REPORTS – FISCAL YEAR 2020-2021

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 2020-2021; 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 2020-2021 audited by CohnReznick are hereby accepted and authorized for release.

Ann Bailey, Chair

ATTEST:

Adopted by the Capitol Area Development Authority

January 14, 2022

RESOLUTION ACCEPTING AND AUTHORIZING RELEASE OF INDEPENDENT AUDITOR'S REPORTS – FISCAL YEAR 2020-2021 FOR SOMERSET PARKSIDE APARTMENTS (Contract Number 15-LRP-005)

WHEREAS, the certified public accounting firm of CohnReznick has completed its audit of the Authority's Independent Auditor's Reports for Fiscal Year 2020-2021 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 2020-2021 for Somerset Parkside Apartments audited CohnReznick is hereby accepted and authorized for release.

Ann Bailey, Chair

ATTEST:

Adopted by the Capitol Area Development Authority

January 14, 2022

RESOLUTION ACCEPTING AND AUTHORIZING RELEASE OF INDEPENDENT AUDITOR'S REPORTS – FISCAL YEAR 2020-2021 FOR BIELE PLACE APARTMENTS (Contract Number 17-LPR-0029)

WHEREAS, the certified public accounting firm of CohnReznick has completed its audit of the Authority's Independent Auditor's Reports for Fiscal Year 2020-2021 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 2020-2021 for Biele Place Apartments audited by CohnReznick is hereby accepted and authorized for release.

Ann Bailey, Chair

ATTEST:

Adopted by the Capitol Area Development Authority

January 14, 2022

RESOLUTION ACCEPTING AND AUTHORIZING RELEASE OF INDEPENDENT AUDITOR'S REPORTS – FISCAL YEAR 2020-2021 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 2020-2021 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 2020-2021 for Seventeenth Street Commons (Contract Number 99-024-N) audited by CohnReznick is hereby accepted and authorized for release.

Ann Bailey, Chair

ATTEST:



January 7, 2022

 TO:
 CADA Board of Directors

 SUBJECT:
 JANUARY 14, 2021 Board Meeting AGENDA ITEM 6 MID-YEAR CAPITAL IMPROVEMENTS PROGRAM (CIP) UPDATE

 CONTACT PERSON:
 Russ Juneau, Facilities Manager Frank Czajka, Construction Manager

RECOMMENDATION: For review and information only.

CIP STATUS REPORT

Twice each year, CADA staff prepares a Capital Improvement Program (CIP) Status Report and presents it to the Board.

The Mid–Year CIP Program Status Report contains completed, current, and major maintenance, rehabilitation and construction improvements to CADA-managed properties within the Capitol Area. Work typically consists of improvements to residential, commercial, parking, landscape and infrastructure that CADA staff's field assessments and CADA strategic planning have identified as being necessary.

The full report can be found in **Attachment 1** and is summarized below.

Status of Budgeted CIP Projects

Budgeted projects are shown in the first three shaded columns of Attachment 1, labeled "Current Budget C20 FY19/20, Current Budget C21 FY20/21, and Current Budget C22 FY21/22." CADA's multi-year capital budgeting process provides for fiscal year budgets to remain open for 3 years so, at any given time, the CIP Status Report includes fiscal year budgets for 3 years. The CIP Status Report is a working tool that enables staff to keep track of the status of the various projects and is presented to the Board to report on project status and to show the level of investment in individual buildings during those three fiscal years.

All completed projects for each fiscal year starting in FY 19/20 are shown in the columns marked "Completed", with all expenditures to date. Projects remaining to be finished are shown in the "Open" columns. The following information about each budgeted project is also included in the report:

- Project Address
- Scope of Work
- Budget Spent ("Completed")
- Budget Remaining ("Open")

CADA's current CIP priorities include window replacement, roof replacement, repairing dry-rot, electrical service upgrades, exterior painting, and general carpentry. These repair priorities reflect

the continued aging of CADA's 50 apartment buildings and 21 commercial spaces, as well as CADA's continuing efforts to modernize building systems and make them more energy and water efficient.

As illustrated in **Table 1** below, to date CADA has completed \$1,064,985.28 in CIP projects budgeted within fiscal years 19/20 through 21/22 out of a budget of \$4,187,852.52, leaving \$3,122,867.24 in open projects.

	FY 19/20 CIP Budget		FY 20/21 CIP Budget		FY 21/22	CIP Budget	Grand
	Completed	Open	Completed	Open	Completed	Open	Total
General Fund	666,768.69	778,423.83	311,975.59	878,084.41	-	990,500.00	3,625,752.52
Special Mgt.	-	-	-	-	86,241.00	475,859.00	562,100.00
TOTAL COMPLETED	666,768.69		311,975.59		86,241.00		1,064,985.28
TOTAL OPEN	-	778,423.83	-	878,084.41	-	1,471,808.00	3,122,867.24
GRAND TOTAL (COMPLETED AND OPEN)	1,445,	192.52	1,190,0	060.00	1,552	,600.00	4,187,852.52

Table 1 – Budgeted CIP Projects	Status Report Summary for F	Y 19/20 through FY 21/22*
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*Note: Expenses are indicated as projects are initiated, rather than invoiced, and therefore the project budgets may not match the financial reports due to timing differences from the start of project to invoicing.

CADA's Construction Manager, Frank Czajka, CADA's Facility Maintenance Manager, Russ Juneau, and the Maintenance Department are focusing on routine maintenance, time-critical CIP projects such as the inspection and repairs/upgrades of the balconies of CADA's buildings; identifying buildings where dry rot has become an issue and on-going roof replacement. Several roofs have already been replaced, while the others that have been identified to be replaced are currently going out to bid. Major roof leaking issues are nearly a thing of the past as the problem roofs have nearly all been replaced. Recently-completed CIP roofing projects include Park Mansion, the Lombard, Brannan Court, and 1420 O Street water and energy conservation upgrades are being made when apartments turn. Finally, in the past six months, CADA completed a major structural upgrade to the stairs and second floor decking at 1201 P Street and a significant re-landscaping project at 17th Street Commons. Other structural upgrade projects are being planned currently for 1228 O Street and 1606 15th Street.

Other Projects

The Maintenance Department's Computerized Maintenance Management System (CMMS) is continuing to grow and help streamline management of maintenance work orders. Most maintenance staff members are using their smartphones to access and manage their work orders. Staff is currently loading preventative maintenance tasks into the system that will generate work orders automatically to Maintenance Department staff to perform identified preventative maintenance tasks. Resident Services Representatives are now able to submit work orders via their smartphone/computer. Staff is now working toward using the system to allow residents to submit work orders to Maintenance via the web-based Maintenance Connection portal. We will start adding buildings a few at a time. Maintenance also plans to use the system to maintain an inventory of parts, equipment and building materials the Maintenance Department has in stock and needs to purchase. Overall, the system will help staff make good data-driven business maintenance and equipment purchasing decisions. CADA's Construction Manager, Frank Czajka, is continuing to oversee the evolution of the new system.

The Dean electrical upgrade project is on-going, with electrical wiring in all building units continuing to be upgraded to allow for future improvement, including new air conditioning systems. Staff expects to complete the electrical rewiring project in the next six months, under a contract the Board approved at the December meeting.

CADA will also be replacing the windows on the west and north facades of 1228 O Street with energy-efficient, double-pane windows.

POLICY

Staff presents the CIP Needs Assessment to the Board bi-annually for information and discussion to ensure that these needs are appropriately and adequately addressed during the annual and mid-year budgeting processes. At this time, due to the retirement of the Maintenance Manager and the need to train his replacement, preparation of the mid-year update to the CIP Needs Assessment was delayed and is being prepared now for presentation to the Board in May. Staff is able to present the CIP Status Report at this time.

The Board approves the CIP budget for the upcoming fiscal year in June. This budget remains open for 3 years to allow sufficient time to prepare scopes of work, prepare and issue bid packages, obtain bids and complete the work.

The overarching CIP strategy is to preserve, maintain and enhance existing structures unless building obsolescence or development strategies dictate otherwise. Reinvestment decisions should be consistent with the State Capitol Area Plan and the CADA Strategic Plan. Preventative maintenance and preservation of existing structures through appropriate maintenance are also consistent with state and general public policy regarding sustainable development. To the extent possible, this type of preservation of materials and avoidance of demolition of structures reduces landfill and material waste. All CIP projects are designed and constructed in compliance with current building codes and regulations, including California energy efficiency standards and regulations.

FINANCIAL IMPACTS

Current financial impacts are shown in Table 1 above.

STRATEGIC PLAN

Preparation of the CIP Status Report and the CIP Needs Assessment advances the Strategic Plan goal of "Providing Mixed-Income housing with Superior Property Management" and the Key Priorities of Improving Environmentally Sustainable Practices, Community Stewardship and Fiscal Responsibility

Attachments:

1. Mid-year (Jan22) CIP - Status Report

PROPERTY CODE	CONSTR CODE	Project Address Building Name * = Future Development Site	WOR K TYPE	SCOPE OF WORK	Current Budget C20 FY 19/20		Current Budget C21 FY 20/21		Current Budget C22 FY 21/22	
	-	GL Acct 5820		•	Completed	Open	Completed	Open	Completed	Open
C172-14	007.4	1325 - 15th St., Park Mansion	Res	Roofing & Siding Panels	154,958.00	(432.00)				
C172-14	010.7	1325 - 15th St., Park Mansion	Res	Exterior Protection/Telephone	246.16	10,753.84				
C222-11	008.5	1512 13th St	Res	Windows	-	5,000.00				
C222-11	019.6	1512 13th St	Res	Structural Rehabilitation	-	175,000.00				
C222-20A	010.3	1209 P St.,, Wing Manor	Res	Stairways/Decking/Walkways	12,021.47	27,978.53				
C223-12	007.4	1327/1317 O St	Res	Roofing & Siding Panels	7,871.00	-				
C223-12	019.6	1327/1317 O St	Res	Structural Rehabilitation	20,300.22	59,699.78				
C225-01	007.3	1400 N St, The Dean	Res	Shingles, Roof Tiles, etc	27,675.00	-				
C226-06	016.5	1414 O St.	Res	Lighting	-	6,200.00				
C226-07	007.4	1420 O St.	Res	Roofing & Siding Panels	194,309.39	-				
C226-07	009.6	1420 O St.	Res	Finishes-Flooring	14,487.60	512.40				
C226-09	019.6	1510 15th St.	Res	Structural Rehabilitation	-	11,000.00				
C226-10	010.3	1514 - 15th St.	Res	Stairways/Decking/Walkways	-	4,000.00				
C226-24	010.3	1400-04 O St, Greentree/Carr Path	Res	Stairways/Decking/Walkways	-	14,100.00				
C229-07	006.3	1316 O St	Res	Wood-Dry Rot	-	18,000.00				
C231-07	010.7	1522 N St, Judith Manor	Res	Exterior Protection/Telephone	-	11,000.00				
C231-07	013.2	1522 N St, Judith Manor	Res	Sp Constr-Tanks/Haz Matl Remed	15,430.36	24,569.64				
C231-07	016.5	1522 N St, Judith Manor	Res	Lighting	-	3,100.00				
C231-23C	002.2	Golden Gate Cleaners-1412 16th	Com	Sitework-Site Prep	57,505.17	-				
C231-24	002.9	1500 N St., Brannan Court	Res	Sitework-Planting/Rehab, etc.	-	80,000.00				
C231-24	008.0	1500 N St., Brannan Court	Res	Doors & Windows	-	10,000.00				
C231-24	010.7	1500 N St., Brannan Court	Res	Exterior Protection/Telephone	-	11,500.00				
C231-24	016.5	1500 N St., Brannan Court	Res	Lighting	2,791.09	33,208.91				
C232-01	010.2	1501 15th, Douger	Res	Vents/Grills/Pest Control etc	33,390.43	(11,261.43)				
C232-16	002.9	16th Street Commerical	Com	Sitework-Planting/Rehab, etc.	77,943.17	59,056.83				
C232-18C	010.3	1510 O St, Don Carlos Apts	Res	Stairways/Decking/Walkways	-	51,000.00				
C233-14	006.3	1625 O St	Res	Wood-Dry Rot	-	11,700.00				
C281-05B	002.2	RMB Enterprises - 1212 P St.	Res	Sitework-Site Prep	34,949.61	-				
C281-06	006.3	1216-18 P St.	Res	Wood-Dry Rot	-	8,500.00				
C281-07	008.5	1220 P St, Deus	Res	Windows	-	24,500.00				
C284-10	006.3	1330 P St, Palm Manor	Res	Wood-Dry Rot	-	44,000.00				
C330-00	000.0	Somerset	Res	Non Type	411.28	(411.28)				
C172-15A	007.00	1317 - 15th St., Lombard	Res	Thermal & Moisture Protection - Roof			50,900.77	90,299.23		1
C172-15A	009.6	1317 - 15th St., Lombard	Res	Finishes-Flooring				6,000.00		<u> </u>
C172-15A	009.9	1317 - 15th St., Lombard	Res	Finishes-Paint/Coatings				6,000.00		<u> </u>
C172-15A	010.3	1317 - 15th St., Lombard	Res	Fireplaces/Stoves/Ext Spec etc			 	9,500.00		<u> </u>
C172-15A	010.30	1317 - 15th St., Lombard	Res	Stairways/Decking/Walkways				23,600.00		<u> </u>
C172-15A	019.6	1317 - 15th St., Lombard	Res	Structural Rehabilitation				7,000.00		<u> </u>
C222-09	008.5	1228 O St, Gibson Arms	Res	Windows			30,618.33	108,881.67		<u> </u>
C222-11	008.5	1512 13th St	Res	Windows				54,900.00		<u> </u>
C222-20A	002.10	1209 P St.,, Wing Manor	Res	Sitework-Fences, Gates				14,000.00		<u>† </u>

C223-02	010.30	1316 N. St., Le Chateau	Res	Stairways/Decking/Walkways				31,200.00		
C223-09A	010.30	1428 - 14th St., Metropol	Res	Stairways/Decking/Walkways				18,800.00		
C223-10	002.5	1327 O St., Capri	Res	Sitework-Utilities			17,208.86	1,791.14		
C225-01	010.30	1400 N St, The Dean	Res	Stairways/Decking/Walkways				27,700.00		
C226-07	006.3	1420 O St	Res	Wood-Dry Rot				10,500.00		
C226-08	002.2	1500 15th St-Auslander	Res	Sitework-Site Prep				10,000.00		
C226-08	010.30	1500 15th St-Auslander	Res	Stairways/Decking/Walkways				31,700.00		
C226-08	016.5	1500 15th St-Auslander	Res	Lighting				14,960.00		
C226-24	010.30	1400-04 O St, Greentree/Carr Path	Res	Stairways/Decking/Walkways				16,500.00		
C231-07	010.30	1522 N St, Judith Manor	Res	Stairways/Decking/Walkways				23,700.00		
C231-24	007.00	1500 N St., Brannan Court	Res	Thermal & Moisture Protection - Roof			193,573.57	69,426.43		
C232-01	010.30	1501 15th, Douger	Res	Stairways/Decking/Walkways				36,900.00		
C233-06	010.30	1616 N St, Grantwood	Res	Stairways/Decking/Walkways				24,900.00		
C234-24	009.9	1615 P St, Lanai	Res	Finishes-Paint/Coatings				25,000.00		
C234-24	010.10	1615 P St, Lanai	Res	Awnings				11,500.00		
C234-27	006.3	17th Street Commons	Res	Wood-Dry Rot			545.37	(545.37)		
C293-18	009.9	1619 Q-Rooming House	Res	Finishes-Paint/Coatings				60,000.00		
C222-09	010.30	1228 O St, Gibson Arms	Res	Stairways/Decking/Walkways					-	174,500.00
C222-09	008.5	1228 O St, Gibson Arms	Res	Structural Rehabilitation						17,500.00
C222-11	008.5	1512 13th St	Res	Windows						8,000.00
C222-11	008.5	1512 13th St	Res	Structural Rehabilitation						175,000.00
C222-22	006.3	1201 P St, Del Capri	Res	Wood-Dry Rot						35,000.00
C222-22	008.5	1201 P St, Del Capri	Res	Windows						29,000.00
C223-12	008.2	1327/1317 O St	Res	Wood & Plastic Doors						25,500.00
C226-07	014.2	1420 O St	Res	Elevators						80,000.00
C226-08	008.5	1500 15th St-Auslander	Res	Windows						76,500.00
C231-24	014.2	1500 N St., Brannan Court	Res	Elevators						80,000.00
C232-18B	006.3	1506 O St, Johnston House	Res	Wood-Dry Rot						25,000.00
C232-18B	010.30	1506 O St, Johnston House	Res	Stairways/Decking/Walkways						10,000.00
C233-07	010.30	1622 N St, Shelly Arms	Res	Stairways/Decking/Walkways						20,000.00
C233-14	006.3	1625 O St	Res	Wood-Dry Rot						12,500.00
C234-24	009.9	1615 P St, Lanai	Res	Finishes-Paint/Coatings						24,000.00
C234-24	019.6	1615 P St, Lanai	Res	Structural Rehabilitation						4,000.00
C281-07	008.5	1220 P St, Deus	Res	Windows						26,000.00
Various Addro	esses Budget Line It	C888-88		General Major Construction						
Various	001.6	Various		Energy Reduction/Sustainability		15,000.00		15,000.00	-	15,000.00
Various	002.7	Various		Sitework-Pavement, Bases, etc	-	20,000		40,000.00	-	20,000.00
Various	019.1	Various		Contingency	-	5,627.35	- 1	50,000.00	-	75,000.00
Various	019.2	Various		Accessibility	3,838.50	6,161.50		10,000.00	-	10,000.00
Various	019.3	Various		Fire & Safety	3,800.00	4,200.00	8,100.00	(100.00)	-	8,000.00
Various	019.4	Various		Toxic Abatement		20,000.00	7,828.69	12,171.31	-	20,000.00
Various	019.5	Various		Commercial Tenant Improvements	4,840.24	15,159.76	3,200.00	16,800.00	-	20,000.00
		GRAND TOTAL	MAJOF	CONSTRUCTION - GENERAL FUND:	\$ 666,768.69	\$ 778,423.83	\$ 311,975.59	\$ 878,084.41	\$ -	\$ 990,500.00
					C20 GF Total	\$ 1,445,192.52	1 1 1 1 1 1 1 1 1 1	\$ 1,190,060.00	C19 GF Total	\$ 990,500.00

		Special Management	t Properties	S						
									C19 - F\	(18/19
									Completed	Open
36	Somerset Parl									
	Special Ma	nagement Account								
C330-00	000.00	Somerset	Res	Non Type						10,000.00
	·			SUBTOTAL:					-	10,000.00
37	Biele Place									
	Special Ma	nagement Account								
C231-19	003.9	Biele Place	Res	Concrete-Restorartion/Cleaning					62,000.00	19,000.00
	·		•	SUBTOTAL:					62,000.00	19,000.00
38	17th Street Co	ommons								
	Special Ma	nagement Account								
C234-27	006.3	17th Street Commons	Res	Wood-Dry Rot					24,241.00	37,759.00
C234-27	001.30	17th Street Commons	Res	Stairways/Decking/Walkways						26,000.00
				SUBTOTAL:					24,241.00	63,759.00
41	Fremont/Wilsh			-						
		nagement Account								
C-286-00	008.5	Fremont/Wilshire Apts	Res	Windows						67,600.00
C-286-00	006.3	Fremont/Wilshire Apts	Res	Wood-Dry Rot						31,000.00
C-286-00	010.8	Fremont/Wilshire Apts	Res	Bath, kitchen & Laundry						284,500.00
				SUBTOTAL:					-	383,100.00
			тот	AL SPECIAL MANAGEMENT FUNDS:	-	-	-	-	86,241.00	475,859.00
		GRAND TO	TAL ALL FU	JNDS (GENERAL + SPECIAL MGMT)*:	666,768.69	778,423.83	311,975.59	878,084.41	86,241.00	1,466,359.00
						1,445,192.52		1,190,060.00		1,552,600.00
					Completed	46%	Completed	26%	Completed	6%

4,187,852.52



January 7, 2021

 TO:
 CADA Board of Directors

 SUBJECT:
 January 14, 2022 Board Meeting AGENDA ITEM 7 CYPRESS DISPOSITION AND DEVELOPMENT AGREEMENT (14th & N PROJECT, FORMERLY SITE 21)

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

RECOMMENDED ACTION

Staff recommends that the Board adopt a resolution that authorizes the Executive Director to execute the Disposition and Development Agreement (DDA) with West Broadway 2019 Investments LLC.

BACKGROUND

In March 2021, the Board approved entering into an Exclusive Negotiating Agreement (ENA) with D&S Development, Inc. under which both parties would negotiate diligently and in good faith regarding the preparation and terms of a DDA to be considered by the Board, and executed following its approval. Per the ENA, CADA and D&S must enter a DDA by March 19, 2022.

In August 2021, the Board approved the Development Proposal submitted by D&S Development, authorized D&S Development to begin work on the Design Development Drawings, and directed staff to prepare the DDA.

ANALYSIS

Design Program

Design Development Documents

Since the August 2021 Board meeting, D&S has prepared the Design Development Documents, which are included as **Attachment 2**. The updated design program now includes 96 units (an increase from 92 units in August). The most significant changes were for better design efficiency to improve constructability, including changing the 7th floor plan to match floors 3 to 6, which added four more units. They also made the 8th floor units larger to align with the layout on the floors below.

Notable changes include identifying the size of the pool to $45' \times 23'$ at 6' deep, adding a fireplace in the lobby, and increasing the bike storage to 100 spaces (previously 57 in the Schematic Design).

Interior Design Package

As shown on **Attachment 3**, the interior design inspiration is modern and sleek with shades of slate gray, which is softened by light wood and whites. There are gold finishes and use of lighting to accentuate the different finishes and texture details. The overall effect is a stately, timeless style and classic design.

Condominium Market Uncertainty

The units on the top (8th) floor are significantly larger with higher ceilings, including five 2-bedroom units and one 3-bedroom unit with a mezzanine loft, and have an average anticipated sales price of \$1.4m (\$650/SF). The design of these floor plans is based on discussions with Sacramento central city condominium brokers and analysis of The Residences at the Sawyer, L Street Lofts, and other similar condominium projects. While the condominium market has a positive outlook, there is nonetheless uncertainty about where the market will be at construction completion.

D&S requested that they have the option of selling the six condos on the 8th floor (Scenario 1 below), or operate the Cypress as an all rental project (Scenario 2) if the condo market is bleak towards construction completion.

Under Scenario 1, D&S would be prohibited from renting the six units on the 8th floor during the initial two years, and would be required to sell them during that period. D&S would also consider selling the 7th floor units during these first two years if there is enough buyer interest. In short, Scenario 1 is the further refined detail of what was contemplated in the ENA.

Under Scenario 2, in which D&S would operate the Cypress as an all rental project, they would forego the \$400k infrastructure grant from CADA. The entire project would, nevertheless, be mapped for eventual potential condominium sales.

In both scenarios, D&S has agreed to forego the seller carry-back loan from CADA and to pay for the site in immediately at the close of financing. (Originally, D&S was going to pay down the CADA land loan at a market interest rate over a 10-year period with a balloon payment in year 10.) **Table 1** provides an outline of these alternatives.

	Scenario 1 Sale of the top 8 th Floor as Condos	Scenario 2 All Rental Units, No Offsites Grant
Condos and Rentals vs. All Rentals	Within six months of project completion, D&S will have a better understanding of the market outlook and whether the condo sales are likely to be successful. If the outlook is positive, then D&S will work diligently to ensure sales of the six units on the top floor within two years of construction completion. There will be a Deed Restriction prohibiting rental of the top floor units during these initial two years.	If the condo market does not look promising, D&S will pivot towards an all rental project. The top floor units at Cypress are comparable to those at 1430 Q, where rentals have been successful even through the peak of the pandemic.
Offsites Grant	One of CADA's the long-held strategic goals has been providing more home- ownership opportunities in the Capitol	Staff's position is that the a \$400k offsite public improvements grant is not justified if D&S does not provide ownership units.

Table 1 – Condos vs All Rental Scenarios

	Area. To support the financial feasibility of building a higher-grade ownership project, CADA has agreed to provide a \$400k offsite public improvements grant. Use of CADA funds to support the condo project, make neighborhood improvements, and support the O Street Streetscape Plan is consistent with CADA's Strategic Goals.
Land	D&S will purchase the land at close of financing.

Disposition and Development Agreement (DDA)

The following is a summary of the key terms of the DDA, which is included as **Attachment 1**.

A. Rental and Condominium Sales (DDA - §2.11.1, §2.14.4, §3.1)

This section outlines the alternative Scenarios 1 and 2 described in **Table 1** above.

The DDA also includes the following terms to support good faith efforts to sell at least the top floor as condos:

Grant Deed (DDA §2.14.4, Exhibit I, and §2.11.1) – Restricts rental of the top floor for two years following construction completion. This deed shall be quitclaimed to remove this rental restriction if D&S does not accept the \$400k offsites grant, or once they sell the six condo units.

Condominium Plan and Map, CC&Rs, HOA (DDA - §2.11.1) – Obtain and record final Condominium Plan and Map; record the Declaration of Covenants, Conditions and Restrictions; and have the corporate association approved.

Certifications (DDA - §2.11.4) – Provide written certifications from the architect and general contractor that the project was designed and built to condo standards.

Good Faith Marketing Efforts (DDA - §2.11.2) – Prepare a marketing plan, advertise in relevant publications and media outlets to reach the target buyer population, hire a real estate agent with expertise in this product type.

B. Development Team (DDA - §1.2)

The Developer is West Broadway 2019 Investments LLC, in which D&S is the managing member. The additional members of the developer are Abbaszadeh 1715 I Street Investment LLC and Eco Green LLC. The General Contractor is DASCO Commercial Construction, Inc. The Project Architect is Architects Local. The Civil Engineer is Murray Smith & Associates Engineering.

C. Design Development Documents and Updated Budget (DDA – Exhibits D and E)

DDA - Exhibit D contains the project Preliminary Plans. The project includes a total of 96 market-rate units, two retail spaces totaling approximately 1,900 square feet, and 65 parking spaces.

Table 2 below summarizes the building program and average sales prices. Near project completion, D&S will decide whether to sell or rent the 2-bedroom and 3-bedroom units with the lofts on the top

floor. These top floor units range from 1,568 SF to 2,396 SF with an average unit size of 2,186 SF. The average sales price is \$1,420,575, and the average rental rate would be \$6,994.

The units on floors 7 and below range from 552 SF to 1,257 SF. The rental units are \$3.51/SF on average, with rental rates ranging from \$2,400 to \$4,400/month at an average of \$3,228.

Unit Type	Avg SF	Rental Unit Count	Avg Rent	Condo Unit Count	Avg. Sales Price
Live/Work Studio	857	2	\$3,000	-	-
Studio	624	18	\$2,330	-	-
1 Bedroom	748	12	\$2,805	-	-
1 Bedroom + Den	942	35	\$3,298	-	-
2 Bedroom	1,160	23	\$4,061	-	-
2 Bedroom + Loft	2,172	5	\$6,951	5	\$1,411,930
3 Bedroom + Loft	2,252	1	\$7,206	1	\$1,420,575
Total # of Units	-	96	-	6	-

Table 2 – Unit Type/Unit Count/Monthly Rent/Sales Price

Table 3 is the Sources and Uses budget as shown in DDA Exhibit E. A few differences to note between the scenarios is that offsite improvement costs are higher in Scenario 1 because they would require paying prevailing wage because of the CADA offsites grant. Additionally, the difference in hard construction costs is because the final flooring/appliances/lighting fixtures would be a higher quality for the initial sales of condo product.

Table 3 – Proposed Project Sources and Uses of Funds

	Scenario 1	Scenario 2
SOURCES		
Construction Loan	\$32,000,000	\$32,000,000
Developer Equity	\$17,460,375	\$17,130,375
Offsites Grant	\$400,000	
Total Sources of Funds	\$49,860,375	\$49,130,375

USES		
Land Acquisition	\$2,400,000	\$2,400,000
Hard Costs		
Direct Hard Construction Costs	\$34,427,000	\$33,827,000
Direct Hard Construction Contingency	\$1,721,350	\$1,691,350
Offsite Improvements	\$400,000	\$300,000
Lobby/Amenity Finishes	\$425,000	\$425,000
Retail Tenant TI	\$144,000	\$144,000
Soft Costs		
Architectural & Engineering	\$1,500,000	\$1,500,000
Financing Costs	\$2,320,000	\$2,320,000
Permits and Fees	\$1,930,500	\$1,930,500
Utilities (eg SMUD, PG&E)	\$250,000	\$250,000
Leasing and Marketing	\$365,000	\$365,000
Developer Fee	\$1,750,000	\$1,750,000

Other Soft Costs	\$1,735,000	\$1,735,000
Soft Costs Contingency	\$492,525	\$492,525
Total Uses of Funds	\$49,860,375	\$49,130,375

Table 4 is the Return on Cost Analysis, included in DDA Exhibit E. The generally-accepted minimum financial returns for rental projects is 5.5% and for condominium projects is from 6% to 15%. The projected returns are in line with these accepted returns and shows D&S is properly incentivized to undertake and complete the proposed project.

	August 2021	Januar	y 2022
PROFIT MARGIN	August 2021	Scenario 1	Scenario 2
Rental Units			
Project Cost	\$25,603,393	\$43,017,856	\$49,130,375
Effective Gross Income	\$2,657,634	\$3,688,059	\$4,236,621
Total Expenses	\$1,001,129	\$1,183,848	\$1,307,431
Net Operating Income	\$1,875,181	\$2,504,211	\$2,929,190
Return on Cost (in an avg yr)	7.3%	5.8%	6.0%
Condominium Units			
Sales Revenue	\$16,629,700	\$8,523,450	
Project Cost	\$13,685,517	\$6,842,519	
Gross Profit	\$2,944,183	\$1,680,931	
Less Cost of Sales (Closing,			
commissions, and carry costs)	\$997,782	\$691,407	
Net Profit	\$1,946,401	\$989,524	
Return on Cost			
(in Yr 3 after condo sales)	14.2%	14.5%	

Table 4 – Return on Cost Analysis

D. Final Construction Documents and Final Budget (DDA - §2.1.2.3, §2.1.2.4, and Exhibit B)

The Design Development Documents are attached to the DDA as Exhibit D and will be approved as a part of the DDA. The Developer must submit finalized Construction Documents to the City by June 15, 2022, in accordance with DDA Exhibit B Schedule of Performance.

The DDA delegates to the Executive Director the authority to review and approve the Final Construction Documents and Final Budget to ensure they are consistent in all material respects with the Preliminary Plans, Proposed Project Sources and Uses of Funds and Design Development Plans approved by the Board. The DDA authorizes the Executive Director to approve material changes in the Development Program that result in no more than a 10% cumulative change in residential unit count, unit distribution, number of parking spaces or amount of commercial spaces, though she may elect to refer any proposed material change to the CADA Board at her discretion.

E. Good Faith Deposits (DDA - §1.9)

Developer is to pay CADA good faith deposits of \$5,000 per month from the DDA effective date until close of escrow. The deposits are to be credited against the purchase price of the land, but are otherwise not refundable.

F. DDA Conditions of Precedent to Transfer of Property and Project Commencement (DDA - §2.3)

The following are the conditions that must be met prior to CADA's transfer of the property to the Developer and to Project Commencement by the Developer. The estimated date for Project Commencement (date Developer begins site work) is in the DDA Schedule of Performance as September 2, 2022. The preconditions to Project Commencement include:

- 1. Evidence of having received approval for and secured all entitlements, approvals, and permits;
- 2. CADA staff approval of Contracts with Project Architect, Civil Engineer, and General Contractor;
- 3. CADA staff approval of the Final Budget and a "building permit set" of the Final Construction Documents including specifications for the entire Project;
- 4. Recordation of the Memorandum of the DDA;
- 5. Evidence of having received approval for and secured building permits and evidence of a "will serve" letter from each utility provider;
- 6. Developer is current in its \$5,000 monthly Good Faith Deposits payments;
- 7. Developer has provided CADA an executed construction loan;
- 8. Developer has executed a Corporate Guarantee and provided a payment and performance bond;
- 9. CADA staff approval of insurance;
- 10. Certification from Project Architect that the project has been designed to condominium standards;
- 11. Recordation of the Deed of Trust;
- 12. Developer has filed a completed application for a Public Report from the Bureau of Real Estate;
- 13. Developer is not in default of the DDA.

G. Diligent Progress to Completion, Excusable Delays and Unexcused Delays (DDA - §2.10, §9.5, and §9.6)

Once the property is transferred to the Developer, the Developer is required to diligently construct the Project according to the timetable established in the Schedule of Performance. Excused Delays are provided for in the DDA. Unexcused delays will trigger liquidated damages payments by the Developer to CADA and will be assessed at \$500 per day.

H. Schedule of Performance (DDA Exhibit B)

Highlights from the DDA Exhibit B Schedule of Performance are included in **Table 5**, below. As shown in the table, site work is set to begin by early September 2022, and full construction will be underway by early 2023 with construction completion by the end of 2024.

Item	Task	Completion Date
1	Effective Date of DDA	January 14, 2021
2	Developer Submits Final Construction Documents to City and CADA	June 15, 2022
4	Developer Submits Evidence of Financing	June 29, 2022
5	City Issues Phased Building Permit for Site Work	September 2, 2022
7	City Issues Building Permit	December 16, 2022
9	Escrow Closes – Transfer of Property	December 30, 2022
10	Developer Prepares Marketing Plan	July 1, 2024
11	Developer Hires Real Estate Agent	September 1, 2024
12	Developer Substantially Completes Construction	December 31, 2024

Table 5 – Schedule of Performances Highlights

FINANCIAL IMPACT

As reported at the March and August 2021 meetings, the annual tax increment generated by the project would be +/- \$550,000. The project currently stands at 96 units, which will produce approximately the same amount in annual tax increment.

The \$400,000 grant for off-site improvements would come from the proceeds of CADA's taxable bond issued in 2020. D&S will be paying \$2.4 million for the land at the close of financing.

ENVIRONMENTAL REVIEW

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 project being 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. Disposition and Development Agreement
- 2. Select pages from the Design Development Documents
- 3. Interior Design Package

DISPOSITION AND DEVELOPMENT AGREEMENT

BETWEEN

CAPITOL AREA DEVELOPMENT AUTHORITY,

a California joint powers agency,

AND

WEST BROADWAY 2019 INVESTMENTS LLC,

a Delaware limited liability company

SE Corner 14th and N Streets

APN 006-0223-021-0000

January 14, 2022

Sacramento, California

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DISPOSITION AND DEVELOPMENT AGREEMENT

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This Disposition and Development Agreement (the "<u>Agreement</u>") is entered into as of January ___, 2022, by and between the **Capitol Area Development Authority**, a California joint powers agency (the "<u>Authority</u>"), and **West Broadway 2019 Investments LLC**, a Delaware limited liability company (the "<u>Developer</u>").

RECITALS

A. The Authority is the current owner of certain real property located at 1320 and 1330 N Street, on the southeast corner of 14th and N Streets in the City of Sacramento, County of Sacramento, State of California, APN 006-0223-021, which is legally described on **Exhibit A**, attached hereto and made a part hereof (the "<u>Property</u>").

B. On October 28, 2016, the Authority Board found that the development of a project consistent with the one described in the RFP issued on December 5, 2016 is categorically exempt under the California Environmental Quality Act (Pub. Resources Code § 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.

C. On February 24, 2021, D&S Development, Inc. ("<u>D&S</u>"), managing member of Developer, submitted to Authority a development concept for the development of a mixed-use project on the Property.

D. On March 19, 2021, Authority and D&S entered into an Exclusive Negotiating Agreement (the "<u>ENA</u>"), pursuant to which Authority and D&S agreed to negotiate the terms of the acquisition of the Property by Developer from Authority for the development of a mixed-use project comprised of residential for-sale condominium and market-rate rental units with ground-floor retail and parking, along with a separate public infrastructure improvement project.

E. The parties hereto desire to enter into this Agreement to provide for the development and sale of the Property in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereto agree as follows:

AGREEMENT

1. <u>GENERAL PROVISIONS</u>.

1.1 <u>Definitions</u>. As used herein, the following terms have the meanings set forth below:

1.1.1 <u>Agreement</u> means this Disposition and Development Agreement by and between Authority and Developer.

1.1.2 <u>Authority</u> means the Capitol Area Development Authority, a California joint powers agency.

1.1.3 <u>Certificate of Substantial Completion</u> means "Certificate of Substantial Completion" as defined in Section 2.14.

1.1.4 <u>City</u> means the City of Sacramento.

1.1.5 <u>Close of Escrow</u> means the date the Grant Deed is recorded, which shall be no later than the date set forth in the Schedule of Performance.

1.1.6 <u>Construction Lender</u> means the lender approved by Authority in accordance with Section 2.4.1 herein, and any successor entity thereto.

1.1.7 <u>Design Development Documents</u> means "Design Development Documents" as defined in Section 2.1.2.2.2.

1.1.8 <u>Develope</u>r means West Broadway 2019 Investments LLC, a Delaware limited liability company, or Authority-approved assignee pursuant to Section 1.2.

1.1.9 <u>Effective Date</u> means the date on which this Agreement becomes effective, which date shall be the date this Agreement is fully executed by the parties.

1.1.10 <u>Escrow Holder</u> means First American Title Company, or as otherwise agreed upon by the parties in writing.

1.1.11 <u>Final Budget</u> means the budget that is created based on the Final Construction Documents.

1.1.12 <u>Final Construction Documents</u> means construction drawings at a 100% stage of completion and final specifications.

1.1.13 <u>Good Faith Deposits</u> means the monthly good faith deposit payments made by Developer to Authority as set forth in Section 1.9.

1.1.14 <u>Hazardous Materials</u> means "Hazardous Materials" as that term is defined in Section 1.5.4.

1.1.15 <u>Improvements</u> means the improvements of the Mixed-Use Project and the Public Infrastructure Improvement Project in accordance with the Final Construction Documents.

1.1.16 <u>Lender</u> means an entity holding a security interest in the Property, including the Construction Lender.

1.1.17 <u>Mixed-Use Project</u> means the development and construction of the private mixed-use retail, parking, and residential for-sale condominium and market-rate rental project described in the Scope of Development in accordance with the Final Construction Documents.

1.1.18 <u>Preliminary Budget</u> means "Preliminary Budget" as defined in Section 2.1.2.1.1.

1.1.19 <u>Preliminary Plans</u> means "Preliminary Plans" as defined in Section 2.1.2.1.1.

1.1.20 <u>Proforma</u> means "Proforma" as defined in Section 2.1.2.1.1.

1.1.21 <u>Project</u> means the acquisition of the Property and the development of the Improvements for the Public Infrastructure Improvement Project and the Mixed-Use Project in accordance with this Agreement.

1.1.22 <u>Project Commencement Date</u> means the date Developer commences construction pursuant to Section 2.3.

1.1.23 <u>Property</u> means certain real property described in Recital A.

1.1.24 <u>Public Infrastructure Improvement Project</u> means the development and construction of the public infrastructure improvements to Neighbors Alley, located in the alley between 13th and 14th Streets and O and N Streets in accordance with the Final Construction Documents.

1.1.25 <u>Schedule of Performance</u> means the Developer's performance schedule, attached hereto as **Exhibit B**.

1.1.26 <u>Scope of Development</u> means the description of the scope of the Project, attached hereto as **Exhibit C**.

1.1.27 <u>State</u> means the State of California.

1.1.28 <u>Title Company</u> means First American Title Company, whose title policies are issued by Escrow Holder.

1.2 Development Team. The parties hereto agree that Authority approved Developer on the basis of a development team consisting of the parties set forth below in this Section 1.2. No change may be made to Developer or the development team prior to completion of the Improvements without the prior written consent of Authority, which consent shall not be unreasonably withheld or delayed. Any modifications of this development team, or the principals and/or managing members of Developer, prior to such completion, without the reasonable and timely prior written consent of Authority shall constitute a material breach by Developer under this Agreement. Developer has represented that Developer is a limited liability company in which the majority interest or control is held, directly or indirectly by D&S, with D&S serving as the managing member of Developer. Developer has provided or will provide Authority with copies of the operating agreements, articles of incorporation, by laws, resolutions, and other relevant documents of D&S Development, Inc., Developer, and all other members of Developer, relating to the management, authority, and control of the companies, and the related formation documents filed with the California Secretary of State (collectively, "Formation Documents") for Authority's review and approval, which approval shall not be unreasonably withheld or delayed. No modification shall be made to any such agreements without the prior written consent of Authority, which consent shall not be unreasonably withheld or delayed. Any additions or replacements in membership shall be approved by the Authority in writing, in its sole and reasonable discretion. The Development Team shall initially consist of the following:

Developer:	West Broadway 2019 Investments LLC
Members of Developer:	D&S Development, Inc. Abbaszadeh 1715 I Street Investment LLC
	Eco Green LLC
Managing Member of Developer:	D&S Development, Inc.
General Contractor:	DASCO Commercial Construction, Inc.
Project Architects:	Architects Local and/or other architect to be determined in accordance with Section 2.5.1 herein.
Civil Engineer:	Murray Smith & Associates Engineering

1.3 <u>Representations of Authority and Developer.</u>

1.3.1 <u>Representations of Authority</u>. Authority hereby makes the following representations and covenants to Developer:

1.3.1.1 Authority has the right to make this Agreement and that the making thereof will not constitute default under any agreement to which Authority is a party.

1.3.1.2 This Agreement has been duly executed by Authority, is a legal, valid, and binding obligation of Authority, and is enforceable in accordance with its respective terms.

1.3.1.3 To the best of Authority's knowledge, without duty of investigation, there is no litigation or other proceeding, including condemnation proceedings, by or before any court, arbitrator or governmental or regulatory official, body or authority which is pending, or to the best of Authority's knowledge, threatened against Authority, that arises out of the ownership of the Property.

1.3.2 <u>Representations of Developer</u>. Developer hereby makes the following representations and covenants to Authority:

1.3.2.1 Developer is a Delaware limited liability company duly formed and organized, is validly existing in good standing under the laws of the State of Delaware, and registered to do business in the State of California, and has all necessary powers to enter into this Agreement and to develop and operate the Improvements. Developer has all necessary powers to enter into this Agreement and to develop and own the Project. On or before the Effective Date of this Agreement, Developer shall furnish to Authority Developer's operating agreement and certified articles or certificates of formation and Developer's certificate of limited liability company certified by the Delaware Secretary of State and a

Certificate of Good Standing from the California Secretary of State dated no earlier than thirty (30) days prior to the Effective Date.

1.3.2.2 This Agreement has been duly executed by Developer, is a legal, valid, and binding obligation of Developer, and is enforceable in accordance with its respective terms.

1.3.2.3 Developer has no knowledge of any pending or threatened litigation which may affect Developer's ability to enter into this Agreement.

1.3.2.4 The making of this Agreement will not constitute default under any agreement to which Developer is a party.

1.3.2.5 Developer is not, and, after making due inquiry, no person who owns a controlling interest in or otherwise controls Developer is, (a) listed on the Specially Designated Nationals and Blocked Persons List (the "SDN List") maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or on any other similar list ("Other Lists" and, collectively with the SDN List, the "Lists") maintained by the OFAC pursuant to any authorizing statute, Executive Order or regulation (collectively, "OFAC Laws and Regulations"); or (b) a person (a "Designated Person") either (i) included within the term "designated national" as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, or (ii) designated under Sections 1(a), 1(b), 1(c) or 1(d) of Executive Order No. 13224, 66 Fed. Reg. 49079 (published September 25, 2001) or similarly designated under any related enabling legislation or any other similar Executive Orders (collectively, the "Executive Orders"). Neither Developer nor any of its principals or affiliates (x) is a person or entity with which Developer is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law or (y) is a person or entity that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Orders or (z) is affiliated or associated with a person or entity listed in the preceding clause (x) or clause (y). Neither Developer nor any of its principals or affiliates, nor any brokers or other agents acting in any capacity in connection with the transactions contemplated herein (I) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Orders or (II) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law. As used herein, "Anti-Terrorism Law" means the OFAC Laws and Regulations, the Executive Orders and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001), as amended.

1.4 <u>Environmental Condition of Property; Authority's Disclosure of Existing Contamination</u>. Authority has provided to Developer copies of a Phase I Brownfields Site Investigation dated January 2000, a Limited Phase II Environmental Site Assessment Report dated April 27, 2009, and a new Phase I Site Assessment Report dated July 11, 2018 (collectively, "<u>Assessment</u>"), and a Pre-Demolition Asbestos Survey by Sierra Environmental Testing and Consulting, Inc. dated January 19, 2016 ("<u>Asbestos Analysis</u>"), and an Asbestos Visual Clearance letter dated January 20, 2020 from RegasGroup (collectively, the "<u>Remediation Documents</u>"), which documents are incorporated herein by reference concerning the existence of certain Hazardous Materials (defined herein) within the Property (the "<u>Existing</u> <u>Contamination</u>"). To the best of Authority's knowledge, the Remediation Documents constitute all documents and materials in Authority's possession regarding the Existing Contamination. In the event any additional documents or information pertaining to such matters are received by Authority following the Effective Date, Authority shall promptly forward such documents to Developer upon receipt thereof. To the extent the Remediation Documents contain third-party opinions and conclusions based upon Property inspections and tests, Authority expressly disclaims any liability or responsibility for the accuracy or veracity of the Remediation Documents. Developer acknowledges and agrees that it has been provided an opportunity to review and consider the Remediation Documents, and have the contents of such documents reviewed by its environmental consultants. Notwithstanding Authority's disclosure, Developer represents to Authority that it has conducted an environmental investigation of the Property or has been provided an opportunity to do so and is relying solely on its own investigation and the opinions of its environmental consultants regarding the suitability of the Property for Developer's intended use, or for the presence of Hazardous Materials in, on or under the Property. Developer shall be solely responsible for the adequacy of such investigations.

1.5 <u>Remediation</u>.

1.5.1 <u>Soil Remediation</u>. As discussed in the Assessment, the results of environmental investigation at the Property suggest that there is an area of lead and other contamination in the soil of the Property. Developer shall take full responsibility, and take all actions necessary, to remediate the contaminated soil as part of the Project excavation during construction, at its sole cost and expense.

1.5.2 <u>Asbestos Abatement</u>. Developer shall take full responsibility for, and complete at its sole cost and expense, any and all remaining asbestos abatement, if any, on the Property.

1.5.3 <u>Additional Hazardous Materials</u>. In the event additional Hazardous Materials are discovered on the Property (whether discovered by Authority or Developer prior to or after the Effective Date) and remediation is required, Developer shall be solely responsible for and shall pay the cost of any inspection, removal, and disposal of such additional Hazardous Materials, and Developer shall contract with qualified and licensed persons for all remedial work. Completion of the additional remediation shall be evidenced by a "<u>No Further Action</u>" letter or similar approval issued by the County of Sacramento. If additional remediation is required, Developer and its contractors or agents shall comply with and be bound by the insurance provisions contained in Section 7.2 for such work.

1.5.4 <u>Definition of Hazardous Materials</u>. As used in this Agreement, the term "Hazardous Materials" shall mean "any hazardous or toxic substance, material or waste that is: (i) regulated by any local governmental authority, the State of California or the United States Government; (ii) defined as an "acutely hazardous waste," extremely hazardous waste," "hazardous waste," or "waste" under Section 25110.02, 25115, 25117 or 25124 or listed pursuant to Sections 25141 and 25141.5 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Substances); (v) petroleum; (vi) asbestos; (vii) listed under Chapter 10 of Division 4.5 of Title 22 or defined as "hazardous" or "extremely hazardous" pursuant to Division 21.5 of Title 26 of the California Code of Regulations; (viii) designated as a "hazardous waste" pursuant to Section 6903 of the Federal Resource Conservation and Recovery Act,

42 U.S.C. section 6901, et seq.; (ix) defined as a "hazardous substance" pursuant to Section 9601 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. section 9601, et seq.; (x) any flammable substances or explosive; or (xi) any radioactive material or any illegal levels or quantities of hazardous or toxic substance or material or waste, that is (a) regulated by any local governmental agency, the State of California or the United States Government (b) defined as such in any federal, state, or local statute, ordinance, rule, or regulation applicable to the Property, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601-9675), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901-6992k), the Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health and Saf. Code §§ 25330-25395), and the Hazardous Waste Control Law (California Health and Saf. Code §§ 25100-25250.25); (c) asbestos, or asbestos containing material; (d) radon gas; (e) petroleum or petroleum fractions; (f) any explosive substances; and (g) any radioactive material.

"As-Is" Condition Upon Closing. Developer acknowledges and agrees that except as 1.6 otherwise expressly provided in this Agreement, to the maximum extent permitted by law, the sale of the Property is made on an "As Is," "Where Is" condition and basis with all faults, and that Authority has no obligation to make repairs, replacements, or improvements thereto. The Purchase Price and the terms and conditions set forth herein are the result of arms-length bargaining between entities familiar with transactions of this kind. Developer further acknowledges and agrees that, except as otherwise expressly provided in this Agreement, Authority has not made, does not make, and specifically negates and disclaims, any representations, warranties, promises, covenants, agreements, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to: (a) the value of the Property; (b) the income to be derived from the Property; (c) the suitability of the Property for any and all activities and uses which Developer may conduct thereon, including the possibilities for future development of the Property; (d) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property; (e) the manner, guality, state of repair or lack of repair of the Property; (f) the nature, guality or condition of the Property, including, without limitation, the water, soil and geology; (g) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (h) the manner or quality of the construction or materials, if any, incorporated into the Property; (i) compliance with any environmental protection, pollution or land use laws, rules, regulations, orders or requirements; (j) the presence or absence of Hazardous Materials, as defined in Section 1.5.4, above, at, on, under or adjacent to the Property; (k) the content, completeness or accuracy of any materials obtained by Developer in its investigation of the Property, including, without limitation, any title report issued by the Escrow Holder; (I) the conformity of any improvements on the Property, if any, to any plans or specifications of the Property, including any plans and specifications that may have been or may be provided to Developer; (m) the conformity of the Property to past, current or future applicable zoning or building requirements; (n) deficiency of any drainage; (o) the fact that all or a portion of the Property may be located on or near an earthquake fault line; (p) the land use status of the Property, zoning status, subdivision status under the California Subdivision Map Act or the subdivision ordinances of the City, or the status of any other governmental entitlement; (q) any documents pertaining to the Property provided by Authority to Developer, except for the completeness of such Property documents; or (r) with respect to any other matter.

1.7 Investigation. Developer acknowledges that Developer is conducting its own investigation of the Property, and (except for the express representations and warranties contained herein) Developer is relying solely on such investigations, inspections, and evaluations of such Property in making its decision to consummate the transaction contemplated by this Agreement, and not on any information provided or to be provided by Authority. Developer hereby expressly acknowledges that Developer shall be solely responsible for determining the status and condition of the Property, including land use, zoning, building, and other governmental regulations, and physical, geological, and environmental conditions. Except as expressly provided for in this Agreement or any written amendment or supplement hereto executed and delivered by Authority, Authority shall not be liable or bound in any manner by any oral or written statements, representations or information pertaining to the Property, or the operation thereof, furnished by any real estate broker, agent, employee or any other person.

1.8 Release. Except as to Seller's obligations herein, Developer, for itself and all of its partners, members, officers, directors, employees, agents, and affiliated entities, hereby fully and forever releases and discharges (to the extent allowed by applicable law) Seller, and each of their partners, members, trustees, directors, officers, employees, representatives, property managers, asset managers, agents, attorneys, affiliates and related entities, heirs, successors, and assigns (collectively, the "<u>Releasees</u>"), and the Seller and the other Releasees shall be, and are hereby, fully and forever released and discharged from any and all liabilities, losses, claims (including third-party claims), demands, damages (of any nature whatsoever), causes of action, costs, penalties, fines, judgments, reasonable attorneys' fees, consultants' fees and costs and experts' fees (collectively, the "Claims"), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with any aspect of the Property, including, without limitation, the physical, environmental, and structural condition of the Property, the economic and financial aspects of the Property, any law, ordinance, or regulation, the legal status of the Property, and any title matters applicable thereto, including, without limitation, any Claim or matter (regardless of when it first appeared) relating to or arising from (a) the presence of any environmental problems, or the use, presence, storage, release, discharge, or migration of Hazardous Materials on, in, under or around the Property regardless of when such Hazardous Materials were first introduced in, on or about the Property, (b) any patent or latent defects or deficiencies with respect to the Property, (c) any and all matters related to the Property or any portion thereof, including, without limitation, the condition and/or operation of the Property and each part thereof, and (d) the presence, release and/or remediation of asbestos and asbestos-containing materials in, on or about the Property regardless of when such asbestos and asbestos-containing materials were first introduced in, on or about the Property. Developer hereby waives and agrees not to commence any action, legal proceeding, cause of action or suits in law or equity, of whatever kind or nature, including, but not limited to, a private right of action under the federal Superfund laws, 42 U.S.C. section 9601, et seq. (as such laws and statutes may be amended, supplemented or replaced from time to time), directly or indirectly, against the Releasees or their agents in connection with Claims described above and all similar provisions or rules of law, other than with respect to any Claims relating to a breach of Seller's covenants that survive the Closing or of any of the Seller Representations and Warranties. In this connection and to the greatest extent permitted by law, Developer, for itself and all of its partners, members, officers, directors, employees, agents, and affiliated entities, hereby agrees, represents, and warrants that Developer realizes and acknowledges that factual matters not known to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damage, costs, losses and expenses which are

presently unknown, unanticipated and unsuspected, and Developer further agrees, represents, and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Developer nevertheless hereby intends to release, discharge, and acquit Seller from any such unknown, unanticipated or unsuspected Claims, debts, and controversies which might in any way be included as a material portion of the consideration given to Seller by Developer in exchange for Seller's performance hereunder, other than with respect to any Claims relating to a breach of Seller's covenants that survive the Closing, or Seller's Representations and Warranties. In particular, Releasees do specifically waive the provisions of California Civil Code section 1542 which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASE PARTY.

Developer's Initials

1.9 <u>Good Faith Deposits</u>. Upon the Effective Date and through Close of Escrow on the Property, Developer agrees to make Good Faith Deposits to Authority in the amount of Five Thousand Dollars (\$5,000) per month to help compensate Authority for holding costs and any costs Authority incurs to assist the Developer. The Good Faith Deposits made by Developer shall be credited toward the Purchase Price for the Property, but they shall not be refunded under any condition and shall not constitute liquidated damages for any Authority Default.

2. <u>DEVELOPMENT OF THE PROPERTY</u>.

2.1 <u>General</u>.

2.1.1 <u>Use of the Property</u>. The Property shall be developed and used exclusively in accordance with the terms of this Agreement and in a manner consistent with:

- 2.1.1.1 the 1997 Capitol Area Plan;
- 2.1.1.2 the December 1996 Capitol Park Neighborhood Design Plan;
- 2.1.1.3 the Final Construction Documents; and
- 2.1.1.4 the City of Sacramento General Plan 2035.

2.1.2 Plans and Specifications.

2.1.2.1 <u>Preliminary Plans and Preliminary Budget</u>.

2.1.2.1.1 Developer has submitted to Authority, and Authority has approved, preliminary schematic design plans as part of the Development Proposal required under the ENA for the development of the Improvements on the Property (the "<u>Preliminary Plans</u>"). The Preliminary

Plans include a site plan and building plans, sections, and elevations. Developer has also submitted to Authority, and Authority has approved, a preliminary budget for the development of the Improvements on the Property (the "<u>Preliminary Budget</u>"), along with a Project revised proforma showing Developer's anticipated revenues and expenses for the Project ("<u>Proforma</u>"). Developer has also provided preliminary specifications for Authority's review.

2.1.2.2 Approval of Design Development Documents.

2.1.2.2.1 [Intentionally Deleted].

2.1.2.2.2 <u>Authority Approval of Design Development Documents</u> and Updated Preliminary Budget. Developer has submitted to Authority, and Authority has approved, 100% design development documents that include drawings that fix and describe the size and character of the entire project as to architectural, structural, mechanical, and electrical systems, materials, and such other elements as may be appropriate, as well as an outline of specifications that identify major materials, systems, and overall quality levels ("<u>Design Development Documents</u>"), which are attached hereto as <u>Exhibit D</u>. In addition, Developer has submitted to Authority, and Authority has approved, and updated Proforma, attached hereto as <u>Exhibit E</u>.

2.1.2.2.3 <u>Interim Review</u>. During the Design Development phase and through to Authority approval of the Final Construction Documents and Final Budget, Developer and Authority agree to meet and confer regularly, not less than monthly, to discuss design, budget, and plan development.

2.1.2.3 <u>Final Construction Documents and Final Budget</u>.

2.1.2.3.1 <u>Submission</u>. Not later than the due date specified in the Schedule of Performance, Developer shall submit to Authority the Final Construction Documents (including the specifications) and a Final Budget and Proforma for the development of the Improvements on the Property.

2.1.2.3.2 <u>Authority Approval of Construction Documents and</u> <u>Budget</u>. The Executive Director of the Authority shall approve the Final Construction Documents and Final Budget if she determines they are consistent in all material respects with the Preliminary Plans, updated Preliminary Budget and Proforma, Design Development Documents, and the Scope of Development. The Executive Director shall act within fourteen (14) days of submittal of the required Final Construction Documents. If the Authority requires revisions to the Final Construction Documents or Final Budget, Authority shall notify Developer in writing of the desired revisions within the time period provided in the Schedule of Performance. Thereafter, Developer shall submit revised plans within thirty (30) days from the date the Authority notifies Developer of the desired revisions. Authority's Executive Director shall either approve or disapprove the submitted revised plans or budget within ten (10) days of the date such revised plans and budget are received by Authority. This sequence shall continue until such time as the Final Construction Documents and Final Budget are approved by Authority, but in no event shall continue later than ninety (90) days after first submission of the Final Construction Documents and Final Budget.

2.1.2.4 Approval of Material Changes to Final Construction Documents.

2.1.2.4.1 <u>Authority Approval of Material Changes</u>. If the Developer desires to make any material changes in the Final Construction Documents, the Developer shall submit such proposed changes, in writing, to Authority for its approval. The Final Construction Documents shall thereafter be construed to include any new changes, if approved in the same manner as for approval of the original Final Construction Documents. The Executive Director of the Authority shall act to approve or disapprove the proposed change within fourteen (14) days of submittal; however, Authority is not obligated to approve any of Developer's material changes to the Final Construction Documents. Nothing in this section shall be construed to relieve Developer of its obligations under all applicable laws regarding such changes. For purposes of this section, a "<u>material change</u>" is a change that is material to Authority in accomplishing its purposes under this Agreement. A material change in the Final Construction Documents shall include, without limitation, the following changes, excluding those items generally considered to be tenant improvements:

- a. Material changes in the layout, elevation design, square footage, unit count, unit distribution, number of condominium units, number of parking spaces, type and scope of resident amenities, and amount of commercial space.
- Material changes in use of exterior finishing materials substantially affecting architectural appearance, quality, durability, or functional use and operation.
- c. Material changes in site development items for the Property that are specified in the Final Construction Documents.
- d. Any material changes requiring approval of any city, county or state board, body, commission or officer, or any change required by any city, county or state board, body, commission or officer.
- e. Any change which would preclude or materially reduce the ability to use the Project as intended by this Agreement.

2.1.2.4.2 <u>Authority of Executive Director</u>. The Executive Director is authorized to approve material changes that result in no more than a ten percent (10%) cumulative change throughout the design and construction process in the following items: unit count, unit distribution, number of condominium and apartment units, number of parking spaces, and amount of commercial space and non-substantive changes to the exterior elevations; provided, however, that the Executive Director may refer any proposed material change to the Authority Board for approval in the Executive Director's sole discretion.

2.1.2.5 <u>Sustainable Design and Construction</u>. Developer is to use its commercially reasonable efforts to incorporate sustainable design and sustainable construction practices in the proposed project as described in Sections 2.1.2.5.1 and 2.1.2.5.2, below. While Authority does not require a LEED certification, the Developer is required to achieve at a minimum a Gold LEED standard and

is encouraged to exceed such standard. Developer shall obtain written verification from the Project Architect that the Project has been designed to at least a Gold LEED standard and from the Contractor that the Project has been built according to the approved final plans and specifications.

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

- a. Reduce human exposure to noxious materials;
- b. Conserve non-renewable energy and scarce materials;
- Minimize life-cycle ecological impact of energy and materials used;
- d. Use renewable energy and materials that are sustainably harvested;
- e. Prioritize use of native and climate-appropriate plants for landscaping;
- f. Protect and restore local air, water, soils, flora and fauna; and
- g. Support pedestrians, bicycles, mass transit, and other alternatives to fossil-fueled vehicles.

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

- a. Limits use of scarce resources;
- b. Reduces energy consumption; and
- c. Improves environmental quality.

2.2 <u>Payment of Fees and Other Costs of Development</u>.

2.2.1 <u>Development Costs</u>. Except as specifically provided herein, Developer shall be solely responsible for all of the costs related to the development of the Improvements, including, but not limited to, all taxes, fees, developer fees, assessments, and charges for:

2.2.1.1 on- or off-site infrastructure improvements such as drainage, curbs, gutters, sidewalks, storm or sanitary sewerage improvements and street lighting;

2.2.1.2 sewer, water, and other utility connection and capacity charges and

rates;

2.2.1.3 transportation, parking, schools, and parks;

2.2.1.4 planning, building, engineering, environmental, and other public agency actions, including costs associated with the filing of subdivision maps, lot line adjustments, use, or building permits, and easements, rights of way; and any and all other on-site dedication or improvement requirements of the City of Sacramento; and

2.2.1.5 any costs associated with any environmental remediation costs for the Property, including the Required Remediation.

2.2.2 Prevailing Wages.

2.2.2.1 <u>The Mixed-Use Project</u>. The parties acknowledge that the Mixed-Use Project is not a "public work" within the meaning of California Labor Code section 1720 and that California Labor Code section 1771 does not apply to the Mixed-Use Project. Therefore, prevailing wages are not required to be paid for the Mixed-Use Project. Developer agrees that if prevailing wages nonetheless do apply, Developer shall cause all work performed in connection with the Mixed-Use Project to be performed in compliance with the applicable state prevailing wage laws pursuant to California Labor Code section 1720, et seq. and the regulations pursuant thereto. In the event Developer fails to comply with the applicable prevailing wage laws, Developer shall be liable for the payment of all penalties, wages, and/or damages resulting therefrom and shall defend, indemnify, and hold harmless Authority for any violations or alleged violations of prevailing wage laws.

2.2.2.2 <u>The Public Infrastructure Improvement Project</u>. Authority has determined that the Public Infrastructure Improvement Project is a "public work" within the meaning of California Labor Code section 1720 and that California Labor Code section 1771 applies to the Public Infrastructure Improvement Project. Accordingly, Developer shall cause the work performed in connection with the Public Infrastructure Improvement Project to be performed as a "public work." Developer shall pay prevailing wages for the Public Infrastructure Improvement Project and shall comply with all labor compliance monitoring requirements under California Labor Code section 1720, et seq. Prior to the commencement of any work on the Public Infrastructure Improvement Project, Developer shall provide, or cause to be provided, any payment security required by state law. Notwithstanding the above two sentences, if Developer does not accept Authority's public funds for the Public Infrastructure Improvement Project in accordance with Section 2.11.1 herein, the Public Infrastructure Improvement

Project may not be considered a public work under the California Labor Code. Nonetheless, Developer agrees that if prevailing wages do apply, Developer shall cause all work performed in connection with the Public Infrastructure Improvement Project to be performed in compliance with the applicable state prevailing wage laws pursuant to California Labor Code section 1720, et seq. and the regulations pursuant thereto. In the event Developer fails to comply with the applicable prevailing wage laws, Developer shall be liable for the payment of all penalties, wages, and/or damages resulting therefrom and shall defend, indemnify, and hold harmless Authority for any violations or alleged violations of prevailing wage laws.

2.3 <u>Project Commencement</u>.

2.3.1 <u>Conditions Precedent and Deadline for Transfer of Property and Project</u> <u>Commencement</u>. On or before the dates specified in the Schedule of Performance, and as a condition precedent to Authority's obligation to transfer the Property pursuant to Section 3, and for Developer to receive transfer of the Property and commence construction on the Improvements ("<u>Project</u> <u>Commencement</u>"), Developer shall have satisfied each of the following conditions:

2.3.1.1 Developer's delivery to Authority the evidence of having received approval for and secured any and all entitlements, approvals, and permits necessary for the development of the Project in accordance with this Agreement, including, but not limited to, encroachment, storm water, demolition, excavation, grading, foundation work, and utilities. Developer must also deliver to Authority 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.

2.3.1.2 Developer's delivery to Authority and Authority's approval of the contract with the Project Architect, Civil Engineer, and the General Contractor in accordance with Section 2.5.1 of this Agreement (and Items 1 and 2 in the Schedule of Performance);

2.3.1.3 Developer's completion and delivery to Authority and Authority's approval of the Final Budget, and a "building permit set" of the Final Construction Documents including specifications for the entire Project in accordance with Items 4 through 6 in the Schedule of Performance;

2.3.1.4 Recordation of the Memorandum of Disposition and Development

Agreement;

2.3.1.5 Developer's delivery of copies or written evidence satisfactory to Authority of the receipt of all approvals for the Project and all "will serve" letters from utility providers;

2.3.1.6 Developer is current in its \$5,000 monthly Good Faith Deposits payments as set forth in Section 1.10 of this Agreement;

2.3.1.7 Developer's delivery to Authority and Authority's approval of all financing and financing documents for the Project, including a construction loan with equity funds acceptable to the construction lender sufficient to complete the project in accordance with Section 2.4.1 of this Agreement, including executed construction loan documents, and the deed of trust to be recorded against the Property to secure such construction financing ("<u>Construction Loan Deed of Trust</u>");

2.3.1.8 Developer's delivery to Authority of Developer's Performance Guaranty, and Performance and Payment Bonds naming Authority as a Dual Obligee, in accordance with Section 5.7 of this Agreement;

2.3.1.9 Developer's delivery to Authority and Authority's approval of evidence of insurance in accordance with Section 7.2 of this Agreement;

2.3.1.10 Developer's delivery to Authority of a certification from the Project Architect that the Mixed-Use Project has been designed to condominium standards in accordance with Section 2.11.3 of this Agreement;

2.3.1.11 Recordation of the Deed of Trust; and

2.3.1.12 Developer's filing with the Bureau of Real Estate of a complete application for a public report and Developer providing an updated marketing plan to Authority for both rental and condominium sales;

2.3.1.13 Developer shall not be in material default of any provision of this Agreement, any other agreements pertaining to the Property or the Improvements, nor shall there be any condition, which after notice and opportunity to cure, would constitute such a default.

2.3.2 <u>Inspection and Entry of the Property Prior to Project Commencement Date</u>.

2.3.2.1 <u>Inspection</u>. Developer and persons authorized by Developer shall have the right to enter upon the Property prior to the Project Commencement Date for the purpose of making inspections, subject to prior approval by Authority. Developer shall use its best efforts to minimize disruption of the present use of the Property caused by such activities and shall indemnify Authority, City of Sacramento, and State of California against any and all liability arising from such activities.

2.3.2.2 <u>Site Work</u>. Upon completion of the following conditions, Authority agrees to grant Developer a right of entry in the form attached hereto and incorporated herein as <u>Exhibit</u> <u>F</u>, to begin site work on the Property before the transfer of the Property and Project Commencement (the "<u>Site Work Conditions</u>"):

2.3.2.2.1 Developer has received and presented Authority the evidence of having received approval for and secured a phased permit from the City of Sacramento for the site work;

2.3.2.2.2 Developer's delivery to Authority and Authority's approval of the contract with the Project Architect, Civil Engineer, and the contract with the General Contractor in accordance with Section 2.5.1 of this Agreement (and Items 1 and 2 of the Schedule of Performance);

2.3.2.2.3 Developer is current in its \$5,000 monthly Good Faith Deposits payments as set forth in Section 1.10 of this Agreement;

2.3.2.2.4 Developer's delivery to Authority and Authority's approval of evidence of insurance in accordance with Section 7.2 of this Agreement;

2.3.2.2.5 Developer's completion and delivery to Authority of a set of ninety percent (90%) complete Construction Documents including specifications for the Project;

2.3.2.2.6 Delivery to Authority, and Authority's approval of, an updated budget and proforma, a binding financing commitment for construction financing for the Project, along with an updated marketing study and marketing plan for the rental and condominium portions of the Mixed-Use Project; and

2.3.2.2.7 Developer shall not be in material default of any provision of this Agreement, any other agreements pertaining to the Property or the Improvements, nor shall there be any condition, which after notice and opportunity to cure, would constitute such a default.

2.4 <u>Financing of Project Development</u>.

2.4.1 <u>Evidence of Construction Financing</u>. Developer shall submit to Authority and Authority will approve documentation evidencing all of Developer's financing commitments and financial ability to develop the Improvements on the Project in the manner provided in this Agreement by the date shown in the Schedule of Performance as follows:

2.4.1.1Developer has represented that it has interest from various sources to provide equity capital and financing that Developer believes will result in financing commitments sufficient to develop the Improvements on the Property in the manner provided in this Agreement. In accordance therewith, Developer previously submitted to Authority a term sheet or letter of interest from a construction lender expressing interest in funding a portion of the Project. No later than the date set forth in the Schedule of Performance, Developer shall submit to Authority further documentation evidencing Developer's financing commitments and financial ability to complete the Project. Such financing may consist of a construction loan ("Construction Loan"), mezzanine loan, equity participation investments, or any combination thereof. The financing documents must provide for Developer equity acceptable to the lender/investors. Acceptable evidence of loan financing shall be a binding financing commitment by a Lender acceptable to Authority in its reasonable discretion, which shall contain terms upon which sales proceeds from the sale of condominiums may be used to pay down the Authority Loan. Prior to Close of Escrow, Developer shall provide Authority with Construction Loan documents for approval by Authority to fund the acquisition, design and construction of the Improvements and the operation of the Project. Developer's equity capital together with its evidence of financing commitments shall be in an amount equal to the estimated costs of development based on an executed construction contract.

2.4.1.2 Authority shall either approve or disapprove any written evidence of financing within fourteen (14) business days of Developer's submission, which approval shall not be unreasonably withheld, subject only to reasonable and customary conditions. The grounds for the disapproval shall be stated in writing. Notwithstanding any other provision of this Agreement, if Authority disapproves said written evidence, within ninety (90) days following Authority's disapproval, Developer

shall resubmit one or more revised evidences of financing for approval. The Authority shall approve or disapprove any resubmittal within fourteen (14) business days of Developer's submission.

2.4.2 <u>Public Infrastructure Improvement Project Assistance</u>. Authority agrees to provide Developer with a \$400,000 grant for exclusive use toward the Public Infrastructure Improvement Project (the "<u>Infrastructure Funds</u>"). The Infrastructure Funds shall not be used for any other purpose. Any funds not used for the Public Infrastructure Improvement Project shall be returned to Authority. Developer shall contract for the Public Infrastructure Improvement Project separately from the Mixed-Use Project and Developer shall pay for all costs in excess of the \$400,000 provided by Authority.

2.4.2.1 <u>Disbursement of Infrastructure Funds</u>. The Infrastructure Funds will be disbursed by Authority on a reimbursement basis as follows:

2.4.2.1.1 Developer shall submit disbursement requests to Authority for Authority's approval of authorized costs invoiced for the Public Infrastructure Improvement Project, as described in the line items of the Final Budget (the "Disbursement Request").

2.4.2.1.2 Together with the Disbursement Request, Developer shall provide Authority the following: (i) an invoice from the General Contractor, contractor, supplier, vendor, consultant or other authorized person for work performed, materials supplied, services rendered, or authorized costs incurred (no advanced billings will be paid), (ii) a statement verified under penalty of perjury by the applicable party that all items covered by the Disbursement Request have been completed or provided in accordance with the applicable contract or agreement and should now be paid, that there are no outstanding liens, claims, or disputes concerning the Infrastructure Improvement Project or the real property, the total contract amount, if applicable, the percentage of the work completed, if applicable, and the percentage of the contract amount billed, if applicable; and (iii) evidence that the aggregate amount of Infrastructure Funds then disbursed, including the share thereof to be paid pursuant to the Disbursement Request, will be equal, on a dollar-for-dollar basis, to (a) the aggregate amount of funds then disbursed, including the share thereof to be paid with respect to such Disbursement Request, and (b) the aggregate amount of other equity participation funds then disbursed, including the share thereof to be paid with respect to such Disbursement Request, up to, but not in excess of, the \$400,000 to be funded by Authority hereunder. Provided, however, if the cost of the Public Infrastructure Improvement Project exceeds \$400,000, Developer shall disburse to a contractor, supplier, vendor, consultant or other authorized person its required developer equity contributions (the amount of the Public Infrastructure Improvement Project exceeding \$400,000) in full prior to Authority's obligation to disburse any Infrastructure Funds. Upon receipt of the Disbursement Request and supporting documents, Authority shall have the absolute right to inspect and verify the work performed, materials or services provided, or other authorized costs incurred and invoiced.

2.4.2.1.3 Upon the provision of conditional lien releases related to such Disbursement Requests (and unconditional lien releases related to previously paid Disbursement Requests), Authority's verification of the information contained in the Disbursement Request, the work performed, materials supplied, services rendered, or authorized costs incurred and invoiced and its satisfaction, in its sole discretion, that the Infrastructure Funds are solely being expended for costs of construction of the Public Infrastructure Improvement Project, Authority shall make its share of the

disbursement directly to the Developer for payment by Developer to the General Contractor, contractor, supplier, vendor, consultant or other authorized person. Notwithstanding anything to the contrary in this Agreement, Authority shall be under no obligation to disburse any of the Infrastructure Funds for costs that are not in compliance with this Section 2.4.2.1.

2.5 <u>General Contractor, Civil Engineer, and Project Architect Contracts</u>.

2.5.1 The Developer has identified to Authority the name of the project architect ("<u>Project Architect</u>") and delivered to Authority a fully executed copy of the contract with the architect, to complete the construction drawings and design of the Final Construction Documents, and to provide construction management services. The Developer I has identified to Authority the name of the civil engineer ("<u>Civil Engineer</u>") and delivered to Authority a fully executed copy of the contract with a civil engineer to work closely with the Project Architect in completing the construction drawings and design of the Final Construction Documents, and to provide construction management services. As provided in the Schedule of Performance, Developer shall identify to Authority the name of the general contractor ("<u>General Contractor</u>") and deliver to Authority a fully executed copy of the contract with a general contractor for the construction of the Improvements in accordance with the Final Construction Documents.

2.5.2 In order to allow Developer to assign to Authority all copyrights associated with consultant contracts, all contracts entered into by Developer for services pertaining to the planning and design of the Project shall expressly provide for the assignment by Developer to a third party any copyrights associated with the materials prepared pursuant to the contract for the development of this Project. Such assignment shall include requirements that the third party must meet as a condition for use of the service provider's design documents. Developer hereby assigns, and agrees to execute any documents required by the services provider to assign, to Authority any copyright rights associated with the materials prepared pursuant to any design contract and this Agreement for the sole purpose of being used by the Authority to complete construction of the Improvements in the event this Agreement terminates after transfer of the Property but prior to the completion of the construction of the Improvements. Immediately upon termination of this Agreement, Authority shall be entitled to, and the Developer shall deliver to Authority, originals of all materials prepared pursuant to all contracts and this Agreement, provided, however, the foregoing assignments to Authority shall be subject and subordinate to any assignments thereof by Developer to the Construction Lender pursuant to the Construction Loan.

2.6 <u>Demolition</u>. Developer shall be responsible for all foundation and site demolition costs, including, but not limited to, removal of all asphalt, existing structures, surface improvements, foundations, and other items.

2.7 <u>Utilities</u>. Developer shall pay, or cause to be paid, all charges for water, heat, gas, electricity, sewer, telephone, garbage, and any and all other utilities used upon the Property for so long as Developer owns or is in possession of the Property, including all utility relocation and connection fees and costs. Developer shall coordinate with the City on removal, retention or relocation of utilities and pay to remove, cap or relocate such utilities.

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2.8 <u>Off-Site Improvements</u>. Developer is responsible for all off-site 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. Developer is responsible for all required City, County or State impact fees.

2.9 <u>Regulatory Documents</u>. Developer shall construct the Improvements and maintain the premises in compliance with all covenants and restrictions of record, this Agreement, all applicable building codes, all applicable local restrictions or ordinances, and all applicable state and federal laws and regulations until the Project and Property are transferred to the condominium association.

2.10 <u>Construction</u>. Upon the satisfaction of the conditions precedent to the commencement of construction set forth in Section 2.3.1, Developer shall commence remediation and, either concurrently or immediately thereafter, commence demolition and construction, and diligently prosecute to completion the remediation, demolition, and the construction of the Improvements. Said Improvements shall be constructed in strict conformance with the Final Construction Documents approved by Authority, except as Authority may specifically agree otherwise in advance in writing. Developer shall at all times provide such fences, warning devices, barricades, and other protective devices as necessary to protect the public from death, physical injury, or property damage arising out of, or in any way connected with, Developer's use of the Property. Developer shall prosecute such construction work in accordance with all applicable laws and regulations, and any reasonable requirement of Authority.

2.11 Parcel Map and Condominium Plan and Sale Schedule.

2.11.1 <u>Rental and Condominium Sales</u>. The Mixed-Use Project is to be developed as a multi-phase Project and shall be built to condominium standards. Developer shall use its good faith efforts to sell the six (6) units on the 8th floor as condominiums within twenty-four (24) months of receipt of the Mixed-Use Project Certificate of Occupancy issued by the City of Sacramento (the "<u>Sale Requirements</u>"); provided, however, if prior to Developer's acceptance of the Infrastructure Funds in accordance with Section 2.4.2, Developer notifies Authority that it will not be accepting the <u>Infrastructure Funds</u>, the Sale Requirements will Terminate. The rest of the Project's residences may be held as a single unit and rented as apartments, provided Developer shall have the right, at any time, to create and sell all or a portion of the Project's residences as individual condominium units. Prior to issuance of the Certificate of Substantial Completion in accordance with Section 2.14, below, Developer shall obtain and record its final Condominium Plan and Map with a minimum of the six units on the top 8th floor condo mapped as separate units, record the Declaration of Covenants, Conditions and Restrictions, and have the corporate association approved. Developer shall provide copies to Authority of all condominium documents submitted to any public or regulatory agency.

2.11.2 <u>Good Faith Marketing Efforts</u>. Developer shall update its marketing plan for selling the six (6) units on the 8th floor of the Project at least six (6) months prior to Project completion and City issuance of the Mixed-Use Project Certificate of Occupancy pursuant to the Schedule of Performance. The updated plan shall include a website to promote the entire building Project with a webpage specific to the condominium sales, and condominium sales advertising in relevant publications and media outlets that will reach the target buyer population. Developer shall hire a real estate agent

with expertise in high-end condominium sales, and begin focused efforts to attract the target buyer segment at least four (4) months prior to Project completion and City issuance of the Mixed-Use Project Certificate of Occupancy. Developer shall deliver the updated marketing plan to Authority, for Authority's approval, by the date set forth in the Schedule of Performance.

2.11.3 <u>Condominium Requirements</u>. 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, record the Declaration of Covenants, Conditions and Restrictions, and have the corporate association approved, and (b) have received the Final Public Report from the California Department of Real Estate.

2.11.4 Certifications.

2.11.4.1 <u>By Project Architect</u>.

2.11.4.1.1 In accordance with Section 2.3.1.10, prior to Project Commencement, Developer shall provide a written certification from the Project Architect, which certification shall provide that the Mixed-Use Project has been designed and built to condominium standards, primarily residential in nature, consists entirely of dwelling units that are single-family units, is in full compliance with applicable laws and local approval requirements with respect to the condominium plat and development plans.

2.11.4.1.2 Prior to issuance of a Certificate of Completion, Developer shall provide a written certification from the Project Architect to include that the architect has designed the Mixed-Use Project so that each condominium has a separate water (sub) meter and separate electrical meter, that the Mixed-Use Project is ready for occupancy, that the Mixed-Use Project would not be subject to further rehabilitation, construction, phasing, or annexation, and that the floor-to-floor and demising wall assemblies between each condominium unit meet the Sound Transmission requirements of the 2019 California Building Code, as prescribed in the Uniform Building Code.

2.11.4.2 <u>By General Contractor</u>. Prior to issuance of a Certificate of Completion, Developer shall provide a written certification from the General Contractor that the Mixed-Use Project has been built in accordance with the final design plans and specifications.

2.12 <u>Right to Observe and Inspect</u>. During the construction period of any phase, Authority's construction supervisor may enter upon the Property at any time for the purpose of observing the Property and the construction of the Improvements. Said entry and observation shall not unreasonably interfere with the course of construction. Beginning upon the completion of the Improvements, Authority may enter upon the Property for such other purposes as may be necessary or proper for the reasonable protection of Authority's interest (including, but not limited to, verification of Developer's maintenance of the Property and Improvements). Authority agrees to permit a representative of Developer to be present during any such entry. Authority shall have no responsibility to Developer or users of the Property for the quality or durability of construction materials and techniques, or for the design or construction techniques employed by Developer. Authority shall protect, defend, indemnify, and hold harmless Developer and its officers, agents, and employees from any and all claims for damages, losses, costs,

injuries, and liabilities of every kind from any cause or causes whatsoever arising from or related to negligent entry onto the Property pursuant to this section by any officer, agent, employee, contractor or subcontractor of Authority, except those claims, losses, damages, costs, injuries, and liabilities arising out of or occurring as a result of the negligence or willful misconduct of Developer or its officers, agents, and employees.

2.13 <u>Time of Completion</u>. Developer shall substantially complete the construction of the Improvements and obtain the Certificate of Substantial Completion pursuant to Section 2.14 within the times set forth in the Schedule of Performance.

2.14 Certificate of Substantial Completion.

2.14.1 Upon the substantial completion of the Project (i.e., substantial completion of the Improvements in accordance with the Final Construction Documents), Developer shall submit a written request to Authority for a certificate that the Improvements are substantially complete in the form attached hereto as **Exhibit G** (the "<u>Certificate of Substantial Completion</u>"). Within thirty (30) days following Authority's receipt of said written request, Authority shall inspect the Improvements and either (i) issue the Certificate of Substantial Completion, or (ii) give Developer a written statement of the reasons for disapproval and a specific description of the action Developer must take to obtain the Certificate of Substantial Completion. If Authority fails to give Developer a written statement of disapproval within said thirty-(30) day period, Developer's request shall be deemed approved and Authority shall immediately issue the Certificate of Substantial Completion to Developer. As a condition precedent to receiving a Certificate of Substantial Completion, Developer shall have received the Final Public Report from BRE.

2.14.2 The Certificate of Substantial Completion shall be conclusive evidence as between Developer and Authority that the Improvements have been completed in accordance with the terms and conditions of this Agreement. The Certificate of Substantial Completion shall not constitute evidence of compliance with, or satisfaction of, any obligations of the Developer to any Lender or any insurer of a Lender mortgage. The Certificate of Substantial Completion is not notice of completion as referred to in California Civil Code section 3093. Developer shall not record, or cause the recording of, a notice of completion until Authority has issued the Certificate of Substantial Completion to Developer.

2.14.3 Upon issuance of the Certificate of Substantial Completion, the parties agree to re-record the Deed Restriction attached as Exhibit B to the Grant Deed removing Section 4 of the Deed Restriction in the Grant Deed entitled "Right of Termination."

2.14.4 Upon the first to occur of (i) completion of the sale of all six (6) units on the 8th floor of the Project, or (ii) two (2) years after receipt of the Mixed-Use Project Certificate of Occupancy issued by the City of Sacramento, the parties agree to re-record the Deed Restriction attached as Exhibit B to the Grant Deed removing Section 5 of the Deed Restriction in the Grant Deed entitled "Rental Restriction."

2.15 <u>Certification of Development Costs</u>. Prior to issuance of the Certificate of Substantial Completion, the Developer shall provide Authority with an itemized statement of the development costs for the Project to that date, which shall include but not be limited to costs for the following: acquisition,

architecture and engineering, other consultants, City permits and fees, insurance, marketing, taxes, financing, retail tenant improvements, off-site improvements, hard costs, soft costs, developer fee of 3.6 percent (3.6%), and incurred costs of sales ("<u>Development Costs</u>"). Development Costs shall be broken out to show costs attributable to condominium units, rental units, retail, and parking space construction. Developer shall certify to Authority that the statement of Development Costs fairly and accurately reflects the actual cost of the Developer for the Improvements in accordance with the provisions of this Agreement ("<u>Certification of Development Costs</u>"). Authority agrees that the itemized statement of Development Costs constitutes a "trade secret" as defined by California Government Code section 6254.7. At least fourteen (14) days prior to releasing the itemized statement to a third party, Authority shall give Developer written notice of its potential release.

2.16 Payment of Taxes.

2.16.1 <u>Tax Payments</u>. Developer acknowledges that the Property will be subject to property taxes and assessments, and agrees that the payment of any such taxes and assessments shall be the sole responsibility of Developer, and the subsequent owners of the Project. Developer shall pay all such taxes and assessments when due, but only with respect to the portion of the Project, if any, then owned by Developer.

2.16.2 <u>Validity of Assessments</u>. In connection with any and all taxes and assessments that Developer has agreed to pay under the terms hereof, Developer may contest the validity or amount of any such tax or assessment, provided Developer pays the tax or assessment while the amount or validity is under contest so that the Property will not be subject to the risk of foreclosure, loss, or forfeiture in connection with such contest. Developer shall provide Authority with copies of any and all documents submitted to the governmental taxing agency in connection with Developer's challenge of such tax or assessment.

2.16.3 <u>Proof of Payment</u>. Upon request by Authority, Developer shall, promptly upon payment of part or all of any tax, assessment, or other obligation imposed upon Developer pursuant to this section, transmit to Authority the original or a legible photocopy of proof of such payment.

2.16.4 <u>Relocation of Bus Transit Stop</u>. Authority, at no expense to Authority, shall cooperate and assist Developer in the relocation of the Bus Transit Stop to the front of the Dean Building.

3. <u>DEVELOPER'S ACQUISITION OF THE PROPERTY</u>.

3.1 <u>Transfer of Property to Developer</u>. Authority shall transfer title to the Property to Developer in accordance with the escrow conditions set forth in Section 3.2, below, at a purchase price of \$2,400,000, payable by Developer in immediately available funds at Close of Escrow.

3.2 Escrow Costs and Conditions.

3.2.1 <u>Opening of Escrow</u>. An escrow shall be opened to consummate the transfer of the Property pursuant to this Agreement with Escrow Holder. This Agreement shall, to the extent possible, serve as the escrow instructions. The parties agree to execute all further escrow instructions required by Escrow Holder, which further instructions shall be consistent with this Agreement. Attached

to this Agreement as **Exhibit H** and incorporated herein by this reference is the "Acceptance By Escrow Holder" form for Escrow Holder's signature, which acknowledges receipt of this Agreement and acceptance of the instructions. The escrow shall close ("Close of Escrow") and the Property shall be transferred to Developer by the date set forth in the Schedule of Performance. The Property shall be transferred to Developer by Grant Deed in the form attached hereto as **Exhibit I** and made a part hereof ("<u>Grant Deed</u>").

3.2.2 <u>Escrow Costs</u>. Developer and Authority shall each pay one-half of Escrow Holder's fees, and the cost of preparing, executing, and acknowledging any deeds or other instruments required to convey title to Developer.

3.2.3 <u>Developer's Conditions of Escrow</u>. The Close of Escrow and Developer's obligation to accept the Property pursuant to this Agreement are conditioned on:

3.2.3.1 Title. Immediately following the Escrow Holder's receipt of a survey of the Property to be provided by Developer, Escrow Holder shall issue to Developer (with a copy to Authority) a preliminary report for an Owner's Policy of Title Insurance for the Property, setting forth all liens, encumbrances, easements, restrictions, conditions, survey exceptions, and other matters affecting Authority's title to the Property ("Preliminary Report"), together with legible copies of all documents relating to title exceptions referred to in the Preliminary Report ("Exceptions"). Developer shall reasonably approve or disapprove the legal description and any Exceptions in writing to Authority within twenty (20) days after receipt by Developer of the Preliminary Report and the Exceptions, or any supplemental such report issued prior to the Close of Escrow. Failure of Developer to disapprove an Exception by providing Authority written notice of its disapproval, shall be deemed Developer's approval of the Exceptions. If Developer disapproves any title Exception reflected in the Preliminary Report, Authority shall use reasonable efforts to remove such Exception by the Close of Escrow. If Authority, after reasonable efforts, is unable to remove such Exception by the Close of Escrow, Developer may elect to terminate this Agreement or may elect to waive such objection. Authority agrees that it will not cause any liens, encumbrances or other matters affecting title to the Property after the date of the Preliminary Report unless approved in writing by the Developer. If, following Developer's approval of the Preliminary Report, any further Exceptions not approved by Developer are discovered or placed on the Property, either voluntary or involuntary, by Authority or others, Authority shall immediately endeavor to remove such Exception. If Authority is unable, for any reason, to remove any such Exception, Developer may elect to: (i) terminate this Agreement, (ii) remove the Exception, or (iii) may elect to waive its objection to such Exception and proceed to the Close of Escrow hereunder. Authority shall remove all monetary liens prior to or at the Close of Escrow.

3.2.3.2 <u>Title Policies</u>. The conveyance to Developer of title to the Property, as evidenced by a American Land Title Association Extended Coverage ("<u>ALTA</u>") title insurance policy, in the amount of the purchase price, issued by Title Company, and issuance to the Construction Lender and the Authority of ALTA Lender's policies of title insurance. Authority shall pay the cost of the CLTA portion of the foregoing policies, and Developer shall pay the cost of the ALTA portions, the lenders' policies, and any additional endorsements requested by Developer.

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3.2.4 <u>Authority's Conditions of Escrow</u>. The Close of Escrow and Authority's obligation to transfer the Property pursuant to this Agreement are conditioned upon current satisfaction of the conditions set forth in Section 2.3.1.

3.2.5 <u>Items to be Delivered at Close of Escrow</u>.

3.2.5.1 Authority shall execute in Escrow or deliver to Escrow Holder for delivery to Developer at Close of Escrow the Grant Deed.

	3.2.5.2	Escrow Holder shall record the following documents in this order:			
		3.2.5.2.1	Grant Deed;		
Agreement; and		3.2.5.2.2	Memorandum of Disposition and Development		
		3.2.5.2.3	Construction Lender Deed of Trust.		
	3.2.5.3	Escrow Holder shall cause the final ALTA to be issued and delivered to			

Developer.

3.2.6 <u>Condition Subsequent to the Transfer of the Property to Developer</u>. As a condition subsequent to the transfer of the Property to the Developer, in the event the Developer fails to comply with the terms and conditions set forth in this Agreement prior to the completion of the Improvements on the Property, Authority shall have the Power of Termination set forth in Section 9.4.1, provided, Authority shall take title to the Property and Improvements subject to the then existing Construction Loan Deed of Trust approved by Authority.

4. <u>CONVEYANCE OR ASSIGNMENT</u>.

4.1 <u>Assignment</u>. Until issuance of the Certificate of Substantial Completion by Authority, this Agreement may not be assigned or otherwise transferred by Developer without the prior written consent of Authority, in its sole reasonable discretion. During such period, Developer's members may not make any sale, transfer or assignment of their interests in Developer, nor may Developer take any other action, including but not limited to, a sale or transfer of Developer's assets, which would result in a change in control of Developer, without the prior written consent of Authority. As used herein, "control" shall have the meaning provided in Section 160(a) of the California Corporations Code, regardless of the form of entity.

4.2 <u>Transfer of Property</u>. Prior to completion of the Improvements by Developer, and issuance of the Certificate of Substantial Completion by Authority, Developer shall not, either voluntarily or by operation of law, sell, assign or otherwise transfer the Property, or any interest therein, without the express written consent of Authority. Any attempted sale, assignment or other transfer in violation of this section shall be voidable at Authority's election and shall constitute a material default of the terms of this Agreement.

4.3 <u>Authority Approval</u>. Any approvals or consents of Authority provided for herein are subject to the sole reasonable discretion of Authority, and must be in writing, and approved by the Board of Authority in the manner provided for by law, unless such authority is delegated by the Board. Any Authority disapproval must be made in writing to Developer setting forth the basis of Authority's decision. Developer acknowledges that, in addition to any other reason Authority may have to withhold such approvals or consent, Authority will not approve any action which Authority finds, based on substantial evidence, is not consistent with the Capitol Area Plan.

4.4 <u>Request for Consent</u>. In evaluating any request for consent or approval as contemplated herein, Authority may consider, among other factors it deems relevant, the development experience and qualifications, and the financial qualifications of any proposed assignee or transferee. If Authority approves a request for consent or approval, it may impose such conditions as it deems reasonably necessary to protect Authority's interest, the Project, and the Capitol Area Plan. Developer shall pay any costs incurred by Authority, including legal fees, in connection with such review.

4.5 <u>Assumption by Transferee</u>. Upon any assignment or transfer approved by Authority, such approved assignee or transferee shall be required to expressly assume in writing the provisions of this Agreement, and any other obligations of Developer under this Agreement, in a form acceptable to Authority and its counsel.

4.6 <u>Memorandum of Agreement</u>. Concurrently with the execution of this Agreement, the Developer and Authority shall execute the instrument entitled "Memorandum of Disposition and Development Agreement" attached hereto as <u>Exhibit J</u>, which shall be recorded against the Property as title is acquired by Developer.

5. <u>ENCUMBRANCE OF DEVELOPER'S INTEREST</u>.

5.1 <u>Encumbering Developer's Interest</u>. Following transfer of title to the Property from Authority to Developer, Developer may, with the prior written consent of Authority, such consent not to be unreasonably withheld or delayed, encumber Developer's interest in the Property by one or more mortgages, deeds of trust or other security instruments (collectively, "<u>Mortgage</u>"), as security for one or more loans thereon, provided such loans are for the used (1) to finance the costs of site acquisition or construction of the Improvements, including design, permitting, site demolition, and remediation, with such costs to include costs of financing related to the loan (including points, fees, charges and interest reserves), (2) to finance the costs of repairing, rebuilding or restoring the Improvements, or (3) to refinance or "take-out" such loans identified in (1) and (2), above. Authority shall not be required to subordinate its rights and interest under this Agreement to any loans or encumbrances sought or obtained by Developer.

5.2 <u>Rights Subject to Agreement</u>. All rights acquired by any Lender under a Mortgage, either before or after foreclosure or transfer in lieu thereof, or by a purchaser of the Property or portion or portions of the Property by means of a foreclosure sale of any portion of the Property subject to a Mortgage, will be subject to each and all of the terms, covenants, conditions and restrictions set forth in this Agreement, none of which will be waived by Authority by reason of permitting the mortgage or deed of trust, unless specifically waived by Authority in writing or except as otherwise provided herein.

5.3 <u>Required Provisions of Any Mortgage</u>.

5.3.1 Developer agrees to ensure that any Mortgage provide that the Lender must give notice to Authority in writing by registered or certified mail of the occurrence of any default by Developer under the Mortgage and the right to cure, provided that Developer is given ten (10) days' prior notice of Authority's intention to cure. If Authority elects to cure a default, Developer must pay the cost of cure to Authority upon demand, together with the interest at the maximum interest rate permitted by California law, unless Developer cures the default within the 10-(ten) day period or commences to cure a default requiring more than ten (10) days to cure within the 10-(ten) day period and cures the default within thirty (30) days or any greater time period allowed by the Lender after commencing compliance. Subject to the 10-(ten) day notice requirement, Developer hereby authorizes Authority in the Authority's name, without any obligation to do so, to perform any act required of Developer in order to prevent a default or acceleration under any Mortgage, or the taking of any foreclosure or other action to enforce the collection of the indebtedness secured by the Mortgage, and Developer agrees to indemnify, defend, and hold harmless Authority from any losses, costs, claims, damages, liabilities and causes of action (including reasonable attorneys' fees) resulting from Authority's exercising its rights under this section.

5.3.2 Developer also agrees to ensure that any Mortgage provides that it is subject to all of the terms and provisions of this Agreement, and that Authority will be given written notice by certified or registered mail at the time any Lender initiates any Mortgage foreclosure action.

5.4 <u>Address of Lender</u>. No Lender, other than the Construction Lender, will be entitled to exercise the rights set forth in this Section 5 unless and until written notice of the name and address of the Lender have been given to Authority, notwithstanding any other form of notice, actual or constructive.

5.5 <u>Lender's Right to Cure</u>. If Developer creates a Mortgage on the Property or portion or portions of the Property in compliance with the provisions of this Section 5, then so long as the Mortgage remains unsatisfied of record, the following provisions will apply:

5.5.1 Authority, upon serving Developer any notice of default or any other notice under the provisions of, or with respect to, this Agreement, will also serve a copy upon any Lender at the address provided to Authority pursuant to Section 5.4, and no notice by Authority to Developer will affect any rights of a Lender unless and until a copy has been delivered to the Lender; provided, however, that failure to deliver any notice to a Lender will not affect the validity of the notice sent to Developer as between Developer and Authority, unless cured by the Lender.

5.5.2 Any Lender will have the right to remedy, or cause to be remedied, a default by Developer within ninety (90) days after the expiration of any period provided for Developer to remedy or cure the default, and Authority will accept performance by or at the insistence of the Lender as if the same had been timely made by Developer. If the default occurs before completion of construction of the Improvements and if the Lender elects not to cure such default and/or fails to cure such default within the Lender's 90-day cure period, then the failure will constitute an Event of Default under this Agreement giving rise to Authority's right to terminate this Agreement and re-enter the Property or a portion or portions of the Property as set forth in Section 9 (Default, Remedies and Termination); provided, however, any such reentry will be subject to the Mortgage and the Lender's rights thereunder and hereunder.

5.5.3 If the default occurs before completion of construction of the Improvements and if the Lender becomes the fee owner or lessee of any portion of the Property before completion of construction of the Improvements, nothing in this Agreement will be deemed to permit or authorize the Lender, either before or after transfer of the Property, to undertake or continue the construction or completion of the Improvements beyond the extent necessary to conserve or protect the Improvements or construction already made without the express assumption by the Lender or its transferee by written agreement satisfactory to Authority of Developer's obligations to complete, in the manner provided in this Agreement, the Improvements on any portion of the Property to which the lien of the Mortgage relates.

5.5.3.1 Upon Lender's written notice to Authority of its election to assume Developer's obligation to complete the construction of the Improvements, Authority's purchase remedy in Section 5.6.1 shall terminate. Lender or its transferee will be required only to exercise due diligence in completion of the construction of the Improvements pursuant to the approved building permit therefor and will not be required to complete construction of the Improvements within the dates set forth in the Schedule of Performance. Any assuming Lender, or its transferee, properly completing the Improvements will be entitled, upon written request made to the Authority, to a Certificate of Substantial Completion from Authority with respect to the Improvements; upon issuance of such Certificate of Substantial Completion, this Agreement shall terminate and the Authority shall issue and record a guitclaim deed, removing the Memorandum of Disposition and Development Agreement from title to the Property. Termination of this Agreement shall not affect in any manner the ongoing deed restrictions contained in the Grant Deed. Upon transfer by any assuming Lender to any transferee, the Lender will be relieved of any liability under this Agreement unless proscribed by law, provided the transferee expressly assumes all of the obligations and the liabilities of this Agreement, pursuant, but not limited to, Section 4.5. The transfer by any assuming Lender to any transferee will be subject to Authority's reasonable consent, not to be unreasonably withheld, and Authority shall not impose additional conditions to the granting of such consent.

5.5.4 Any notice or other communication from Authority to the Lender will be in writing and be sent by registered or certified mail, and addressed to the Lender at the address provided under Section 5.4.

5.5.5 Any notice or other communication from the Lender to Authority will be deemed to have been duly given or served if sent by registered or certified mail addressed to Authority at the address provided in Section 11.15 or at any other address designated by Authority by notice in writing given to the Lender by registered or certified mail.

5.5.6 The provisions of this Section 5 inure only to the benefit of the Lenders under permitted Mortgages, including, without limitation, the Construction Lender.

5.6 <u>Authority's Purchase Remedy</u>. Developer must use its reasonable, good faith efforts to have the following provisions included in any Mortgage:

5.6.1 Except as set forth in Section 5.5.2, above, if the Lender acquires title to any portion of the Property by foreclosure or by transfer in lieu of foreclosure, at any time within ninety (90)

days after acquisition, Authority may purchase the property from the Lender for the amount equal to the sum of: (i) the lesser of (a) the amount secured by the Mortgage and owing to the Lender at the time of the foreclosure or (b) the fair market value of the Property as determined by an appraiser acceptable to both Authority and Lender; (ii) the costs and expenses incurred by the Lender in connection with foreclosure acquisition; and (iii) interest on the amounts in clauses (i) and (ii) from the date of foreclosure or transfer by deed in lieu of foreclosure to the date of closing Authority's purchase at the non-default rate set forth in the Mortgage.

5.6.2 If a party other than the Lender acquires fee title to or a leasehold interest in any portion of the Property by foreclosure on the Mortgage or transfer in lieu of foreclosure, at any time within ninety (90) days after the transfer, Authority may purchase the interest for an amount equal to the sum of: (i) the amount paid by the party to acquire its interest; and (ii) the other costs and charges described in clauses (ii) through (iii) of Section 5.6.1 paid or incurred by the party.

5.7 <u>Mortgagee Protection Amendments</u>. Provided Developer is not in default under the terms of this Agreement, Authority agrees to cooperate with Developer to include in this Agreement and/or in the Deed by suitable amendment from time to time a provision acceptable to Authority if reasonably required by a proposed Lender in order to implement the mortgagee protection provisions of this Agreement and/or the Deed.

6. <u>LIENS, BONDS, AND GUARANTY</u>.

6.1 <u>Filing</u>. Developer shall not suffer or permit any mechanic's lien or other lien to be filed against the Property, nor against Developer's interest in the Property, nor against the Improvements. If any such lien is filed, Developer shall cause the same to be removed, or post a bond or other security, within thirty (30) days of notice of said lien, in a manner satisfactory to Authority. If a *lis pendens* is filed against the Property in conjunction with a lawsuit, Developer shall use due diligence and commercially reasonable efforts to successfully defend the lawsuit and to have the *lis pendens* removed from the Property. The obligation and the right to defend these matters shall be with Developer in the first instance.

6.2 <u>Bonds</u>.

6.2.1 Prior to the commencement of construction of the Improvements, Developer's General Contractor shall furnish Authority with documentation of payment and performance bonds as described below (the "Bonds"). The Bonds shall be issued by a corporate surety meeting all of the following criteria: (i) the surety shall be admitted in California; (ii) the surety shall be listed by the Financial Management Service of the United States Treasury on Circular 570; and (iii) that the surety be rated at least "A" by A.M. Best Company. The Bonds shall be secured in an amount not less than the cost of the construction of the Improvements and shall remain in effect until the entire cost of developing the Improvements shall have been paid in full and the Improvements shall have been completed in accordance with this Agreement, and a Certificate of Occupancy issued by the City of Sacramento. The Bonds shall name Developer and Authority as dual obligees, and the Construction Lender as a third obligee.

6.2.2 The Bonds shall be in a form satisfactory to Authority and shall state the following:

6.2.2.1 That it is issued to secure the completion of the construction of the Improvements, and any work which may be required under Sections 1.4, 1.5, and 2.6, free from all liens and claims of contractors, subcontractors, mechanics, laborers, and suppliers;

6.2.2.2 That the payment bond shall be in a sum not less than one hundred percent (100%) of the total amount payable under the terms of the contract between Developer and its General Contractor;

6.2.2.3 That the Improvements shall be completed by the General Contractor or, on its default, by the surety;

6.2.2.4 That the surety will defend and indemnify Authority, State, City of Sacramento, and Construction Lender against all loss, cost, damage, expense, and liability arising out of or connected with the construction of the Improvements; and

6.2.2.5 That the surety waives timely notice of any default of any provision of this Agreement and of any extension of time for performance, or any change of scope of performance, under this Agreement.

6.2.3 Authority may, but shall not unreasonably, disapprove the form of the Bond. A Bond meeting all of the criteria above shall be deemed approved unless written notice of disapproval is given within thirty (30) days after receipt of the proposed bond.

6.3 <u>Project Guaranty</u>.

6.3.1 Prior to the commencement of construction of the Improvements, Developer shall cause the Performance Guaranty, in the form attached as **Exhibit K**, to be executed and delivered to Authority by Steve Lebastchi and Davod Miryabianeh (collectively, "<u>Guarantor</u>") to guaranty the construction and completion of the Project.

7. <u>INDEMNITY AND INSURANCE</u>.

7.1 Indemnity. Developer shall protect, defend (with legal counsel acceptable to Authority), indemnify, and hold harmless State, Authority, the City of Sacramento, and their respective officers, agents, and employees from any and all third party claims, damages, losses, costs, expenses (including reasonable attorneys' fees and all other defense costs), injuries, or liabilities of every kind, which directly or indirectly arise from or relate to the Project or use of the Property, caused in whole or in part, by any negligent act or omission of the Developer, any subcontractor, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, except where caused by sole gross negligence, or willful misconduct of the State, Authority, or the City of Sacramento, or their respective officers, agents and employees. Notwithstanding anything in this Agreement to the contrary, the obligations in this Section 7.1 shall survive the termination of this Agreement. Acceptance by Authority of the insurance required by this Agreement shall not relieve the Developer from liability under this Section 7.1.

7.2 Insurance Prior to Completion of Construction.

7.2.1 <u>Insurance Prior to the Commencement of Construction</u>. Prior to or upon Close of Escrow, Developer shall purchase and continuously maintain statutory workers' compensation insurance, commercial general liability, and automobile liability insurance. Such insurance shall be issued by a carrier admitted in California, and rated at least "A" by A.M. Best Company. Developer shall obtain an endorsement to provide that all additional insureds shall receive at least thirty (30) days' written notice prior to cancellation or modification thereof during this Agreement term.

Such general liability and automobile liability insurance shall name the State, Authority, and the City of Sacramento as additional insureds. Such insurance shall include a provision or endorsement stating that for any claims related to this Project, the Developer's insurance coverage shall be primary insurance as respects the State, Authority, the City of Sacramento, and their respective boards and commissions, officers, officials, agents, and employees, to the extent the State, Authority, and the City of Sacramento are additional insureds. Any insurance or self-insurance maintained by the State, Authority, the City of Sacramento, or their respective boards and commissions, officers, officials, agents, or employees, shall be in excess of the Developer and general contractor's insurance and shall not contribute with it.

7.2.2 The policies of insurance shall include:

7.2.2.1 <u>Commercial General Liability</u>. Coverage of not less than Five Million Dollars (\$5,000,000) per occurrence, including premises operations, underground and collapse, completed operations, contractual liability, independent contractor's liability, broad form property damage, and personal injury to be at least as broad as the unmodified ISO Form No. CG 00 01 (occurrence form). Should a general aggregate limit be used, either the general aggregate limit shall apply separately to this Project or the general aggregate limit shall be twice the required occurrence limit;

7.2.2.2 <u>Automobile Liability Insurance</u>. Coverage of not less than One Million Dollars (\$1,000,000) per accident (combined single limit), including any automobile or vehicle, whether owned, hired, or non-owned, to be at least as broad as the unmodified ISO Form No.CA 00 01; and

7.2.2.3 <u>Workers' Compensation</u>. Coverage as required by law. Such policy providing workers' compensation insurance shall waive the right of subrogation against the State, Authority, the City of Sacramento, or their respective boards and commissions, officers, officials, agents, or employees. If permissibly self-insured, copies of the Consent to Self-Insure from the Department of Industrial Relations and a certificate showing excess insurance limits and self-insured retentions. Provided, however, so long as Developer does not employ any employees, Developer shall not be obligated to maintain the insurance required in this Section 7.2.2.3.

7.2.3 <u>Insurance Subsequent to the Commencement of Construction</u>. Subsequent to the commencement of construction, Developer shall ensure that the General Contractor purchase and continuously maintain statutory workers' compensation insurance, commercial general liability, and automobile liability insurance. Such insurance shall be issued by a carrier admitted in California, and rated at least "A" by A.M. Best Company. Such insurance shall provide that such additional insureds shall receive at least thirty (30) days' written notice prior to cancellation or modification thereof during this Agreement term.

Such general liability and automobile liability insurance shall name the State, Authority, and the City of Sacramento, as well as Developer as additional insureds. Such insurance shall include a provision or endorsement stating that for any claims related to this Project, the Developer's insurance coverage shall be primary insurance as respects the State, Authority, the City of Sacramento, and their respective boards and commissions, officers, officials, agents, and employees, to the extent the State, Authority, and the City of Sacramento are additional insureds. Any insurance or self-insurance maintained by the State, Authority, the City of Sacramento, or their respective boards and commissions, officers, officials, agents, and employees, to self-insurance maintained by the State, Authority, the City of Sacramento, or their respective boards and commissions, officers, officials, agents, or employees, shall be in excess of the Developer and General Contractor's insurance and shall not contribute with it.

7.2.4 The policies of insurance shall include:

7.2.4.1 <u>Commercial General Liability</u>. Coverage of not less than Five Million Dollars (\$5,000,000) per occurrence, including premises operations, underground and collapse, completed operations, contractual liability, independent contractor's liability, broad form property damage, and personal injury to be at least as broad as the unmodified ISO Form No. CG 00 01 (occurrence form). Should a general aggregate limit be used, either the general aggregate limit shall apply separately to this Project or the general aggregate limit shall be twice the required occurrence limit;

7.2.4.2 <u>Automobile Liability Insurance</u>. Coverage of not less than One Million Dollars (\$1,000,000) per accident (combined single limit), including any automobile or vehicle, whether owned, hired, or non-owned, to be at least as broad as the unmodified ISO Form No.CA 00 01;

7.2.4.3 <u>Workers' Compensation</u>. Coverage as required by law. Such policy providing workers' compensation insurance shall waive the right of subrogation against the State, Authority, the City of Sacramento, or their respective boards and commissions, officers, officials, agents, or employees. If permissibly self-insured, copies of the Consent to Self-Insure from the Department of Industrial Relations and a certificate showing excess insurance limits and self-insured retentions; and

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7.2.4.4 <u>Course of Construction Insurance</u>. Coverage of not less than the amount of the construction contract. This insurance shall provide broad form special perils coverage with a deductible not more than Ten Thousand Dollars (\$10,000) without prior approval from Authority.

7.2.5 <u>Subcontractors' Insurance</u>. The Developer and the General Contractor shall require all subcontractors to maintain at least the same insurance as required by the General Contractor. The commercial general and automobile liability insurance shall name the State, and the Authority, as additional insureds, as well as Developer and the General Contractor. Developer shall furnish to Authority evidence of such insurance coverage by Certificates of Insurance and copies of all endorsements prior to commencement of construction of the Improvements. Such insurance shall provide that such additional insureds shall receive at least thirty (30) days' written notice prior to cancellation or modification thereof. Developer shall obtain and maintain copies of endorsements required for the primary insurance, additional insureds, and thirty-(30) day notice requirement.

7.2.6 <u>Use of Owner-Controlled Insurance Program (OCIP)</u>. Should Developer choose to make use of an Owner-Controlled Insurance Program (OCIP) to comply with the insurance requirements in Section 7.2.5, above, such a program shall contain coverage, limits, and terms matching or exceeding all insurance requirements herein, and must be approved by Authority prior to the commencement of construction.

7.2.7 <u>No Construction without Insurance</u>. Developer shall not commence construction of the Improvements until Developer, the General Contractor, and Subcontractors who will then be working on any portion of the Improvements have obtained all insurance required under Section 7.2 and such insurance shall have been approved by Authority as to form, amount, and carrier. Developer shall provide Certificates of Insurance and copies of the required endorsements to Authority prior to commencement of construction. Developer shall not permit the General Contractor or any Subcontractor to commence work on the Improvements until any and all insurance required of the General Contractor or Subcontractor under this section shall be in place and shall specifically bind the insurance carrier.

8. <u>DESTRUCTION OF IMPROVEMENTS</u>. No loss or damage by casualty resulting in either partial or total destruction of any Improvement shall operate to terminate this Agreement or to relieve or discharge Developer from its obligations under this Agreement. In the event of a casualty, Developer shall, with due diligence, restore the Property and complete its obligations under this Agreement, subject to provisions of this section. The term "casualty" as used herein shall include, without limitation, loss or damage, whether or not insured, resulting from fire, flood, earthquake, causes unknown, uprising and acts of God and the common enemy.

9. <u>DEFAULT, REMEDIES, AND TERMINATION</u>.

9.1 <u>Defaults and Termination - General</u>.

9.1.1 Subject to the provisions of this section and extensions of time set forth herein, failure or delay by either party to timely perform any material term or provision of this Agreement or any other agreement between the parties related to the Project or the Property, constitutes a default under this Agreement. If a default under this Agreement results from Developer's non-payment of taxes or other monetary sums payable to Authority, Developer shall cure the default within ten (10) days following receipt of notice of default from Authority. For any other curable default under this Agreement, the defaulting party shall cure such default within thirty (30) days of written notice of default; provided, however, that if such default cannot be cured within such thirty (30) days, the defaulting party shall commence curing the default, or in the event the defaulting party has not cured any default within the time periods set forth in this section, the nondefaulting party. In the event Authority is notified in writing that Developer has encumbered the Property, a notice of default shall also be given to the Lender.

9.1.2 The failure or delay by either party in asserting its rights or remedies as to any default, shall not operate as a waiver of any default or of any rights or remedies under this Agreement or deprive either party of its right to institute and maintain any action or proceeding which it may deem necessary to protect, assert, or enforce any such rights or remedies.

9.1.3 <u>Surrender of Property</u>. If this Agreement is properly terminated for any reason prior to transfer of fee title to Developer, Developer shall vacate the Property and any Developer rights, title or interest in the Property or the Improvements shall terminate. Developer agrees to quitclaim to Authority any rights, title or interest in the Property if requested by Authority. If Developer fails to do so, Developer shall defend, indemnify, and hold harmless Authority from all damages, costs, liabilities, and expenses resulting from or related to such failure, including, without limitation, claims made by any succeeding purchaser, lessee, sublessee, or assignees.

9.1.4 Prior to the completion of the construction of the Improvements, in the event this Agreement is properly terminated by the Authority due to a default not timely cured by Developer, Developer hereby agrees to and shall immediately do the following:

9.1.4.1 cause all service providers to render to Authority, at no cost to Authority, the originals of all plans, specifications, studies, reports, surveys, and other documents relating to the development of the Project ("<u>Development Documents</u>") and the Developer shall cause the service providers to assign to Authority any copyrights associated with the Development Documents, subject to a Lender's Mortgage that is senior to Authority. Developer shall relinquish any and all rights in the Development Documents and the service provider shall not have any property rights in the Development Documents whatsoever; and

9.1.4.2 assign to Authority any and all approvals, entitlements, and permits for the development of the Project (collectively, "<u>Project Entitlements</u>") and Developer shall relinquish all rights therein whatsoever.

9.2 Judicial Actions.

9.2.1 <u>Institution of Judicial Action</u>. In addition to any other rights or remedies, either party may institute judicial action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy for any default, or so obtain any other remedy consent with the purposes of this Agreement. Such judicial actions must be instituted in the Superior Court of the County of Sacramento, State of California, or in the United States District Court of the Eastern District of California.

9.2.2 <u>Applicable Law</u>. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

9.2.3 <u>Acceptance of Service of Process</u>. In the event that any judicial action is commenced by Developer against Authority, service of process on Authority shall be made by personal service upon the Authority, or in such other manner as may be provided by law. In the event that any judicial action is commenced by Authority against Developer, service of process on Developer shall be made by personal service upon an officer, member, or partner of Developer, if any, or in such other manner as may be provided by law, whether made within or out of the State of California.

9.3 <u>Rights and Remedies are Cumulative</u>. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times of any other rights or remedies for the same default or any other default by the other party.

9.4 <u>Additional Remedies for Developer's Default After Title Transfer</u>. In the event of a termination of this Agreement or of Developer's default or violation of material provisions, restrictions, or reservations set forth herein occurring subsequent to the transfer of Property title to Developer, then Authority, in its sole discretion, shall have any of the following remedies:

9.4.1 <u>Power of Termination</u>. The Property described herein is conveyed and made upon the condition subsequent that Developer timely complete construction of the Project and Improvements and timely comply with all other covenants, conditions, and terms of this Agreement. Authority, or any successor in interest thereto, in accordance with California Civil Code section 885.010, et seq., any successor to that law, or other applicable law, reserves a "Power of Termination" of Developer's fee simple interest in the event the condition subsequent is not timely performed by Developer. As such, in the event of Developer's default under this Agreement (beyond any applicable cure period provided for in Section 9.1), Authority shall have the right to exercise the Power of Termination. The Power of Termination shall be effectuated by giving notice to Developer, which notice shall be recorded, and which notice shall immediately effectuate the reversion of fee title of the Property from Developer to Authority and shall give Authority the immediate right of reentry and repossession of the Property. Authority shall have all other remedies authorized by law for violation of a condition, covenant, or restriction, provided Authority shall take title to the Property and Improvements subject to

the then-existing Construction Loan Deed of Trust approved by Authority. The terms of this condition and covenant are for the benefit of all parcels of land owned by the Authority that are located within the boundaries of the Capitol Area Plan. The Power of Termination will expire upon the issuance of a Certificate of Substantial Completion. The Power of Termination shall terminate upon any foreclosure of a Mortgage by a Lender senior to Authority, including, without limitation, any foreclosure or acceptance of a transfer in lieu of foreclosure by the Construction Lender on the Construction Loan.

9.5 Excusable Delay: Any delay in the performance of any obligation under this Agreement which is unforeseeable and beyond the control and without the fault or negligence of the party in question shall be deemed excusable and not to be a default, including delays due to war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, freight embargoes, lack of transportation, governmental restrictions or priority, extreme weather, discovery of historical artifacts during construction, the discovery of Hazardous Materials in the soil of the Property after Close of Escrow that were previously undiscovered and unidentified in any environmental study or report, or delays of Authority in giving consents required hereunder (each individually referred to as an "excusable delay"), except, however, that financial difficulty or economic hardship, even to the extent of insolvency, is not considered an excusable delay. The party experiencing the excusable delay shall give the other party notice of the commencement date of any excusable delay and the length of the delay within thirty (30) days following the knowledge of the delay. In the event of an excusable delay, all dates set forth thereafter in the Schedule of Performance shall be extended accordingly by the same number of days. The extensions of time for any excusable delay shall only be for the period reasonably caused by the excusable delay, which period shall commence to run from the time of the commencement of the cause; provided, however, if a party fails to give the other party written notice of the excusable delay within said thirty-(30) day period, then the period of excusable delay shall commence to run thirty (30) days prior to the giving of such notice. Except in the event of a casualty, in no event shall any period of excusable delay exceed ninety (90) days if Authority reasonably determines in writing that Developer has not made reasonable and prudent efforts to minimize such excusable delay.

In addition to the extensions allowed for in the preceding paragraph, all dates set forth in the Schedule of Performance, except for the Closing Date, shall be extended accordingly by the same number of days in circumstances in which (i) required reviews by the Authority exceed the time periods specified in the Agreement, or (ii) the review and approval by the City of Sacramento of the construction plans and issuance of the building permit exceeds ninety (90) days.

9.6 <u>Unexcused Delay: Liquidated Damages</u>. The parties agree that Authority would suffer substantial damages as a result of Developer's unexcused delays in the completion of the work and that such damages would be extremely difficult to fix and ascertain. Accordingly, the parties hereto agree that the amounts set forth herein as sustained by the failure of Developer to complete the construction of the Project within the time specified in the Schedule of Performance represent a proper determination for the liquidated damages. The amount of the liquidated damages to be paid by Developer to Authority for failure to complete the construction of the Project by the date set forth in the Schedule of Performance (as such date may be extended herein) shall be Five Hundred Dollars (\$500) for each calendar day of unexcused delay.

Developer initials

Authority initials

10. <u>TERMINATION OF AGREEMENT</u>. In connection with the six (6) condominium units on the 8th floor, this Agreement shall terminate (i) as to each condominium upon close of escrow of the sale of the unit and (ii) as to any common area conveyed to the homeowner's association. The Authority shall execute a quit claim deed or other document reasonably required by the Title Company at Developer's cost, to remove this Agreement from any title policy of a condominium buyer or as to the homeowner's association.

Except for those provisions of this Agreement that explicitly survive termination, the Agreement as a whole shall terminate upon completion of the following requirement: issuance of a Certificate of Substantial Completion by the Authority.

Upon termination of this Agreement, the Authority shall issue and record a quitclaim deed or other document reasonably required by the Title Company at Developer's cost, removing the Memorandum of Disposition and Development Agreement from title to the Property. Termination of this Agreement shall not affect in any manner the ongoing deed restrictions contained in the Grant Deed.

11. <u>MISCELLANEOUS</u>.

11.1 <u>Representation</u>. Developer agrees that Authority has made no representations to Developer of any kind whatsoever concerning the Property, the Improvements, this Agreement, or any related matter, except as expressly stated in this Agreement.

11.2 <u>Negation of Joint Venture Between Authority and Developer</u>. Nothing herein contained shall be in any way construed as expressing or implying that the parties hereto have joined together in any joint venture or partnership.

11.3 <u>Successors or Assigns</u>. The terms, covenants, agreements, and conditions of this Agreement shall be binding upon, inure to the benefit of, and apply to, the respective successors and assigns of Authority and Developer.

11.4 <u>Non-Merger</u>. If both Authority's and Developer's interest in the Property or the Improvements, or both, become vested in the same owner, this Agreement shall nevertheless not be destroyed by the application of the doctrine of merger, except at the express election of the Authority and Developer.

11.5 <u>Site Sign</u>. Developer shall provide a site sign of no less than four feet by eight feet (4' x 8') upon the start of construction, naming the project, the development team, the State, City and Authority. Design of the sign shall be subject to the approval of Authority and shall be removed upon completion of construction.

11.6 <u>Nuisance or Waste</u>. Developer shall allow no nuisance to exist or to be maintained on the Property, or waste to be committed or permitted on the Property, except to the extent necessary to construct or repair any Improvement on the Property.

11.7 <u>Discrimination</u>. Developer, its employees and agents, shall not discriminate because of race, age, religion, color, ancestry, sex, physical handicap or national origin, against any person by refusing to furnish such person any accommodation or facility offered to the general public. Nor shall Developer, its employees or agents, publicize the accommodations or facilities in any manner that would directly or impliedly reflect upon or question that acceptability of the patronage of any person because of race, religion, color ancestry, sex, physical handicap or national origin.

In the performance of this Agreement, Developer shall not discriminate against any employee or applicant for employment because of race, age, color, religion, ancestry, sex, physical handicap, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Developer shall post in conspicuous places, available to employees and applicants for employment, notices which Developer may obtain from State setting forth the provisions of this Fair Employment Practices Section. Form 809, Equal Employment Opportunity Poster, may be used for this purpose.

Developer shall permit Authority access to its records of employment, employment advertisement, application forms, and other pertinent data and records by the State Fair Employment Practices Commission, or any other agency of the State of California designated by State, for the purpose of investigation to ascertain compliance with this Fair Employment Practices section, upon reasonable prior notice to Developer and provided that any such investigation does not disrupt Developer's business operations.

Developer is notified that Authority may determine that a willful violation of this Fair Employment Practices provision has occurred upon receipt by Authority of a final judgment having that effect from a court in an action to which Developer was a party, or upon receipt of a written notice from the Fair Employment Practices Commission that it has investigated and determined that a violation has occurred and determined that Developer has violated the Fair Employment Practices Act and has issued an order, under California Government Code section 12970, which has become final or obtained an injunction under California Government Code section 12970 is a breach of this Agreement.

Developer, its employees and agents, and any person claiming under or through the Developer, covenant and agree that they shall not discriminate against or segregate, or establish or permit any such practice or practices of discrimination or segregation, against any person or group of persons on account of race, color, creed, religion, sex, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Property. The foregoing covenants shall be included in Developer's form of grant deed to convey any portion of the Property, with the intention that they run with the land and shall remain in effect in perpetuity.

Following commencement of construction, Authority's sole remedies for a violation of this Section 11.7 shall be an action for specific performance or injunctive relief.

11.8 <u>Condemnation</u>.

11.8.1 In the event of a taking prior to Close of Escrow of all of the Property or so much of it so as to render the Property unfit for the Project, for any public or quasi-public purpose, under any statute or by right of eminent domain, the Developer's liability to perform the terms and conditions of this Agreement shall cease. Authority shall be entitled to any condemnation award attributable to the Property, and Developer shall be entitled to any condemnation awards to which it might be entitled by law.

11.8.2 In the event of a partial taking by condemnation or eminent domain prior to Close of Escrow, so that the part not so taken shall be sufficient for the continued development of the Property for the purposes set forth in this Agreement, then this Agreement shall continue in full force and effect. Authority shall be entitled to the condemnation awards in relation thereto. Developer shall purchase the remaining portion of the Property from Authority, with the Purchase Price reduced in proportion to the square footage of the Property taken.

11.9 <u>Approvals</u>. Except as otherwise provided for herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval. Such consent or approval by Authority shall only be given in writing, signed by its Executive Director or Interim Executive Director or his or her designee. Such consent or approval by Developer shall be in writing.

11.10 <u>Waivers and Amendments</u>. All waivers of the provisions of this Agreement by a Party must be in writing and signed by the appropriate official of Authority or Developer, as applicable, and all amendments hereto must be in writing and signed by the appropriate official of Authority and Developer; provided that, no substantial amendment of this Agreement which affects the interest of any Lender shall be effective unless and until such Lender shall have consented in writing. Such consent by a Lender shall not be unreasonably withheld or delayed. No waiver of any breach of any term or provision of this Agreement shall constitute a waiver of any other or future breach of the same or any other term or provision of this Agreement. Developer shall reimburse Authority for its actual costs incurred in preparing and reviewing any waiver or amendment of this Agreement requested by Developer.

11.11 <u>Inspection of Books and Records</u>. Authority has the right, upon not less than seventy-two (72) hours' notice, during normal business hours to inspect all books and records of Developer pertaining to the Property and/or the purposes of this Agreement. Developer agrees within the time set forth above to make copies of all such books and records available to Authority. Said inspection by Authority shall not interrupt the business of Developer.

11.12 <u>Non-Liability of Authority's Officials and Employees</u>. No member, official, or employee of Authority, State of California or City of Sacramento shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the Authority, or for any amount which may become due to Developer or successor, or on any obligation under the terms of this Agreement. In such event, Developer agrees not to bring suit against any such member, officer, or employee.

11.13 <u>Invalidity of Particular Provision</u>. If any term of provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the

remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

11.14 <u>Attorneys' Fees</u>. If a party to this Agreement should prevail in any legal action to enforce this Agreement, or for its breach, or for a declaration of rights and duties of the parties hereto, the parties agree that the prevailing party may recover as part of the judgment, reasonable attorneys' fees, expert witness fees, and costs in connection with such action. In addition to the foregoing fees and costs, the prevailing party in any such action shall be entitled to its reasonable attorneys' fees and costs incurred in any post-judgment proceedings to collect or enforce any judgment and in any appeal. This provision for recovery of post-judgment fees and costs shall survive the merger of this Agreement into any judgment on this Agreement.

11.15 <u>Notices</u>. Any notice to be given or other document to be delivered by any party to the other or others hereunder, may be delivered in person, or may be deposited in the United States mail, duly certified or registered, return receipt requested, with postage prepaid, or by a recognized overnight delivery service, or by facsimile machine if concurrently delivered by another permissible method set forth in this section, and addressed to the party for whom intended, at the following address:

If to Authority:	Capitol Area Development Authority 1522 14th Street	
	Sacramento, CA 95814	
	Facsimile: (916) 441-1804	
	ATTN: Wendy S. Saunders, Executive Director	
With a copy to:	Kronick, Moskovitz, Tiedemann & Girard	
	1331 Garden Hwy, 2 nd Floor	
	Sacramento, CA 95833	
	Facsimile: (916) 321-4555	
	ATTN: Jeffrey A. Mitchell	
If to Developer:	West Broadway 2019 Investments LLC	
	c/o D&S Development, Inc.	
	1725 Capitol Avenue	
	Sacramento, CA 95811	
	Facsimile: (415) 982-7781	
	ATTN: Steve Lebastchi	

Any party hereto may from time to time, by written notice to the other, designate a different address which shall be substituted for the one specified above. Unless otherwise specifically provided for herein, all notices, payments, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given and received (i) upon personal delivery, or (ii) as of the third business day after mailing by United States registered or certified mail, return receipt requested, postage prepaid, addressed as set forth above, or (iii) the immediately succeeding business day after deposit with a recognized overnight delivery system, or (iv) upon confirmation of receipt if delivered by facsimile machine.

11.16 <u>Attornment</u>. Authority and Developer each agree to attorn to any successor in interest of the other. The provisions of this section shall inure to the benefit of any such successor in interest, shall be self-operative upon any demand by any such successor in interest and no further instrument shall be required to effect such attornment.

11.17 <u>Further Assurances</u>. Authority and Developer covenant and agree to execute without unreasonable delay such further documents and instruments as may be necessary to fully carry out the intent of this Agreement.

11.18 <u>Captions</u>. The descriptive captions and headings used in this Agreement are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

11.19 <u>Time</u>. Time is of the essence of each and every provision of this Agreement.

11.20 <u>Definitions</u>. Unless otherwise specified, the term "year" shall mean a calendar year. The term "day" shall mean a calendar day.

11.21 <u>Computation of Time Periods</u>. If the date or time period for any action under this Agreement falls or ends on a Saturday, Sunday or federal, state or legal holiday, then such date or time period shall automatically be extended until 5 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state or legal holiday.

11.22 <u>Construction</u>. The parties hereto acknowledge and agree that (i) each party hereto is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each party has consulted with such party's own, independent legal counsel, and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's legal counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and its rendering of such advice, and (vi) any rule of construction to the effect that ambiguities are to be resolved against the drafting parties shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

11.23 <u>Conflict Between Provisions</u>. In the event of an apparent conflict between provisions of this Agreement, the more specific provision shall control.

11.24 <u>Counterparts</u>. This Agreement may be executed in counterparts, all of which together shall constitute one original document.

11.25 <u>Notices, Approvals, and Consents Given by Authority</u>. Except as otherwise specifically provided in this Agreement, Authority's Executive Director is authorized to execute on behalf of Authority any and all notices, consents and/or other documents which must or may be executed by Authority pursuant to the terms of this Agreement; provided, however, that the Executive Director has the right to refer any matter to the Authority Board for approval in the Executive Director's sole discretion. Any approvals or consents of Authority provided for herein are subject to the sole reasonable discretion of Authority, and must be in writing, and approved by the Authority Board in the manner provided for by law, unless such authority is delegated by the Board. Developer may request Board review of any adverse decision by the Executive Director, which review shall be conducted in a timely manner.

11.26 <u>No Third-Party Beneficiaries</u>. Other than specifically set forth herein, this Agreement does not create, and shall not be construed to create, any rights enforceable by any person, partnership, corporation, joint venture, limited liability company or other form of organization or association of any kind that is not a party to this Agreement.

11.27 <u>Entire Agreement</u>. This Agreement comprises of pages 1 through 45, inclusive, and **Exhibits A through K**, which together constitute the entire understanding and agreement of the parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto executed this Agreement on the date and year first above written.

AUTHORITY:

Capitol Area Development Authority,

a California joint powers agency

Ву: _____

Wendy S. Saunders, Executive Director

APPROVED AS TO FORM:

Ву: _____

Authority's Legal Counsel

DEVELOPER:

West Broadway 2019 Investments LLC,

a Delaware limited liability company

By:	D&S Development, Inc.,	

a California corporation Its: Managing Member

Ву: _____

Name: _____

By: Abbaszadeh 1715 I Street Investment LLC,

a Delaware limited liability company

Its: Member

By:	
Name:	

Title:

By: Eco Green LLC,

a California limited liability company

Its: Member

Ву:	
Name:	
Title:	

DDA - Exhibit A

(Property Legal Description)

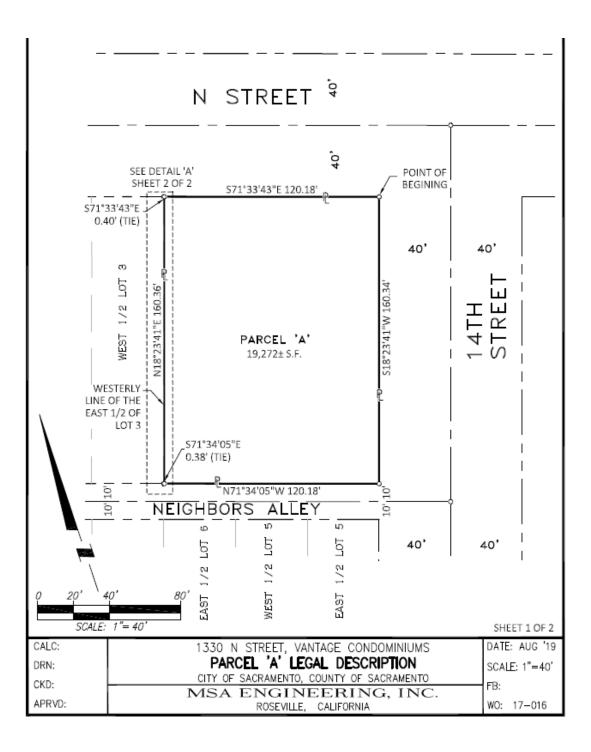
Real property in the City of Sacramento , County of Sacramento, State of California, described as follows:

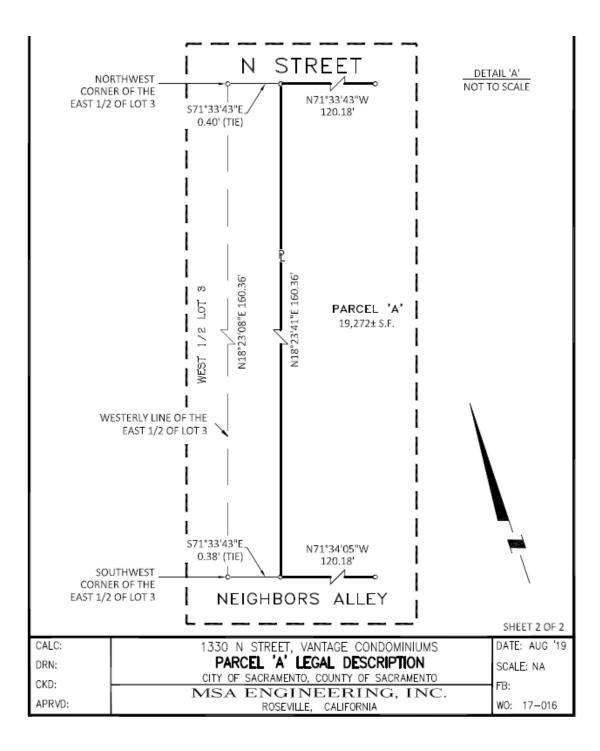
BEING A PORTION OF THE EAST 1/2 OF LOT 3 AS DESCRIBED IN THAT GRANT DEED RECORDED IN BOOK 5343, PAGE 188, OFFICIAL RECORDS OF SACRAMENTO COUNTY, ALL OF THE WEST 1/2 OF LOT 4 AS DESCRIBED IN THAT GRANT DEED RECORDED IN BOOK 5349, PAGE 174, OFFICIAL RECORDS OF SACRAMENTO COUNTY, THE EAST 1/2 OF THE NORTH 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 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: 006-0223-003-0000 through 006-0223-007-0000; 006-0223-021-0000 (New APN, not yet assessed)





DDA - Exhibit B

(Schedule of Performance)

ITEM	ТАЅК	COMPLETION DATE
1.	Effective Date is the date of full execution of the DDA (DDA 1.1.9)	January 14, 2022
2.	Developer shall submit Final Construction Documents to City and to Authority for approval (DDA 2.1.2.3.1)	June 15, 2022
3.	Developer shall submit an updated Preliminary Budget and Proforma to Authority for approval (DDA 2.1.2.3.1)	June 15, 2022
4.	Authority shall either approve or disapprove Final Construction Documents and Final Budget and Proforma (DDA 2.1.2.3.2). Developer is also to provide Authority with evidence of construction financing (DDA 2.4.1) and fully executed contract with the General Contractor	June 29, 2022
5.	City issues Phased Building Permit for site work	September 2, 2022
6.	Developer meets the Site Work Conditions and Authority provides Right of Entry to Developer to start site work (DDA 2.3.2.2)	September 2, 2022
7.	City Issues Building Permit. Developer submits approved plans and copy of permit to Authority (DDA 2.3.1.4)	December 16, 2022
8.	Developer meets Conditions Precedent to Project Commencement (DDA 2.3.1)	December 30, 2022
9.	Escrow shall close and Authority shall transfer Property (DDA 3.2.1)	December 30, 2022
10.	Developer shall prepare updated Marketing Plan for Authority approval (DDA 2.11.2)	July 1, 2024
11.	Developer shall hire a real estate agent and begin focused efforts to attract the target buyer segment for luxury condominium sales (DDA 2.11.2)	September 1, 2024
12.	Developer shall substantially complete the construction of the Improvements on the Property and shall request Authority execute the Certificate of Substantial Completion (DDA 2.14)	December 31, 2024

ITEM	ТАЅК	COMPLETION DATE
13.	Developer provides Authority with copy of the Final BRE Public Report (DDA 2.14)	Prior to issuance of Certificate of Substantial Completion
14.	Developer to deliver the Statement of the Development Costs to Authority (DDA 2.15)	Prior to issuance of Certificate of Substantial Completion
15.	Authority shall inspect the Improvements and either (i) execute the Certificate of Substantial Completion, or (ii) give Developer a written statement of the reasons for disapproval and a specific description of the action Developer must take to obtain Authority's execution of the Certificate of Substantial Completion. If Authority fails to give Developer a written statement of disapproval within said thirty-(30) day period, Developer's request shall be deemed approved and Authority shall immediately execute and deliver the Certificate of Substantial Completion to Developer	Prior to issuance of Certificate of Substantial Completion
16.	Authority issues Certificate of Substantial Completion to Developer	Within thirty (30) days following Authority's receipt of Developer's request for Authority's execution of the Certificate of Substantial Completion

DDA - Exhibit C

(Scope of Development)

The project is an eight-story, mixed-use development located at the southwest corner of 14th and N Streets overlooking Capitol Park. The building is a two-story concrete podium (Type IA) with six stories of wood frame (Type IIIA) construction and is comprised of ninety-six (96) units consisting of 2 live-work units, 18 studios, 12 one bedrooms, 35 one bedrooms with a den, 23 two bedrooms, 5 two-bedrooms with a loft, and 1 three-bedroom unit with a loft, with nearly all of the units having balconies. The units all have access to natural light as well as operable windows. The building has approximately 1,900 square feet of retail space at the NE corner of the building. There are 65 parking spaces in the basement and on the ground floor. The building includes secured indoor parking for 100 bicycles.

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 metallic-colored smooth cement and smooth stucco finish in neutral colors contrasted by balcony elements.

The 2nd floor terrace and the 8th 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.

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 retail space at the corner of 14th and N Streets is set back from the property line to allow more outdoor seating space and on-street bicycle parking.

The building will be constructed to meet the environmental sustainability requirement set forth in Authority's Request for Proposals, which states that the project must meet or exceed the LEED Gold standard.

DDA - Exhibit D

(Design Development Documents)

<u>DDA - Exhibit E</u>

(Updated Budget/Proforma)

	Scenario 1	Scenario 2
SOURCES		
Construction Loan	\$32,000,000	\$32,000,000
Developer Equity	\$17,460,375	\$17,130,375
Off-Sites Grant	\$400,000	
Total Sources of Funds	\$49,860,375	\$49,130,375

USES		
Land Acquisition	\$2,400,000	\$2,400,000
Hard Costs		
Direct Hard Construction Costs	\$34,427,000	\$33,827,000
Direct Hard Construction Contingency	\$1,721,350	\$1,691,350
Off-Site Improvements	\$400,000	\$300,000
Lobby/Amenity Finishes	\$425,000	\$425,000
Retail Tenant TI	\$144,000	\$144,000
Soft Costs		
Architectural & Engineering	\$1,500,000	\$1,500,000
Financing Costs	\$2,320,000	\$2,320,000
Permits and Fees	\$1,930,500	\$1,930,500
Utilities (e.g., SMUD, PG&E)	\$250,000	\$250,000
Leasing and Marketing	\$365,000	\$365,000
Developer Fee	\$1,750,000	\$1,750,000
Other Soft Costs	\$1,735,000	\$1,735,000
Soft Costs Contingency	\$492,525	\$492,525

RETURN ON COST ANALYSIS	Scenario 1	Scenario 2
Rental Units		l
Project Cost	\$43,017,856	\$49,130,375
Effective Gross Income	\$3,688,059	\$4,236,621
Total Expenses	\$1,183,848	\$1,307,431
Net Operating Income	\$2,504,211	\$2,929,190
Return on Cost (in an avg yr)	5.8%	6.0%
Condominium Units		
Sales Revenue	\$8,523,450	
Project Cost	\$6,842,519	-
Gross Profit	\$1,680,931	-
Less Cost of Sales (Closing, commissions, and carry costs)	\$691,407	
Net Profit	\$989,524	
Return on Cost (in Yr 3 after condo sales)	14.5%	

DDA - Exhibit F

(Form of Right of Entry)

TEMPORARY RIGHT OF ENTRY AGREEMENT

This TEMPORARY RIGHT OF ENTRY AGREEMENT ("<u>Agreement</u>") is entered into on the date last set forth below by and between the **Capitol Area Development Authority**, a California joint powers authority ("<u>CADA</u>") and **West Broadway 2019 Investments LLC**, a Delaware limited liability company (the "<u>Developer</u>").

Recitals

A. CADA and Developer have entered into that certain Disposition and Development Agreement, dated ______, 2022 ("<u>DDA</u>"), wherein CADA will sell certain real property located at 1320 and 1330 N Streets in the City of Sacramento, Sacramento County (the "<u>Property</u>") to Developer and Developer will develop the Property pursuant to the terms and conditions set forth in the DDA.

B. The DDA provides that the Developer satisfy certain conditions precedent prior to CADA transferring the Property to Developer.

C. In order for the development of the Developer to progress in a timely manner and the development of the Property to be completed as soon as possible, Developer intends to begin site work prior to the transfer of the Property to Developer, and CADA intends to agree to allow Developer the right to enter the Property for the sole purpose of beginning grading of the Property and performing other work, as set forth in the Grading Permit issued on ______, 202_ ("<u>Permit</u>"), and other Permitted Activities as described herein.

Agreement

CADA and Developer hereby agree as follows:

1. <u>Grant</u>. Subject to the conditions, stipulations and provisions stated in this Agreement and in the DDA, CADA hereby grants revocable, non-exclusive temporary permission to Developer to enter the Property from any public right-of-way Monday through Friday during normal CADA business hours (7:00 a.m. through 6:00 p.m.) and perform Permitted Activities described in Section 2 of this Agreement. An activity listed as a Permitted Activity is not a Permitted Activity if it is not performed within the time-period and in the manner provided herein. Developer is prohibited from doing any activity on the Property that is not expressly stated to be one of the Permitted Activities. Developer's performance of any activity on the Property that is not a Permitted Activity terminates all of Developer's rights to use the Property but not Developer's obligations under this Agreement. Developer shall provide notice to CADA of any entry onto the Property at least 24 hours in advance of entry.

2. "<u>Permitted Activities</u>" are the following:

"PERMITTED ACTIVITIES"	BEGINNING OF ACTIVITY		ENDING OF ACTIVITY	
	DATE	TIME	DATE	TIME
See Exhibit A				
	//202_	7:00am	//202_	6:00pm

3. CADA reserves the right to cancel or extend this Agreement at any time. CADA further reserves the right to use the Property so long as such use does not unreasonably interfere with the use of the Property by Developer.

4. Developer and its employees, contractors, consultants, and agents have inspected the Property or will inspect the Property prior to commencement of any activities under this Agreement or entry onto the Property and Developer represents to CADA:

a) that all who enter the Property are aware of or will make themselves aware of any dangerous conditions on the Property, whether or not readily discoverable,

b) that they all accept the Property in its present condition,

c) that they all will make the Property safe for any activity under their care and control on the Property, whether or not Permitted Activities, and

d) that CADA is not and shall not be obligated to make the Property safe or suitable for use by Developer or for anyone on the Property at the invitation or sufferance of Developer, or otherwise to prepare the Property or access to the Property in any manner whatsoever.

Entry by Developer and its employees, contractors, agents and invitees onto the Property under this Agreement shall be deemed an acknowledgement by Developer that all dangerous places and defects upon the Property are known to Developer. Developer shall make the Property safe for all persons entering the Property under this Agreement or at Developer's request, invitation, direction or sufferance. Developer assumes full liability for any injury to such persons or their property while on the Property.

5. CADA does not assume, by this Agreement or otherwise, any responsibility for, or to protect against, any loss, damage, theft or vandalism of any property or material which Developer may place upon the Property.

6. Developer and its employees and agents shall comply with, and shall assure the compliance of invitees with, all laws, statutes, ordinances and regulations that are applicable to any of its activities upon the

Property, whether or not Permitted Activities, including and without limitation to, obtaining all approvals, permits and licenses required for such activity.

7. Developer agrees to and shall, indemnify, defend and hold harmless CADA, the City of Sacramento ("<u>City</u>"), the State of California ("<u>State</u>"), and their officers, employees and agents from all demands, claims, losses, damages, including property damage, personal injury, including death, costs (including attorney fees), arising out of or directly or indirectly connected in any way whatsoever with the Permitted Activities or otherwise related to use of or entry onto the Property by Developer, its employees, agents, or invitees, except those matters caused by the sole negligence of CADA, the City or the State. This indemnity shall survive the expiration of this Agreement.

8. Throughout the period that Developer has access to the Property under this Agreement, or otherwise, Developer shall obtain and maintain the following insurance coverage from insurance providers licensed to do business in California and having an industry rating that is reasonably acceptable to CADA. Failure to obtain and maintain the insurance as required immediately terminates all rights of Developer under this Agreement. As a condition to the rights of Developer under this Agreement, Developer must provide CADA with certificates of insurance demonstrating the required coverage. Developer shall assure that such certificates are in a form reasonably acceptable to CADA and reflect fulfillment of all of the requirements of this Contract.

a) Developer shall assure that the coverage afforded under the policies can only be canceled after thirty (30) days' prior written notice to CADA of the pending cancellation. Developer must deliver such notice to CADA at the following address:

Capitol Area Development Authority 1522 14th Street Sacramento, CA 95814-5958 Attn: Executive Director

b) Developer shall provide the same insurance coverage that is required in Section 7.2 of the DDA.

c) Developer shall cause CADA, the City, and the State to be additional insureds upon such policy or policies of insurance.

9. Upon termination of this Agreement, unless the parties are prepared to close escrow on the Property, Developer shall remove all personal property from the Property. Should anyone on the Property at the invitation or sufferance of Developer leave any personal property on the Property beyond the term provided in this Agreement, CADA shall have the right without notice to sell, destroy, or otherwise dispose of such property or to remove and store such property at Developer's expense.

10. Developer agrees that it does not have and shall not claim any interest or estate whatsoever in the Property by virtue of this Agreement or Developer's occupancy or use under this Agreement.

11. Developer agrees that access to the Property and the surrounding area will be preserved for fire equipment at all times.

12. Developer shall not permit any nuisance on the Property or disturb the quiet use and enjoyment by the tenants of the Property or any adjacent properties. Developer shall also keep the adjacent properties and public streets free of dust, dirt, soil and other debris from the Property. Other than those used or stored in connection with the Permitted Activities, Developer shall not use or store any chemical or hazardous compounds on the Property.

13. Developer shall, at CADA's request after termination of this Agreement, deliver possession of any data, information, studies, plans, drawings and reports derived from activities under this Agreement. Such data, information, studies, plans and drawings shall be the exclusive property of CADA. Developer may retain such copies as required in the ordinary course of their business.

14. Except as expressly provided in this Agreement, Developer shall return the Property to CADA in a condition which is at least as good as the condition in which the Property was delivered to Developer. Developer shall not remove any portion of the improvements or fixtures from the Property. At the option of CADA, Developer shall restore to its original condition any portion of the Property damaged, demolished or altered by Developer. If Developer fails or refuses to do such restoration, CADA shall have the right to do such restoration and recover all costs of such restoration from Developer. CADA shall be the sole judge of the repair and condition of the Property when it is returned to CADA. If CADA and Developer are prepared to close escrow on the Property upon expiration or termination of this Agreement, this Section 14 shall not apply.

15. This Agreement shall not be assigned. Any purported assignment of this Agreement or of any interest in this Agreement shall be void and of no effect.

16. Developer shall pay immediately all costs of labor, services and materials supplied in prosecution of any work to be done on the Property under this Agreement. Developer shall keep the Property free and clear of all mechanic's liens and any other liens. If a lien is filed against the Property as a result of Developer's use of the Property, Developer agrees to immediately repay the lien and obtain full release from it. Developer shall indemnify and hold harmless CADA from and against any and all liens, claims, demands, costs or expenses whatsoever arising out of or related to such labor performed or materials furnished. This indemnity shall survive the expiration of this Agreement.

17. If Developer or anyone under Developer's control or direction remains on the Property after the termination or cancellation of this Agreement or acts in excess of the rights given under this Agreement, Developer and anyone on the Property at Developer's invitation or sufferance shall be deemed a trespasser and shall be liable to CADA for damages as a trespasser.

18. This License Agreement between the parties contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this License shall be of no force and effect except as to subsequent modifications in writing signed by both the parties.

IN WITNESS HEREOF, the parties hereto have executed this License Agreement effective this _____ day of ______, 202_.

CADA:

Capitol Area Development Authority,

a joint powers agency

Ву: _____

Name: Wendy Saunders

Title: Executive Director

Approved as to Form:

Ву: _____

Agency Counsel

Developer:

West Broadway 2019 Investments LLC,

a Delaware limited liability company

By:	D&S	Develo	pment,	Inc.,
				,

a California corporation

Its: Managing Member

By:		 	 	
Name:	 	 	 	

Title:

By: Abbaszadeh 1715 I Street Investment LLC,

a Delaware limited liability company

Its: Member

By:	 -
Name:	 -

Title: _____

By: Eco Green LLC,

a California limited liability company

Its: Member

By:	 	 		
Name:	 	 	 	

7

Title:

Exhibit A

Permitted Activities

- 1. Work allowed under the Permit;
- 2. _____,
- 3. _____; and
- 7. Installation of security fencing and a project sign.

All Permitted Activities shall be completed pursuant to and in accordance with the terms of the DDA.

DDA - Exhibit G

(Certificate of Substantial Completion)

CAPITOL AREA DEVELOPMENT AUTHORITY

CERTIFICATE OF SUBSTANTIAL COMPLETION

("Certificate")

Project:	14 th & N				
Developer:	West Broadway 2019 Investments LLC				
Scope of Work:	Development of a mixed-use condominium project per the Disposition and Development Agreement ("DDA") and City of Sacramento Building permit requirements				
Date of Complet	ion:				

The work performed under this Certificate has been reviewed by the undersigned, and found, to the best knowledge, information, and belief to be substantially complete in accordance with the DDA noted above. The undersigned acknowledges that, as a result of such substantial completion, the DDA is of no further force or effect.

Approval of this Certificate by the undersigned in no way implies warranty, responsibility or acceptance of the construction quality, finishes or structural integrity of the project indicated above, which is solely the responsibility of the Developer, contractor, and their respective employees, partners, subcontractors, manufacturers, vendors, and suppliers.

This Certificate shall not constitute evidence of compliance with, or satisfaction of, any obligations of the Developer to any lender, any insurer of a lender mortgage, or any third party; nor is it notice of completion as referred to in California Civil Code section 3093.

Simultaneous with the issuance of this Certificate, Authority shall issue to Developer in recordable form a document which provides public notice that the Power of Termination Deed Restriction referenced in the Grant Deed is hereby removed and Authority shall issue a quitclaim deed removing the Memorandum of Disposition and Development Agreement from record title.

This Certificate is issued on behalf of the Capitol Area Development Authority and is not intended to serve as evidence of approval of substantial completion by any other entity.

Dated: _____, 202_

Capitol Area Development Authority,

a California joint powers agency

By:

Wendy S. Saunders, Executive Director

<u>DDA - Exhibit H</u>

(Acceptance by Escrow Holder)

ACCEPTANCE BY ESCROW HOLDER

Escrow Holder acknowledges receipt of the foregoing Agreement and accepts the Instructions contained therein.

Dated: _____, 202___

_____ Title Company

Ву: _____

Name: _____

Title: _____

<u>DDA - Exhibit I</u>

(Form of Grant Deed)

Recording Requested by and			
When Recorded Mail to			
and Mail Tax Statements to:			
Attn:			
	GRANT DEED		
TITLE ORDER NO.	ESCROW NO.	APN NO.	
The undersigned Grantor(s) declare	e(s):		
City Documentary Transfer Tax is \$			
County Documentary Transfer Tax	is \$		

(x) computed on full value of property conveyed, or

() computed on full value less of liens and encumbrances remaining at time of sale.

() Unincorporated area: (x) City of Sacramento

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Capitol Area Development Authority, a California joint powers agency,

hereby GRANT(s) to

West Broadway 2019 Investments LLC, a Delaware limited liability company,

the following described real property in the City of Sacramento, County of Sacramento, State of California, subject to the power of termination vested in the grantor, as further described herein.

[See Exhibit A Attached]

SUBJECT TO THE DEED RESTRICTIONS IN EXHIBIT B

Dated: _____, 202_

Capitol Area Development Authority,

a California joint powers agency

By: _

Wendy S. Saunders, Executive Director

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
)
COUNTY OF SACRAMENTO)

On ______, 20__ before me, ______, Notary Public, personally appeared _______, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[SEAL]

NOTARY PUBLIC

GRANT DEED - Exhibit A

(Legal Description of Property)

GRANT DEED - Exhibit B

Deed Restrictions

1. The use and occupancy of the Property shall be consistent with the general objectives, goals, provisions, and development standards of the Capitol Area Plan, notwithstanding the fact that the transfer of the Property to private ownership may result in the Property being removed from the jurisdiction and control of the Capitol Area Plan.

2. For a period of forty-five (45) years after the date of this deed, the property conveyed may only be developed and used for residential and commercial mixed-use purposes and shall have at least ninety-six (96) total units.

3. The Grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed.

4. <u>Right of Termination</u>. The Property described herein is conveyed and made upon the condition subsequent that Grantee timely complete construction of the Project and Improvements and timely comply with all other covenants, conditions, and terms of the Disposition and Development Agreement dated January , 2022 ("DDA"). Grantor hereby reserves for itself a power of termination of the fee simple estate granted to Grantee in the event the condition subsequent is not timely performed. As such, in the event of Grantee's material default under the DDA (beyond any applicable cure period), Grantor shall have the right to exercise the power of termination. Grantor's power of termination shall be effectuated by giving notice to Grantee, which notice shall be recorded, and which notice shall immediately effectuate the reversion of fee title of the Property from Grantee to Grantor and shall give Grantor the immediate right of reentry and repossession of the Property. This power of termination shall be and remain subject to any mortgage or deed of trust recorded against the Property to secure repayment of any loan to fund construction of the Project and Improvements (a "Construction Deed of Trust") and shall expire upon the first to occur of an issuance of a Certificate of Substantial Completion for the Project described in the DDA, or upon foreclosure of the Property or acceptance of a transfer in lieu of foreclosure by the beneficiary of a Construction Deed of Trust.

5. <u>Rental Restriction</u>. For a period of two (2) years after the issuance of a Certificate of Occupancy issued by the City of Sacramento for the Mixed-Use Project (as defined in the DDA), the six (6) residential units on the 8th floor shall be restricted to for-sale residential condominium uses only (the "Restricted

Units"). The Restricted Units shall not be rented during the two-(2) year period. The remaining residential units may be rental units or for-sale residential condominium units. Condominium owners are not prohibited from combining units or renting units to third parties provided such rental is not otherwise prohibited. This rental restriction shall expire two (2) years after the issuance of a Certificate of Occupancy; provided, however, if Grantee decides not to accept Grantor's \$400,000 grant for off-site improvements under the conditions set forth in the DDA, Grantor shall quitclaim this rental restriction from title.

The foregoing covenants shall run with the land and shall be for the benefit of the public at large and for the benefit of all parcels of land located within the boundaries of the Capitol Area Plan.

<u>DDA – Exhibit J</u>

(Form of Memorandum of Disposition and Development Agreement)

No recording fee required pursuant to Government Code Section 27383.

Recording Requested by and

When Recorded Return to:

Capitol Area Development Authority

1522 14th Street

Sacramento, California 95814

Attention: Executive Director

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MEMORANDUM OF DISPOSITION AND DEVELOPMENT AGREEMENT

<u>SITE 21</u>

THIS MEMORANDUM OF DISPOSITION AND DEVELOPMENT AGREEMENT is made this January ___, 2022, by and between the **Capitol Area Development Authority**, a California joint powers agency (hereinafter referred to as "<u>Authority</u>"), and **West Broadway 2019 Investments LLC**, a Delaware limited liability company (hereinafter referred as "<u>Developer</u>").

Authority and Developer are parties to that certain Disposition and Development Agreement executed as of January ____, 2022 (the "<u>DDA</u>"), the terms and conditions of which are hereby incorporated by this reference as if set forth in full herein. The DDA controls the development and use of that certain real property, including improvements thereto, situated in the City of Sacramento, County of Sacramento, State of California, and legally described as follows:

[See Exhibit A, attached hereto and made a part hereof]

Dated: January ___, 2022

AUTHORITY:

Capitol Area Development Authority,

a California joint powers agency

Ву:_____

Wendy S. Saunders, Executive Director

DEVELOPER:

West Broadway 2019 Investments LLC,

a Delaware limited liability company

By:	D&S Development, Inc.,			
	a California corporation Its: Managing Member			
	Ву:			
	Name:			
	Title:			
Ву:	Abbaszadeh 1715 I Street Investme			

By ent LLC,

a Delaware limited liability company

Its: Member

Ву:	 	 	_
Name:	 	 	 _

Title: _____

Eco Green LLC, By:

a California limited liability company

Its: Member

By:	
Name:	
Title:	

<u>MEMORANDUM – Exhibit A</u>

(Legal Description of Property)

<u>DDA – Exhibit K</u>

(Form of Performance Guaranty)

PERFORMANCE GUARANTY

FOR VALUABLE CONSIDERATION, the adequacy and receipt of which is hereby acknowledged, **Steve Lebastchi and Davod Miryabianeh** (individually and collectively, the "<u>Guarantor</u>"), is executing this Performance Guaranty (this "<u>Guaranty</u>") to induce the **Capitol Area Development Authority**, a California joint powers agency (the "Authority"), to enter into a Disposition and Development Agreement dated January ___, 2022 (the "<u>Agreement</u>"), between Authority and **West Broadway 2019 Investments LLC**, a Delaware limited liability company ("<u>Developer</u>"), of which, Guarantors are the managing members of D&S Development, Inc., a California corporation, which is a member of Developer. The Agreement and any and all related or supplemental instruments and agreements between Developer and Authority are collectively referred to herein as the "<u>DDA Documents</u>," and Developer's duties and obligations thereunder, and all extensions, renewals, and modifications thereof are referred to as the "<u>Obligations</u>." Guarantor acknowledges that Guarantor has copies of and is fully familiar with the Agreement, and the other DDA Documents, all of which by this reference are incorporated herein as though set forth herein at length. Any term used herein but not defined herein shall have the meaning given to it in the DDA Documents.

AGREEMENT

Guarantor hereby guarantees to Authority, its successors and assigns, the due and prompt 1. performance of all of the terms, agreements, covenants and conditions of Developer under the Agreement. Without limiting the generality of the foregoing, Guarantor unconditionally, absolutely and irrevocably commits and agrees, until all of the Obligations have been fully satisfied, to: (a) cause any and all costs of making, constructing and completing the Improvements, including, but not limited to, the costs of all labor, materials and equipment related thereto, to be paid and satisfied as the same shall become due; (b) cause any and all costs and expense overruns (the existence of which shall be determined by Authority in its sole discretion) to be funded, paid and satisfied from Guarantor's own resources as the same may occur; (c) cause the completion of the Improvements by using Guarantor's own resources, within the time periods specified in the Agreement and in good, workmanlike, and lien-free manner (as determined by Authority in its sole discretion), in accordance with the terms of the Agreement; and (d) cause all operating and carrying costs of the Property and Improvements, including, but not limited to, the payment of taxes, assessments, utilities, insurance, maintenance expenses, and interest on any and all indebtedness secured by the DDA Documents or relating thereto, to be funded, paid and satisfied as the same may occur until completion of construction. It is expressly understood and agreed that Guarantor's obligations hereunder are and shall be absolute under any and all circumstances without regard to the validity, regularity or enforceability of the DDA Documents.

2. This Guaranty shall remain effective and relate to any and all Obligations arising from any extension, modification or renewal of the DDA Documents. To the maximum extent permitted by law, Guarantor hereby waives the right to revoke or terminate this Guaranty as to any Obligations, including future Obligations. If such revocation or termination is effective notwithstanding the above waiver, Guarantor agrees that such revocation or termination shall be effective only after Authority actually receives, at its office located at 1522 14th Street, Sacramento, California 95814, written notice revoking this Guaranty and shall be effective only to transactions having their inception after the effective date of

termination and shall not affect any rights or obligations arising out of transactions having their inception prior to such date. In the absence of an effective revocation or termination of this Guaranty, Guarantor agrees that nothing shall discharge or satisfy Guarantor's obligations created hereunder except for the full payment and performance of the Obligations, with interest, by Guarantor. No release of Guarantor from any of Guarantor's obligations under this Guaranty, and no waiver by Authority of any of its rights hereunder, shall be effective for any purpose whatever unless in a writing executed by Authority.

3. Guarantor agrees that Guarantor is directly liable to Authority, that the obligations of Guarantor hereunder are independent of the Obligations and that a separate action or actions may be brought and prosecuted against Guarantor, whether or not action is brought against Developer or whether or not Developer is joined in any such action or actions. Guarantor agrees that any releases which may be given by Authority to Developer or any other guarantor or endorser shall not release Guarantor from this Guaranty. In the event that any bankruptcy, insolvency, receivership or similar proceeding is instituted by or against Guarantor and/or Developer or in the event that either Guarantor or Developer becomes insolvent, makes an assignment for the benefit of creditors, or attempts to effect a composition with creditors, or if there be any default under the Agreement (whether declared or not), then, at Authority's election, without notice or demand, the obligations of Guarantor created hereunder shall become due, payable, and enforceable against Guarantor whether or not the Obligations are then due and payable. As a condition to payment or performance by Guarantor under this Guaranty, Authority shall not be required to, and Guarantor hereby waives any and all rights to require Authority to, prosecute or seek to enforce any remedies against Developer or any other party liable to Authority on account of the Obligations and/or require Authority to seek to enforce or resort to any remedies with respect to any security interests, liens or encumbrances granted to Authority by Developer or any other party on account of the Obligations.

4. Guarantor hereby agrees to indemnify and hold harmless Authority against all obligations, demands, and liabilities, by whomsoever asserted, and against all losses in any way suffered, incurred, or paid by Authority as a result of or in any way arising out of, following or consequential to transactions with Developer under the Agreement, and also hereby agrees that this Guaranty shall not be impaired by any modification, supplement, extension, or amendment of any contract or agreement to which Authority and Developer may hereafter agree, respecting the Agreement, nor by any modifications, release, or other alteration of any of the Obligations hereby guaranteed or of any security therefor, nor by any agreements or arrangements whatever with Developer or anyone else.

5. Guarantor hereby authorizes Authority, without notice or demand and without affecting Guarantor's liability hereunder, from time to time to: (a) renew, compromise, extend, accelerate, or otherwise change the terms of any of the Obligations, or any part thereof, (b) take and hold security for the performance of the Obligations guaranteed hereby, and exchange, enforce, waive, and release any such security; (c) apply such security and direct the order or manner of sale thereof as Authority in its discretion may determine; (d) release or substitute any one or more endorser(s) or guarantor(s); (e) assign, without notice, this Guaranty in whole or in part and/or Authority's rights hereunder to anyone at any time; and (f) subordinate any security interest in any security or any portion thereof to the rights of any other creditor or condition. Guarantor hereby agrees that Authority may do any or all of the foregoing in such manner, upon such terms, and at such times as Authority, in its discretion, deems advisable, without in any way or respect impairing, affecting, reducing or releasing Guarantor from

Guarantor's undertakings hereunder, and Guarantor hereby consents to each and all of the foregoing acts, events, and/or occurrences.

6. Guarantor hereby waives any right to assert against Authority as a defense, counter-claim, set-off or cross-claim, any defense (legal or equitable), set-off, counter-claim, cross-claim and/or other claim which Guarantor may now or at any time hereafter have against Developer and/or any other party liable to Authority in any way or manner. Guarantor hereby waives all defenses, counter-claims and offsets of any kind or nature, arising directly or indirectly from the present or future lack of perfection, sufficiency, validity, and/or enforceability of the Agreement, or any security interest, and Guarantor hereby waives the benefit of Code of Civil Procedure section 431.70 and any similar provision of law.

7. Guarantor hereby waives the benefits of any statute of limitations affecting the Obligations or Guarantor's liabilities hereunder or the enforcement thereof, and any act which extends said statute with respect to the Obligations shall similarly extend any statute of limitations applicable hereunder.

8. Guarantor hereby waives any claim, estoppel or defense arising by reason of any course of action by Authority which in any manner impairs, affects, reduces, releases, destroys and/or extinguishes Guarantor's subrogation rights, rights to proceed against Developer for reimbursement, and/or any other rights of the Guarantor to proceed against Developer or against any other person or security. Until the obligations have been satisfied, Guarantor shall not have any right of subrogation, and Guarantor waives any benefit of and any right to participate in the use of collateral.

9. Guarantor hereby authorizes and empowers Authority, at its sole discretion and without any notice to Guarantor whatsoever, to exercise any right or remedy which Authority may have (including, but not limited to, judicial foreclosure, public or private sale, combined or several sales, exercise of rights of power of sale, or taking a deed or an assignment in lieu of foreclosure), as to any collateral in real, personal or intangible property which Authority may hold for the Obligations. Guarantor specifically waives all rights and defenses that Guarantor may have because the Obligations are secured by real property. This means, among other things, (1) Authority may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by the Developer; and (2) if Authority forecloses on any real property collateral pledged by Developer: (A) The amount of the debt may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price; and (B) Authority may collect from Guarantor even if Authority, by foreclosing on the real property collateral, has destroyed any right Guarantor may have to collect from Developer. This is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because the Developer's debt is secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the Code of Civil Procedure.

10. Guarantor waives all rights and defenses arising out of an election of remedies by the creditor, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed the Guarantor's rights of subrogation and reimbursement against the principal by the operation of Section 580d of the Code of Civil Procedure or otherwise. With full knowledge of such defenses, Guarantor waives all such defenses intentionally and to the maximum extent permitted by law. Guarantor shall be liable to Authority, in the full amount of the Obligations, including

any deficiency resulting from the exercise by Authority of any such remedy, even though (a) any and all rights which Guarantor may have against others might be destroyed or dismissed by the exercise of any such remedy and, without limiting the foregoing, (b) Authority or Guarantor, or both, might be barred by Section 580a, 580b, 580d or 726 of the California Code of Civil Procedure from recovering any or all amounts from Developer as a result of the exercise of any such remedy or for any other reason, and (c) Authority would, in the absence of such waiver, be subject to defenses of Guarantor against liability for a deficiency under Section 580a, 580b, 580d or 726 of the California Code of Civil Procedure.

11. Guarantor hereby expressly waives the benefit, whether direct or indirect, of all of said provisions of law and any amendments and replacements thereof to the fullest extent permitted by law, and of any or all claims, defenses, and estoppels which Guarantor may have arising from or in any way related to said provisions. Guarantor specifically waives any defense of fair value relating to the use of any such remedy, including, without limitation, the fair value provisions of Code of Civil Procedure sections 580a and 726, and expressly agrees to be liable for the full amount of any deficiency resulting from the exercise by Authority of any such remedy, regardless of the extent to which such deficiency differs from the fair value of such property.

12. Guarantor hereby waives, to the fullest extent permitted by law, (a) any defense arising as a result of Authority's election, in any proceeding instituted under the Bankruptcy Code, of the application of Section 1111(b)(2) of the Bankruptcy Code, (b) any defense based on any borrowing or granting of a security interest under Section 364 of the Bankruptcy Code, (c) any defense based upon Section 9504 of the California Commercial Code, and (d) without limiting the generality of the foregoing or any other provision hereof, all rights and benefits which might otherwise be available to Guarantor as suretyship defenses.

13. Guarantor hereby waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of default notice of acceptance of this Guaranty, and notices of the existence, creation or incurring of new or additional indebtedness, and all other notices or formalities to which a guarantor or surety may otherwise be entitled, including, but not limited to, all defenses and rights which would exist by virtue of any insufficiency of or failure to give notice under Section 9504 of the California Commercial Code. Guarantor hereby waives any right of subrogation Guarantor may have or assert, or any other right of reimbursement, contribution, indemnity or other suretyship rights and claims from Developer or any other party, unless Authority expressly consents, in writing, to Guarantor's assertion of such rights. Guarantor hereby agrees that, in light of the above waivers, Guarantor shall not be deemed a "creditor" of Developer for any purpose, including, but not limited to, Sections 547 and 550 of the Bankruptcy Code.

14. WITHOUT LIMITING THE GENERALITY OF ANY OTHER WAIVER OR OTHER PROVISION OF THIS GUARANTY, GUARANTOR HEREBY WAIVES, TO THE MAXIMUM EXTENT SUCH WAIVER IS PERMITTED BY LAW, ANY AND ALL RIGHTS OF SUBROGATION, REIMBURSEMENT, INDEMNIFICATION AND CONTRIBUTION AND ANY OTHER RIGHTS AND/OR DEFENSES ARISING DIRECTLY OR INDIRECTLY UNDER ANY ONE OR MORE OF CALIFORNIA CIVIL CODE SECTIONS 2787 TO 2844, INCLUSIVE, AND CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 580a, 580b, 580c, 580d, AND 726.

15. All monies or other property of Guarantor at any time in Authority's possession may be held by Authority as security for any and all obligations of Guarantor to Authority, no matter how or when arising, whether absolute or contingent, whether due or to become due, and whether under this Guaranty or otherwise, and Authority is hereby granted a security interest in all such property. Guarantor also agrees that Authority's books and records showing the account between Authority and Developer shall be admissible in any action or proceeding and shall be binding upon Guarantor for the purpose of establishing the terms set forth therein and shall constitute prima facie proof thereof.

16. Guarantor is presently informed of the financial condition of Developer and of all other circumstances which a diligent inquiry would reveal and which bear upon the risk of non-performance of the Obligations. Guarantor is not concerned with Developer's financial condition or with the condition or value of any collateral and Guarantor waives its right, if any, to require Authority to disclose to Guarantor any information it may have or hereafter acquire concerning Developer's past, present or future character, credit, collateral or financial condition. Guarantor assumes the responsibility for being and keeping informed of the financial condition of Developer and of all circumstances bearing upon the risk of non-payment of the Obligations, and the collateral and security therefor, which diligent inquiry would reveal. If Developer is a corporation, partnership or limited liability company, Authority need not inquire into the power of Developer or the authority of its officers, directors, partners or agents acting or purporting to act in its behalf. All of Authority's extensions of credit to Developer shall be deemed to have been made at Guarantor's special instance and request and in consideration of and in reliance upon this Guaranty.

17. Any and all present and future debts and obligations of Developer to Guarantor are hereby postponed in favor of and subordinated to the full payment and performance of all present and future Obligations. Without the prior consent of Authority, such subordinate indebtedness shall not be paid in whole or in part nor will Guarantor accept any payment of or on account of any such indebtedness so long as the Obligations are outstanding and unpaid. At the request of Authority, Developer shall pay to Authority all or any part of any such subordinated indebtedness and any amount so paid to Authority at its request shall be applied to the Obligations. Each payment on any indebtedness of Developer to Guarantor received in violation of any of the provisions of this Guaranty shall be deemed to have been received by Guarantor as trustee for Authority and shall be paid over to Authority immediately on account of the Obligations but without otherwise affecting in any manner Guarantor's liability under any of the provisions of this Guaranty.

18. In the event that this Guaranty is secured by real or personal property, any default under the terms of the agreement granting Authority rights in the collateral shall be a default hereunder. The preceding sentence notwithstanding, however, this Guaranty shall not be deemed secured by real or personal property unless Authority expressly, in writing, accepts such real or personal property security, except as otherwise provided in Section 15, above. Any sale or transfer of collateral securing this Guaranty that is not expressly consented to, in writing, by Authority prior to such transfer, shall also constitute a default hereunder.

19. Without affecting Guarantor's obligations created hereby or hereunder, Authority is hereby granted full power and authority, in its uncontrolled discretion, at any time, and from time to time, either

before or after any notice of revocation hereof, and in such manner and upon such terms as it deems fit, with or without notice to Guarantor:

19.1 To apply any one or more payments or recoveries from Developer or from Guarantor, or any sums realized from collateral, to any indebtedness or obligation of Developer to Authority in such manner and in such order of priority as Authority deems fit, whether or not such indebtedness or obligation upon which application is made is guaranteed hereby or is otherwise secured or is due at the time of such application;

19.2 To apply any payment or recoveries from any other guarantor or sums realized from collateral furnished by any other guarantor upon any indebtedness or obligation of such guarantor to Authority in such manner and in such order of priority as Authority deems fit, whether or not such indebtedness or obligation relates to the Obligations or is secured or is due at the time of such application;

19.3 To refund to Developer at any time, with or without notice and at the sole discretion of Authority, any payment received by Authority upon the Obligations, and payment to Authority of the amount so refunded to Developer shall be fully guaranteed by this Guaranty even though prior hereto this Guaranty may have been cancelled or surrendered by Authority;

19.4 To create new Obligations of Developer or renew, compromise, extend, increase, accelerate, and otherwise change the time for payment of, or otherwise change the terms of, the Obligations of Developer, or any part thereof, including increasing or decreasing the rate of interest thereon;

19.5 To take and hold security for the payment of this Guaranty or the Obligations, perfect such security or refrain from perfecting such security, whether or not such security is required under the Agreement, and exchange, enforce, waive or release (whether intentionally or unintentionally) any such security or any part thereof, purchase such security and direct the order or manner of sale thereof as Authority in its sole discretion may determine; and

19.6 To settle, release, compromise with, or substitute any one or more endorsers, guarantors and/or other obligors of this Guaranty or the Obligations.

20. This Guaranty shall continue in full force and effect until the Obligations are fully paid, performed, and discharged and Authority gives the Guarantor written notice of that fact. The Obligations shall not be considered fully paid unless and until all payments with respect to the Obligations are no longer subject to any right on the part of any person whomsoever, including, but not limited to, Developer, Developer as a debtor-in-possession, and/or any trustee in bankruptcy, or receiver or assignee, to set aside such payments or seek to recoup the amount of such payments, or any part thereof. The foregoing shall include, by way of example and not by way of limitation, all rights to recover preferences voidable under Title 11 of the United States Code. In the event that any such payments to Authority are set aside after the making thereof, in whole or in part, or settled without litigation, to the extent of such settlement, all of which is within Authority's discretion. Guarantor shall be liable for the full amount Authority is required to repay plus costs, interest, attorneys' fees and any and all expenses which Authority paid or incurred in connection therewith.

21. This Guaranty shall be binding upon the successors and assigns of the Guarantor and shall inure to the benefit of Authority's successors and assigns. The death or disability of Guarantor shall not terminate this Guaranty.

22. Guarantor's liability shall continue, and shall not operate to release Guarantor from liability hereunder, notwithstanding the lack of authority of any other or others, including, without limitation Developer and any sureties, and the failure by Authority to seek any relief from any stay, restraining order, injunction, or other restraint on exercise of any remedy or recourse with respect to any others, including, without limitation Developer and any sureties. Guarantor shall not be released from liability hereunder if recovery from Developer or from any other guarantor or surety is or hereafter becomes barred by any statute of limitations or if such liability is or becomes otherwise unenforceable.

23. Notwithstanding any modification, discharge or extension of the Obligations or any amendment, modification, stay or cure of Authority's rights which may occur in any bankruptcy or reorganization case or proceeding concerning Developer, whether permanent or temporary, and whether assented to by Authority, Guarantor hereby agrees that Guarantor shall be obligated hereunder to discharge Guarantor's obligations in accordance with the terms of the Obligations and the terms of this Guaranty in effect on the date hereof. Guarantor understands and acknowledges that by virtue of this Guaranty, Guarantor has specifically assumed any and all risks of a bankruptcy or reorganization case or proceeding with respect to Developer. As an example and not in any way of limitation, a subsequent modification of the Obligations in any reorganization case concerning Developer shall not affect the obligation of Guarantor to perform the Obligations in accordance with their original terms.

24. All rights, powers, and remedies of the Authority hereunder and under any other agreement now or at any time hereafter in force between Authority and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Authority by law.

25. Should this Guaranty be signed by more than one party, all obligations herein contained shall be the joint and several obligations of each party executing this Guaranty and all words used in the singular herein contained shall be deemed to have been used in the plural when the context and construction so require.

26. If Guarantor at any time or times shall fail to do any act or things required by this Guaranty or to perform or comply with any agreement, provision or condition of the Agreement, Authority at its election may, but shall not be required to, do such act or thing or cause the same to be done or cause such agreement, provision or condition to be performed or complied with and shall promptly thereafter notify Guarantor in writing. Guarantor shall reimburse Authority upon demand for all expenditures Authority may make and all expenses Authority may incur by reason of Guarantor's failure to do or perform or comply, together with interest thereon from the date of incurring such expense at the highest rate provided in the Agreement, not to exceed, however, the maximum, if any, permitted by any applicable law. "Expenses" shall not be limited to direct expenses of doing or performing or complying with anything required by this Guaranty, but shall include, without limitation, all reasonable costs and expenses of investigating the failure to do or perform or comply, and the events and conditions surrounding the same or relating thereto, reasonable fees charged by and expenses of professional consultants and advisors including attorneys, accountants, architects, surveyors and engineers (including reasonable costs and

expenses of such professional services and advice with respect to examination and analysis of rights and remedies, negotiations with Developer and with any other parties in interest such as guarantors, other encumbrancers, receivers, trustees and the like, and reasonable professional fees and expenses with respect to any action or proceeding which Authority may commence or in which Authority may appear or participate, whether for the purpose of protecting Authority's rights or interest or otherwise, and all professional fees and expenses in or in connection with any review of or appeal from any proceeding or action), costs of title search and premiums for title reports and all other reasonable costs and expenses.

27. If any party constituting Guarantor is a corporation, partnership, limited liability company, trust, or other legal entity, each individual executing this Guaranty on behalf of such entity, and the entity, each represents and warrants that he, she or it is duly authorized to execute and deliver this Guaranty on behalf of the entity in accordance with the terms of the organizational documents of such entity and that all requisite action or consents have been obtained pursuant thereto.

28. Guarantor further represents and warrants that: (a) this Guaranty is a valid and legally binding obligation of Guarantor enforceable in accordance with its terms; (b) the execution and delivery of this Guaranty are not, and the performance of this Guaranty will not be, in contravention of, or in conflict with, any agreement, indenture or undertaking to which Guarantor is a party or by which Guarantor or any of the property of Guarantor is or may be bound or affected and do not, and will not, cause any security interest, lien or other encumbrance to be created or imposed upon any such property; (c) except as disclosed to Authority in writing prior to the date of this Guaranty, there is no litigation or other proceeding pending, or threatened against, or affecting, Guarantor or Guarantor's properties which, if determined adversely to Guarantor would have a materially adverse effect on the financial condition, properties, businesses or operations of Guarantor; (d) Guarantor is not in default with respect to any order, writ, injunction, decree or demand of any court or other governmental or regulatory authority; (e) upon execution hereof, Guarantor has delivered to Authority balance sheets and financial statements of Guarantor and such balance sheets and financial statements are true and correct and fairly present the financial condition of Guarantor set forth therein for the period covered thereby in accordance with generally accepted accounting principles on a basis consistently maintained; (f) there are no liabilities of Guarantor, contingent or otherwise, at the date of said balance sheets and financial statements which are not reflected in said balance sheets and financial statements, which may have a materially adverse effect upon Guarantor's financial condition, operations or business as now conducted; (g) Guarantor shall furnish Authority promptly upon completion, but in any event not later than ninety (90) days following the end of each applicable fiscal year, audited year-end financial statements of Guarantor prepared in accordance with generally accepted accounting principles consistently applied; (h) Guarantor has derived or expects to derive a financial advantage from each and every relinquishment of legal rights made or granted, or to be made or granted, by Authority to Developer in connection with the Obligations; (i) all representations of Developer in the Agreement are true and correct and do not omit to state matters that would have a material adverse effect upon the completeness and accuracy of all of the express representations therein; and (j) Guarantor has copies of and is fully familiar with the Agreement, and represents and warrants that all necessary action has been taken by Developer to authorize Developer's execution of the Agreement and to engage in the transactions thereby contemplated.

29. All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions

of this section, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours (provided that notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (b) upon receipt when sent by facsimile to a facsimile number set forth below (provided, however, that notices given by facsimile shall not be effective unless the sending party delivers the notice also by one other method permitted under this section); (c) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that the sender has in its possession the return receipt to prove actual delivery); or (d) one (1) business day after the notice has been deposited with either FedEx or United Parcel Service to be delivered by overnight delivery (provided that the sending party receives a confirmation of actual delivery from the courier).

The addresses of the parties to receive notices are as follows:

If to Authority:	Capitol Area Development Authority 1522 14th Street Sacramento, CA 95814 Facsimile: (916) 441-1804 ATTN: Wendy S. Saunders, Executive Director
With a copy to:	Kronick, Moskovitz, Tiedemann & Girard 1331 Garden Hwy, 2 nd Floor Sacramento, CA 95833 Facsimile: (916) 321-4555 ATTN: Jeffrey A. Mitchell
If to Guarantor:	Steve Lebastchi Davod Miryabianeh
	c/o D&S Development, Inc.
	1725 Capitol Avenue Sacramento, CA 95811 Facsimile: (415) 982-7781
With a copy to:	West Broadway 2019 Investments LLC, a Delaware limited liability company
	 Facsimile [.]

ATTN: _____

Each party shall make an ordinary, good faith effort to ensure that it will accept or receive notices that are given in accordance with this section, and that any person to be given notice actually receives such notice. Any notice to a party which is required to be given to multiple addresses shall only be deemed to have been delivered when all of the notices to that party have been delivered pursuant to this section. If any notice is refused, the notice shall be deemed to have been delivered upon such refusal. Any notice delivered after 5:00 p.m. (recipient's time) or on a non-business day shall be deemed delivered, even if the electronic mail addresses of the parties appear above for convenience. A party may change or supplement the addresses given above, or designate additional addresses, for purposes of this section by delivering to the other party written notice in the manner set forth above. The parties agree that the attorney for any party shall have the authority to deliver binding notices on his/her client's behalf to the other party(ies) hereto.

30. Receipt of a true copy of this Guaranty is hereby acknowledged by Guarantor.

31. This Guaranty cannot be modified orally. No modification of this Guaranty shall be effective for any purpose unless it is in writing and executed by Authority. All prior agreements, understandings, representations, and negotiations, if any, are merged into this Guaranty.

32. Guarantor agrees to pay all attorneys' fees and all other costs and out-of-pocket expenses which may be incurred by Authority in the enforcement of this Guaranty or in any way arising out of, following, or consequential to the enforcement of the Obligations, whether under this Guaranty, the Agreement, or otherwise.

33. In all cases where the word "Guarantor" is used in this Guaranty, it shall mean and apply equally to each of and all of the individuals and/or entities which have executed this Guaranty.

34. All acts and transactions hereunder and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California. Guarantor agrees that all actions or proceedings arising in connection with this Guaranty shall be tried and litigated only in the state and federal courts located in the State of California, except that Authority, in its sole discretion, may elect that all such actions or proceedings be tried and litigated in the County of Sacramento or the Northern District of California.

IN WITNESS WHEREOF, the undersigned has executed this Guaranty this ____ day of _____, 20___.

GUARANTOR:

By:	
Name:	
By:	
Name:	

CYPRESS MULTI-FAMILY HOUSING 1330 N STREET SACRAMENTO, CA 95814



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		BUILDING CODE DATA		PROJECT TE	AM
		APPLICABLE CODES: 2019 CALIFORNIA BUILDING CODE 2019 CALIFORNIA MECHANICAL CO 2019 CALIFORNIA PLUMBING COD 2019 CALIFORNIA FIRE CODE 2019 CALIFORNIA ELECTRICAL CO 2019 CALIFORNIA ENERGY CODE 2019 CALIFORNIA GREEN BUILDIN NFPA 13 STANDARD FOR THE INS NFPA 72 NATIONAL FIRE ALARM A TYPE OF CONSTRUCTION:	ODE E DDE G STANDARDS CODE TALLATION OF SPRINKLER SYSTEMS	OWNER:	D&S DEVELOPMENT 1725 CAPITOL AVE. SACRAMENTO, CA 95811 CONTACT: SARA LEBASTCHI EMAIL: SARA@DANDSDEV.COM PHONE: 916.442.4288 EXT. 102 ARCHITECTS LOCAL 2715 K STREET, SUITE 250 SACRAMENTO, CA 95816 CONTACT: STEVE WALDRON EMAIL: STEVEW@ARCHITECTSLOCAL.COM PHONE: 916.545.2512
		SPRINKLERED: PRIMARY OCCUPANCY: OTHER OCCUPANCIES:	YES, NFPÀ 13 RESIDENTIAL R-2 S-2 (PARKING), A-2	STRUCTURAL ENGINEER:	TKJ STRUCTURAL ENGINEERS 9820 WILLOW CREEK ROAD, SUITE 490 SAN DIEGO, CA 92131 CONTACT: BO JAQUESS EMAIL: BO@TKJSE.COM PHONE: 619.869.6234
		ZONING CODE INFORM SPECIAL PLANNING DISTRICT:	IATION CENTRAL BUSINESS DISTRICT	MECHANICAL / PLUMBING ENGINEER:	VANDERVEEN ENGINEERING CONSULTANTS, INC. 42056 DELMONTE STREET TEMECULA, CA 92591 CONTACT: JASON VANDERVEEN EMAIL: JKV@VANDERVEENENG.COM PHONE: 951.795.5172
		ZONING: DESIGN REVIEW: RECORD OF DECISION PROJECT NUMBER:	R-5 - MULTI-FAMILY CENTRAL CORE DESIGN GUIDELINES DR17-365	ELECTRICAL ENGINEER:	ARB ENGINEERING 1401 N. EL CAMINO REAL, SUITE 201 SAN CLEMENTE, CA 92672 CONTACT: ANDREW BALKWELL EMAIL: ABALKWELL@ARBELECTRIC.COM PHONE: 949.280.9743
		SITE AREA: DENSITY: ALLOWABLE : PROPOSED:	19,274 SF / 0.44 ACRES 175 UNITS / ACRE 210 UNITS / ACRE	CIVIL ENGINEER:	MSA CIVIL ENGINEERS 1430 BLUE OAKS BLVD #110 ROSEVILLE, CA 95747 CONTACT: RICK HANSEN EMAIL: RICKHANSEN@MSA-CBG.COM PHONE: 916.952.0469
		BLDG HEIGHT: ALLOWABLE (AMMR): PROPOSED: FAR: ALLOWABLE: PROPOSED:	240'-0" 93'-2" 15.0 15.0	LANDSCAPE:	LANDSCAPE TECHNOLOGIES 970 WOODLAKE DRIVE CARDIFF BY THE SEA, CA 92007 CONTACT: STEVE SHERMAN EMAIL: CLTLANDARCH@ROADRUNNER.COM PHONE: 760.809.3241
		LOT COVERAGE: SETBACKS: PARKING:	97% NONE	SHORING:	REGIONAL SHORING DESIGN 1737 MALLOW COURT CARLSBAD, CA 92011 CONTACT: BOB DOUBLEBOWER EMAIL: DOUBLEBOWER@SBCGLOBAL.COM PHONE: 760.505.8821
PROJECT INFORM PROJECT NAME: PROJECT ADDRESS: APN:	IATION CYPRESS 1330 N STREET SACRAMENTO, CA 95814 006-0223-021-0000	REQUIRED: PROPOSED: BICYCLE PARKING / STORAGE: <u>RESIDENTIAL:</u> LONG TERM: PER CODE: DED 4 550	NONE REQUIRED / 1 MAXIMUM PER UNIT 66 PROVIDED (2 ACCESSIBLE) 1 PER 2 UNITS = 92 / 2 = 46 REQ.	INTERIOR DESIGN:	DESIGN X ARCHITECTURE + INTERIORS 710 13TH STREET, SUITE 307 SAN DIEGO, CA 92101 CONTACT: ALLISON WHITT EMAIL: ALLISON@DESIGNX-AI.COM PHONE: 619.766.5649
PROJECT DESCRIPTION:	THIS PROJECT CONSISTS OF A SINGLE BUILDING WITH EIGHT ABOVE GRADE FLOORS AND A BASEMENT PARKING GARAGE ALL SERVED BY AN ELEVATOR. THERE ARE 96 UNITS TOTAL CONSISTING OF 21 CONDOMINIUMS, 73 APARTMENTS AND 2 LIVE/WORK UNITS. THERE ARE TENANT COMMON USE	PER LEED: SHORT TERM: <u>RETAIL:</u> LONG TERM: SHORT TERM: PROPOSED:	1 PER UNIT = 92 1 PER 10 UNITS = 92 / 10 = 9.2 = 10 REQ. 1 PER 10,000 SF = 2040 / 10,000 = .204 = 1 REQ. 1 PER 2,000 SF = 2040 / 2000 = 1.02 = 2 REQ.	FIRE PROTECTION:	NORTHERN FIRE INSPECTION 5540 MARTIN LUTHER KING JR BLVD SACRAMENTO, CA 95820 CONTACT: OTHNEIL CASH EMAIL: OCASH@NORTHERNFIREINSPECTION.COM PHONE: 619.457.2232
LEGAL DESCRIPTION: PRIMARY OCCUPANCY:	AREAS INCLUDING A LOBBY WITH AN OFFICE, POOL, LOUNGE, FITNESS AREA AND ROOF TERRACE. E 1/2 OF LOT 3 AND LOT 4 BLK N & O AND 13 & 14 ST CITY OF SAC ALSO DES AS PCL A IN BK201912110820 MIXED USE MULTI-FAMILY	LONG TERM: SHORT TERM:	100 PROVIDED 12 PROVIDED	BUILDING MAINTENANCE:	HIGHLINE CONSULTING 318 ARGUELLO BLVD SAN FRANCISCO, CA 94118 CONTACT: SEAN BRANECKI EMAIL: SBRANECKI@HIGHLINE-CONSULTING.COM PHONE: 925.245.0841
EXISTING SITE USE:	OFF STREET PARKING LOT			BUILDING ENCLOSURE:	AVELAR 318 ARGUELLO BLVD SAN FRANCISCO, CA 94118 CONTACT: DAVE LOPEZ EMAIL: DLOPEZ@RAVELAR.COM PHONE: 925.954.4978
PROJECT FUNDIN THIS IS A PRIVATELY FUND				LEED:	INTEGRATED DESIGN 360 101 JEFFERSON DR 1ST FLOOR MENLO PARK, CA 94025 CONTACT: MELANIE JACOBSON EMAIL: MELANIE@INTEGRATEDDESIGN360.COM PHONE: 415.350.1116
				MANLIFT:	AJ MILLER & ASSOCIATES 5588 FREMONT ST OAKLAND, CA 94608 CONTACT: CARL MILSUM EMAIL: CARL@AJMILLERS.COM PHONE: 510.655.8401
				POOL:	AQUATIC MECHANICAL DESIGN CONTACT: MICHAEL CHAFFEE EMAIL: AQUATICMECHANICAL@GMAIL.COM PHONE: 916.535.5404
				SPECIFICATIONS:	AEC SPECIFICATIONS CONTACT: CHRIS GRIMM EMAIL: CGRIMM@AEC-SPECS.COM PHONE: 443.714.9326

SUE		205	
GENERAL G001	TITLE SHEET	STRUCTUF S000	RAL STRUCTURAL NOTES
G002	ABBREVIATIONS, SYMBOLS & GENERAL NOTES	S000	STRUCTURAL NOTES
G004a	GROSS FLOOR AREA	S002	STRUCTURAL OBSERVATIONS AND S.I.P.
G004b G005	GROSS FLOOR AREA OPENNESS PERCENTAGES ANALYSIS	S100 S200	ABBREVIATIONS AND LEGEND BASEMENT FOUNDATION PLAN
G013	CALGREEN CHECKLIST RESIDENTIAL	S201	LEVEL 1 SLAB PLAN
G100 G101	ACCESSIBILITY NOTES TYPICAL ACCESSIBILITY DETAILS	S202 S203.1	LEVEL 2 SLAB PLAN LEVEL 3 SLAB PLAN
G102	TYPICAL ACCESSIBILITY DETAILS	S203.2	LEVEL 3 BEARING AND SHEARWALL PLAN
G103 G104	TYPICAL ACCESSIBILITY DETAILS TYPICAL ACCESSIBILITY DETAILS	S204 S205	LEVEL 4 FRAMING PLAN LEVEL 5 FRAMING PLAN
G104 G200	LIFE SAFETY PLAN - GARAGE	S205 S206	LEVEL 5 FRAMING PLAN
G201	LIFE SAFETY PLAN - LEVEL 1	S207	LEVEL 7 FRAMING PLAN
G202 G203	LIFE SAFETY PLAN - LEVEL 2 LIFE SAFETY PLAN - LEVEL 3	S208 S209	LEVEL 8 FRAMING PLAN MEZZANINE FRAMING PLAN
G204	LIFE SAFETY PLAN - LEVEL 4	S210	ROOF FRAMING PLAN
G205 G206	LIFE SAFETY PLAN - LEVEL 5 LIFE SAFETY PLAN - LEVEL 6	S300 S301	TYPICAL CONCRETE DETAILS CONCRETE COLUMN DETAILS
G207	LIFE SAFETY PLAN - LEVEL 7 & LOWER ROOF	S302	CONCRETE SLAB DETAILS
G208 G209	LIFE SAFETY PLAN - LEVEL 8 & TERRACE LIFE SAFETY PLAN - LEVEL 8 MEZZANINE	S303 S304	CONCRETE SHEARWALL DETAILS CONCRETE DETAILS
G501	LEED REQUIREMENTS	S305	POST-TENSIONED SLAB DETAILS
G502 23	LEED REQUIREMENTS	S306 S600	POST-TENSIONED SLAB DETAILS TYPICAL WOOD DETAILS
		S601	PLYWOOD SHEARWALL DETAILS
SHORING ES1	EXCAVATION SHORING	25	
ES2	EXCAVATION SHORING	MECHANIC	CAL
ES3 3	EXCAVATION SHORING	M0.1 M0.2	MECHANICAL NOTES AND LEGEND MECHANICAL SCHEDULE
		M2.0	MECHANICAL FLOOR PLAN BASEMENT
CIVIL OFF-S	ITE COVER SHEET	M2.1 M2.2	MECHANICAL FLOOR PLAN LEVEL 1 MECHANICAL FLOOR PLAN LEVEL 2
2	GENERAL NOTES	M2.3	MECHANICAL FLOOR PLAN LEVEL 2 MECHANICAL FLOOR PLAN LEVEL 3 - 7
3	LEGEND, ABBREVIATIONS & DETAILS	M2.4	MECHANICAL FLOOR PLAN LEVEL 8
4 5	DEMOLITION PLAN WATER PLAN	M2.5 M2.6	MECHANICAL FLOOR PLAN LEVEL 8 MEZZANINE MECHANICAL ROOF PLAN
6	GRADING PLAN	9	
7 8	NEIGHBORS ALLEY 14TH & N STREET	PLUMBING	
9		P0.1	ABBREVIATIONS, SYMBOLS & GENERAL NOTES
10 11	EROSION CONTROL PLAN EROSION CONTROL NOTES & DETAILS	P0.2 P2.0	PLUMBING CALCULATION AND FIXTURE DATA PLUMBING FLOOR PLAN BSMT WASTE AND VENT
12	STREET LIGHT PLAN	P2.1	PLUMBING FLOOR PLAN LEVEL 1 WASTE AND VENT
12		P2.2 P2.3	PLUMBING FLOOR PLAN LEVEL 2 WASTE AND VENT PLUMBING FLOOR PLAN LEVEL 3 - 6 WASTE AND VENT
CIVIL ON-SI		P2.4	PLUMBING FLOOR PLAN LEVEL 7 WASTE AND VENT
1	COVER SHEET GENERAL NOTES	P2.5 P2.6	PLUMBING FLOOR PLAN LEVEL 8 WASTE AND VENT PLUMBING FLOOR PLAN LEVEL 8 MEZZ WASTE AND
3	LEGEND, ABBREVIATIONS & NOTES		VENT
4 5	ON-SITE DEMOLITION PLAN SITE PLAN	P2.7 P3.1	PLUMBING ROOF PLAN PLUMBING FLOOR PLAN LEVEL 1 WATER AND GAS
6	UTILITY PLAN	P3.2	PLUMBING FLOOR PLAN LEVEL 2 WATER AND GAS
7 8	GRADING PLAN DETAILS	P3.3 P3.4	PLUMBING FLOOR PLAN LEVEL 3 - 6 WATER AND GAS PLUMBING FLOOR PLAN LEVEL 7 WATER AND GAS
8		P3.5	PLUMBING FLOOR PLAN LEVEL 8 WATER AND GAS
LANDSCAPE	-	P3.6	PLUMBING FLOOR PLAN LEVEL 8 MEZZ WATER AND GAS
L-1	COVER SHEET	16	
L-6 L-7	SITE PLAN & NOTES PLANTING PLANS LEVEL 2 & 8	ELECTRIC	AL
L-8	DETAILS	E001 E002	ELECTRICAL SYMBOLS, LEGEND & NOTES ELECTRICAL SYMBOLS, LEGEND & NOTES
L-9 5	SPECIFICATIONS	E010	SINGLE LINE DIAGRAM AND CALCS
		E011 E013	ENLARGED SERVICE PLANS AND ELEVATIONS FEEDER SCHEDULES
ARCHITECT A001	URAL SITE PLAN	E015	PANEL SCHEDULES
A002	3D VIEWS	E016 E017	PANEL SCHEDULES PANEL SCHEDULES
A200 A201	FLOOR PLAN - GARAGE FLOOR PLAN - LEVEL 1	E018	PANEL SCHEDULES
A202	FLOOR PLAN - LEVEL 2	E019 E200	PANEL SCHEDULES FLOOR PLAN - GARAGE - POWER PLAN
A203 A204	FLOOR PLAN - LEVEL 3 FLOOR PLAN - LEVEL 4	E201	FLOOR PLAN - LEVEL 1 - POWER PLAN
A205	FLOOR PLAN - LEVEL 5	E202 E203	FLOOR PLAN - LEVEL 2 - POWER PLAN FLOOR PLAN - LEVEL 3 - POWER PLAN
A206 A207	FLOOR PLAN - LEVEL 6 FLOOR PLAN - LEVEL 7 & LOWER ROOF	E204	FLOOR PLAN - LEVEL 4 - POWER PLAN
A208	FLOOR PLAN - LEVEL 8 & TERRACE	E205 E206	FLOOR PLAN - LEVEL 5 - POWER PLAN FLOOR PLAN - LEVEL 6 - POWER PLAN
A209 A210	FLOOR PLAN - LEVEL 8 MEZZ UPPER ROOF PLAN	E207	FLOOR PLAN - LEVEL 7 - POWER PLAN
A250	REFLECTED CEILING PLAN - GARAGE	E208 E209	FLOOR PLAN - LEVEL 8 & TERRACE - POWER PLAN FLOOR PLAN - LEVEL 8 MEZZANINE - POWER PLAN
A251 A252	REFLECTED CEILING PLAN - LEVEL 1 REFLECTED CEILING PLAN - LEVEL 2	E210	FLOOR PLAN - UPPER ROOF - POWER PLAN
A253	REFLECTED CEILING PLAN - LEVEL 3	E250 E251	FLOOR PLAN - GARAGE - LIGHTING PLAN FLOOR PLAN - LEVEL 1 - LIGHTING PLAN
A254 A255	REFLECTED CEILING PLAN - LEVEL 4 REFLECTED CEILING PLAN - LEVEL 5	E252	FLOOR PLAN - LEVEL 2 - LIGHTING PLAN
A256	REFLECTED CEILING PLAN - LEVEL 6	E253 E254	FLOOR PLAN - LEVEL 3 - LIGHTING PLAN FLOOR PLAN - LEVEL 4 - LIGHTING PLAN
A257 A258	REFLECTED CEILING PLAN - LEVEL 7 REFLECTED CEILING PLAN - LEVEL 8	E255	FLOOR PLAN - LEVEL 5 - LIGHTING PLAN
A259	REFLECTED CEILING PLAN - LEVEL 8 MEZZ	E256	FLOOR PLAN - LEVEL 6 - LIGHTING PLAN
A301 A302	BUILDING ELEVATIONS NORTH BUILDING ELEVATIONS SOUTH	E257 E258	FLOOR PLAN - LEVEL 7 - LIGHTING PLAN FLOOR PLAN - LEVEL 8 - LIGHTING PLAN
A303	BUILDING ELEVATIONS EAST	E259	FLOOR PLAN - LEVEL 8 MEZZANINE - LIGHTING PLAN
A304 A305	BUILDING ELEVATIONS WEST BUILDING ELEVATIONS	E421 E422	UNIT 'A' POWER & LIGHTING PART PLANS UNIT 'B' POWER & LIGHTING PART PLANS
A350	BUILDING SECTIONS	E423	UNIT 'C' POWER & LIGHTING PART PLANS
A351	BUILDING SECTIONS	E424 E425	UNIT 'D' POWER & LIGHTING PART PLANS UNIT 'E' POWER & LIGHTING PART PLANS
A352 A353	BUILDING SECTIONS BUILDING SECTIONS	E426	UNIT 'F' POWER & LIGHTING PART PLANS
A354 A355	BUILDING SECTIONS BUILDING SECTIONS	E427 E428	UNIT 'G' POWER & LIGHTING PART PLANS UNIT 'H' POWER & LIGHTING PART PLANS
A355 A356	BUILDING SECTIONS BUILDING SECTIONS	E429	UNIT 'J' POWER & LIGHTING PART PLANS
A371	WALL SECTIONS	E435 E436	UNIT 'Q' & MEZZANINE POWER PART PLANS UNIT 'Q' & MEZZANINE LIGHTING PART PLANS
A372 A421	WALL SECTIONS UNIT A - ENLG. PLAN & RCP	E437	UNIT 'R' & MEZZANINE POWER PART PLANS
A422	UNIT B - ENLG. PLAN & RCP	E438 E439	UNIT 'R' & MEZZANINE LIGHTING PART PLANS UNIT 'S' & MEZZANINE POWER PART PLANS
A423 A424	UNIT C - ENLG. PLAN & RCP UNIT D - ENLG. PLAN & RCP	E440	UNIT 'S' & MEZZANINE LIGHTING PART PLANS
A425	UNIT E - ENLG. PLAN & RCP	E441 E442	UNIT 'U' & MEZZANINE POWER PART PLANS UNIT 'U' & MEZZANINE POWER PART PLANS
A426 A427	UNIT F - ENLG. PLAN & RCP UNIT G - ENLG. PLAN & RCP	E443	UNIT 'V' & MEZZ POWER & LIGHTING PART PLANS
A428	UNIT H - ENLG. PLAN & RCP	E600 E601	ELECTRICAL DETAILS ELECTRICAL DETAILS
A429 A435	UNIT J - ENLG. PLAN & RCP UNIT Q - ENLG. PLAN	51	
A436	UNIT Q - ENLG. RCP PLAN	FYTEDIOD	BUILDING MAINTENANCE
A437 A438	UNIT R - ENLG. PLAN UNIT R - ENLG. RCP PLAN	EBM1.0	COMPOSITE ROOF PLAN
A439	UNIT S - ENLG. PLAN	EBM1.1 EBM1.2	LEVEL 8 FLOOR PLAN LEVEL 7 FLOOR PLAN
A440 A441	UNIT S - ENLG. RCP PLAN UNIT U - ENLG. PLAN	EBM1.3	LEVEL 2 FLOOR PLAN
A442	UNIT U - ENLG. RCP PLAN	EBM2.0 EBM2.1	EXTERIOR ELEVATIONS NORTH EXTERIOR ELEVATIONS SOUTH
A443 A450	UNIT V - ENLG. PLAN KITCHEN TYPES FLOOR PLANS & ELEVATIONS	EBM2.2	EXTERIOR ELEVATIONS EAST
A451	KITCHEN TYPES FLOOR PLANS & ELEVATIONS	EBM2.3 EBM3.0	EXTERIOR ELEVATIONS WEST SECTIONS & DETAILS
A453 A454	BATHROOM TYPES FLOOR PLANS & ELEVATIONS BATHROOM TYPES FLOOR PLANS & ELEVATIONS	ЕВМ3.0 9	
A455	BATHROOM TYPES FLOOR PLANS & ELEVATIONS	POOL	
A456 A501	BATHROOM TYPES FLOOR PLANS & ELEVATIONS STAIR 1 - ENLG. PLANS	P-1b	PLAN LEGEND & SYMBOL INDEX
A502a	STAIR 1 - SECTIONS 1	P-5a 2	SWIMMING POOL EQUIPMENT ROOM
A502b A503	STAIR 1 - SECTIONS 2 STAIR 2 - ENLG. PLANS	Z TOTAL SHE	EETS: 242
A504a	STAIR 2 - SECTIONS 1		
A504b A510	STAIR 2 - SECTIONS 2 ELEVATOR - ENLARGED PLANS		
A511	ELEVATOR - SECTIONS		
A601a A601b	DOOR - SCHEDULE DOOR - SCHEDULE		
A610	WINDOW - SCHEDULE		
A620 73	STOREFRONT - SCHEDULE		
INTERIORS ID3.0	FURNITURE PLAN - LEVEL 1		
ID3.1	FURNITURE PLANS - UNITS A-F		
ID3.2 ID3.3	FURNITURE PLANS - UNITS G-Q FURNITURE PLANS - UNITS R		
ID3.4	FURNITURE PLANS - UNIT S		
ID3.5	FURNITURE PLANS - UNIT U-V		

SHEET INDEX

SHEET INDEX

SHEET INDEX





TITL	E S	HEET

	SCALE DRAWINGS. . © ARCHITECTS L	WRITTEN DIMENSIONS OCAL 2021.
DATE:		AL PROJECT NUMBER:
12/01/	2021	2-212306
		AHJ PROJECT NUMBER:

ISSUANCE/REVISION:

_____ ____

DATE:









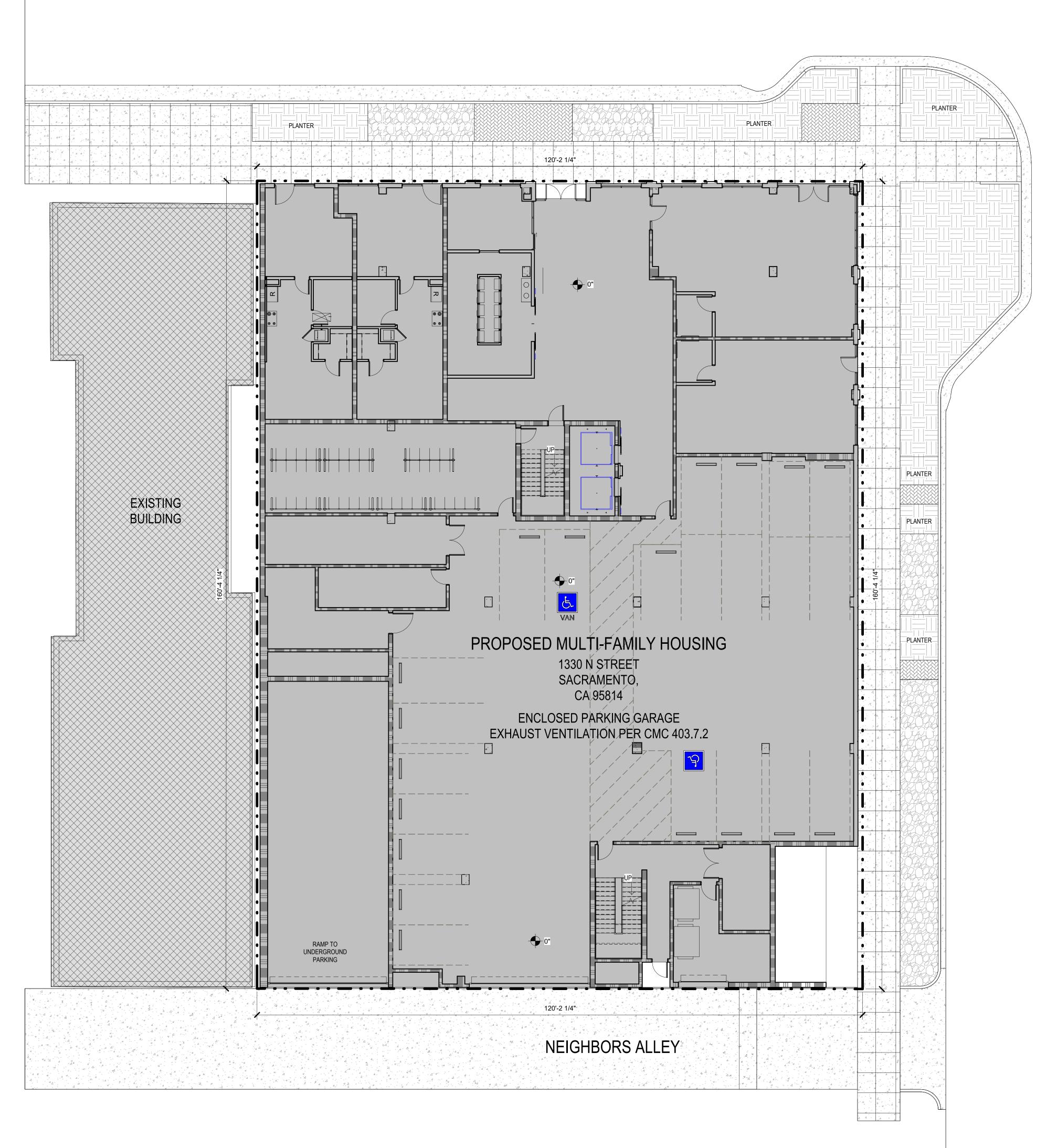
Attachment 2

P: (916) 545-2514

2715 K STREET, SUITE 250 SACRAMENTO, CA 95816

WWW.ARCHITECTSLOCAL.COM

DEVELOPERS DESIGNERS ARCHITECTS BUILDERS INVESTORS



1 SITE PLAN 1" = 10'-0"

N STREET

14TH STREET

GENERAL NOTES - SITE PLAN

- 1. 0'-0" IS A REFERENCE. ABSOLUTE ELEVATION IS DERIVED FROM CIVIL DRAWINGS. WHEN SHOWN IN SITE PLAN, ALL DIMENSIONS ARE TO FACE OF FINISH TO PROPERTY LINES, IMAGINARY LINES, SETBACKS, ETC., U.N.O. 3. DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN. 4. SEE CIVIL BUILDING AND STRUCTURAL PLANS FOR ALL OTHER NOTES AND DIMENSIONS NO SHOWN HERE. SEE ACCESSIBILITY NOTES AND DETAILS FOR ACCESSIBILITY INFORMATION. 5 SEE CIVIL AND LANDSCAPE FOR ADDITIONAL INFORMATION. SEE CIVIL AND STRUCTURAL FOR GROUND LEVEL FINISH FLOOR ELEVATIONS. 8. ANY OFF-SITE IMPROVEMENTS SHOWN ARE FOR REFERENCE ONLY AND WILL BE REVIEWED AND PERMITTED SEPARETLY BY THE PUBLIC WORKS DEPARTMENT. 9. SEE CIVIL FOR ALL EXTERIOR GRADING AND DRAINAGE STRATEGIES. 10. NO PART OF RETAINING WALLS AND FOOTINGS SHALL ENCROACH INTO ADJACENT PROPERTIES OR EASEMENTS. 11. THE PROPERTY OWNER SHALL MAINTAIN ALL DRAINAGE FACILITIES LOCATED WITHIN THE PARCEL AND BE RESPONSIBLE TO PREVENT DAMAGE TO DOWNSTREAM PROPERTIES. 12. ENCLOSED PARKING GARAGES -A. 406.6 ENCLOSED PARKING GARAGES ENCLOSED PARKING GARAGES SHALL COMPLY WITH SECTIONS 406.6.1 THROUGH 406.6.3. B. 406.6.1 HEIGHTS AND AREAS ENCLOSED VEHICLE PARKING GARAGES AND PORTIONS THEREOF THAT DO NOT MEET THE DEFINITION OF OPEN PARKING GARAGES SHALL BE LIMITED TO THE ALLOWABLE HEIGHTS AND AREAS SPECIFIED IN SECTIONS 504 AND 506 AS MODIFIED BY SECTION 507. ROOF PARKING IS PERMITTED. C. 406.6.2 VENTILATION A MECHANICAL VENTILATION SYSTEM SHALL BE PROVIDED IN ACCORDANCE WITH THE CALIFORNIA MECHANICAL CODE. EXCEPTION: MECHANICAL VENTILATION SHALL NOT BE REQUIRED FOR ENCLOSED PARKING GARAGES THAT SERVE GROUP R-3 ONE- OR TWO-FAMILY DWELLINGS. D. [F] 406.6.3 AUTOMATIC SPRINKLER SYSTEM AN ENCLOSED PARKING GARAGE SHALL BE EQUIPPED WITH AN AUTOMATIC SPRINKLER SYSTEM IN ACCORDANCE WITH SECTION 903.2.10. 13. UNLESS NOTED OTHERWISE ON CIVIL PLANS ACCESSIBLE WALKS, SIDEWALKS AND EXTERIOR ACCESSIBLE ROUTES TO HAVE MIN. CLEAR WIDTH OF 48" PER CBC 11B-403.5.1. RUNNING SLOPE SHALL NOT BE STEEPER THAN 1:20, CROSS SLOPE SHALL NOT EXCEED 1:48. NO
- CHANGES IN LEVEL BETWEEN 1/4" AND 1/2" SHALL HAVE THE TOP 1/4" MIN. BEVELED NO STEEPER THAN 1:2.
 THERE SHALL BE NO GAPS IN PAVEMENT OR GRATINGS EXCEEDING 1/2".

CHANGES IN LEVEL GREATER THAN 1/4" HIGH MAX. SHALL BE PERMITTED TO BE VERTICAL.

LEGEND - SITE PLAN

	BUILDING FOOTPRINT
	CONCRETE DRIVEWAY, SEE CIVIL DRAWINGS
	CONCRETE PAVING, SEE CIVIL DRAWINGS
	PLANTING AREA, SEE CIVIL & LANDSCAPE DRAWINGS
	MULCH AREA, SEE CIVIL & LANDSCAPE DRAWINGS
	PAVERS, SEE CIVIL & LANDSCAPE DRAWINGS
+	RELATIVE ELEVATION HEIGHT, SEE CIVIL DRAWINGS FOR ACTUAL
_ · · _	PROPERTY LINE
<u> </u>	SETBACK LINES
	STREET CENTER LINE
	ACCESSIBLE PATH OF TRAVEL

KEYNOTES KEYNOTE KEYNOTE DESCRIPTION











3D VIEWS

	SCALE DRAWINGS. . © ARCHITECTS LO		NSIONS
DATE:		AL PROJECT	NUMBER:
12/01/	2021	2-212306	i
		AHJ PROJEC	T NUMBER:

ISSUANCE/REVISION:

1330 N STREET SACRAMENTO, CA 95814 MULTI-FAMILY HOUSING





D&S DEVELOPMENT

DEVELOPERS DESIGNERS ARCHITECTS BUILDERS INVESTORS

2715 K STREET, SUITE 250 SACRAMENTO, CA 95816

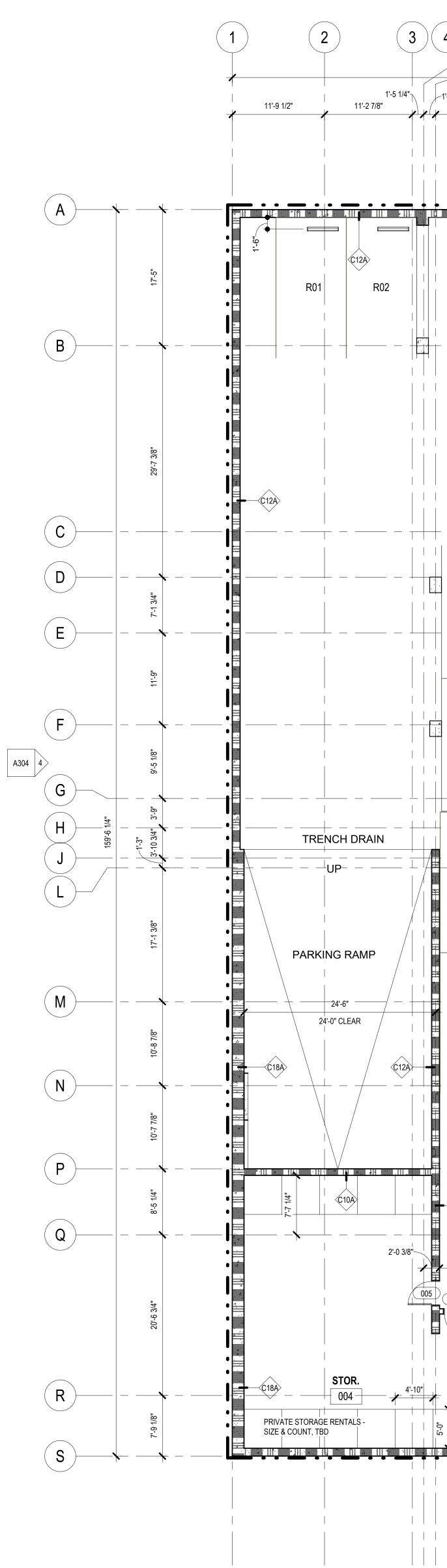
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CYPRESS

286



)(4 5	67) 8 9	10 118'-7"	A301) 11 12		L) (15)(16 17)	18	19 20) (2	1
		15'-7 7			8'-8" 5		5/8"		22'-0"			19'-3"		<u>-</u>
						R07				210		C12A A3-M8 STORAGE 002		10-9 19-
	-1	24'-0" CLEAR						1 				R11		
NB3 NB3 <td></td> <td></td> <td></td> <td></td> <td>S001</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>					S001									
R40 R33 R34 R37 R37 R16 R17 R17 R35 R35 R34 R33 R32 R18 R18 R18 R18 R18 R18 R18 R18 R18 R19 R		R43	R42		S001				·					
R36 R34 R33 R32 Parenzam R18 R18 R18 R19 R27 R28 R29 R30 R31 R19 R20 R31 R19 R20 R20 R20 R20 R21 R21 R21 R21 R21 R20 R25 Parenzam Parenzam Parenzam Parenzam R20 R25 Parenzam Parenzam Parenzam Parenzam R26 R25 Parenzam Parenzam Parenzam Parenzam R20 Parenzam Parenzam Parenzam Parenzam Parenzam R27 R28 R29 R31 Parenzam Parenzam R21 Parenzam Parenzam Parenzam Parenzam Parenzam Parenzam Parenzam Parenzam		R40	R39			R37		PARKIN						
R20 R20 R21 R21 R21 R21 R21 R22 R22 R22		R36			R33	R32 R32 			24'-0" CLEAR					• • • • •
4-10 ⁻ 10 ⁻ 4 ⁻ 10 ⁻ 1		R27	R28	R29	R30	- R31			· 			R20		
4 +10" 10' 3 7/8" 4 1/8" (12A) 55 004 003A (12A) 43.MB R26 R25 (12A) FIRE 43.MB R26 R25 (12A) 6 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		 		24-0" CLEAR								R22		
		004 003A		R26	R25		S002	R24	R23	2'-1"				
		2-0- ×										 		

GENERAL NOTES - FLOOR PLAN

- DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN.
 ALL CLEAR DIMENSIONS ARE NOT TO BE ADJUSTED WITHOUT APPROVAL OF THE ARCHITECT. 3. SEE SITE PLAN FOR OVERALL SITE DIMENSIONS AND NOTES NOT SHOWN. 4. ALL GRID LINES INDICATE CENTER OF STRUCTURAL WALL OR FACE OF STRUCTURAL MATERIAL, U.N.O. WINDOW TYPES AND LOCATIONS SHALL BE AS PER BUILDING PLANS, NOT ENLARGED PLANS. 5. 6. SEE ENLARGED PLANS FOR DIMENSIONS, TAGS, KEYNOTES, NOTES, ETC. NOT SHOWN. 7. REFER TO CIVIL AND STRUCTURAL FOR LEVEL ONE FINISH FLOOR ELEVATIONS.
- 8. SEE FINISH LEGEND FOR TYPICAL FINISHES, U.N.O. 9. SEE REFLECTED CEILING PLANS FOR LOCATIONS AND DIMENSIONS OF SOFFITED AREAS. 10. PROVIDE AND INSTALL 2X FLAT WOOD BLOCKING OR 16GA METAL STRAPPING FOR ALL BATH
- ACCESSORIES, HANDRAILS, CABINETS, TOWEL BARS, WALL MOUNTED FIXTURES AND ANY OTHER ITEMS ATTACHED TO WALLS.
- 11. ALL UNITS ARE ADAPTABLE UNLESS NOTED OTHERWISE AND SHALL MEET REQUIREMENTS PER CBC 11B-233.3.1.2. SEE ENLARGED PLANS FOR MORE INFORMATION.

LEGEND - FLOOR PLAN

6'-0"	DIMENSION - DENOTING FACE OF STRUCTURE/FRAMING U.N.O.
6'-0"	DIMENSION - DENOTING CENTERLINE
6'-0"	DIMENSION - DENOTING FACE OF FINISH/CLEAR
0)	- GRID LINE REFERENCE - FACE OF STUD
	PEDESTAL PAVERS O/ 2" DEPRESSED STRUCTURAL SLAB SLOPING TO DRAIN
	PLANTING, SEE LANDSCAPE
	WALK OFF MAT
	ELECTRICAL PAD
	SINGLE - PLY ROOF MEMBRANE
	1 HOUR RATED WALL
	2 HOUR RATED WALL
	3 HOUR RATED WALL
SIM	
1 A101	BUILDING SECTION REFERENCE
AIUI	- DWG. NO.
	- SHEET NO.
SIM	
A101	WALL SECTION REFERENCE
	- DWG. NO.
	- SHEET NO.

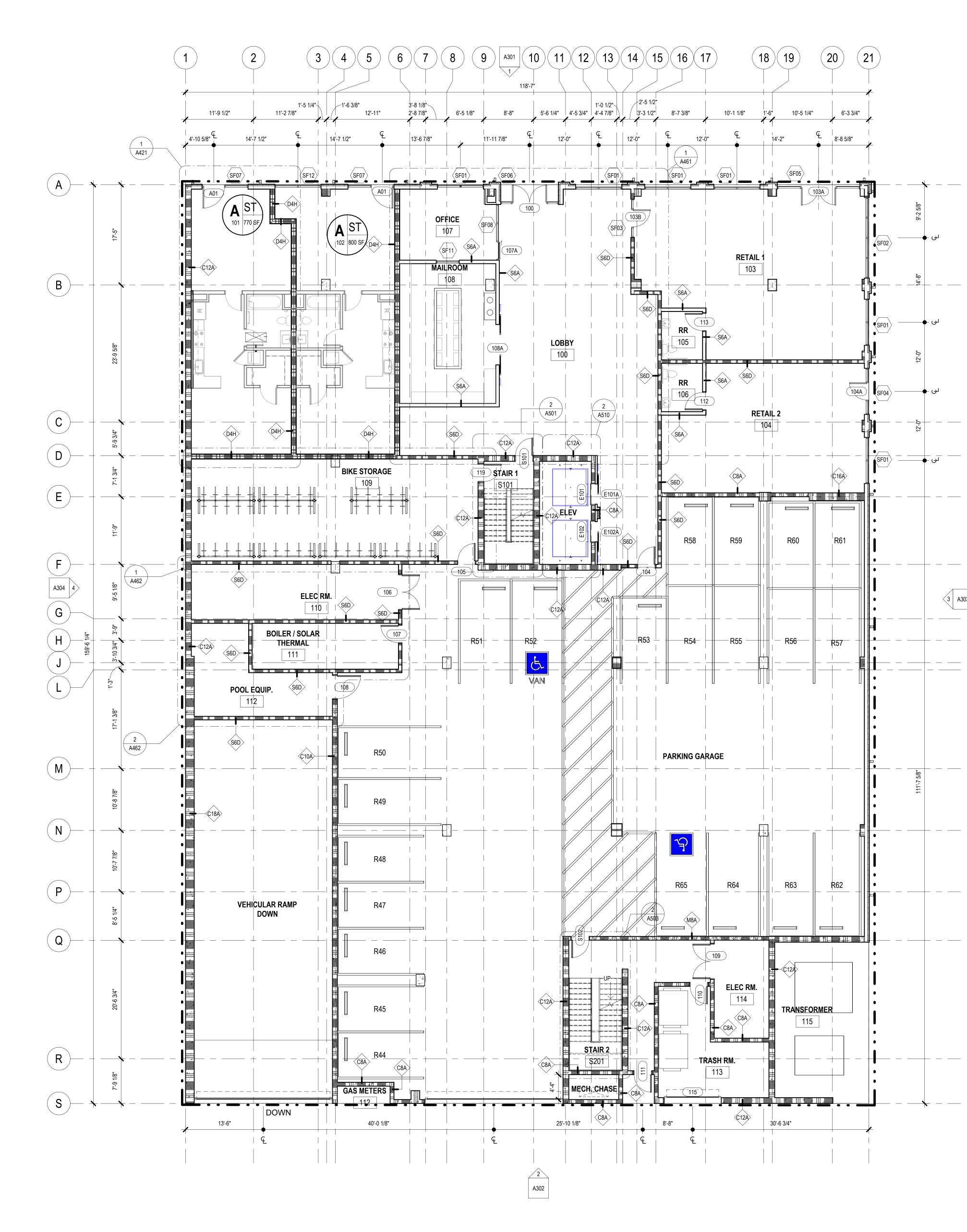
KEYNOTES

KEYNOTE KEYNOTE DESCRIPTION

3 A303

	PARKING SCHEDL	
Mark	TYPE	NOTES
BASEMENT		
R01	9' x 18' - 90 deg	
R02	9' x 18' - 90 deg	
R03	9' x 18' - 90 deg	
R04 R05	9' x 18' - 90 deg 9' x 18' - 90 deg	
R06	8' x 18' - 90 deg	
R07	8' x 18' - 90 deg	
R08	8' x 18' - 90 deg	
R09	9' x 18' - 90 deg	
R10 R11	9' x 18' - 90 deg	
R12	8' x 18' - 90 deg 9' x 18' - 90 deg	
R13	9' x 18' - 90 deg	
R14	8' x 18' - 90 deg	
R15	9' x 18' - 90 deg	
R16	9' x 18' - 90 deg	
R17 R18	9' x 18' - 90 deg 9' x 18' - 90 deg	
R19	9' x 18' - 90 deg	
R20	9' x 18' - 90 deg	
R21	8' x 18' - 90 deg	
R22	8' x 18' - 90 deg	
R23	9' x 18' - 90 deg	
R24 R25	9' x 18' - 90 deg 9' x 16'-6" - 90 deg	
R26	9' x 16'-6" - 90 deg	
R27	9' x 18' - 90 deg	
R28	9' x 18' - 90 deg	
R29	9' x 18' - 90 deg	
R30	9' x 18' - 90 deg	
R31 R32	9' x 18' - 90 deg 9' x 18' - 90 deg	
R32	9' x 18' - 90 deg	
R34	9' x 18' - 90 deg	
R35	9' x 18' - 90 deg	
R36	9' x 18' - 90 deg	
R37	9' x 18' - 90 deg	
R38 R39	8' x 17' - 90 deg 8' x 17' - 90 deg	
R40	8' x 17' - 90 deg	
R41	8' x 17' - 90 deg	
R42	8' x 17' - 90 deg	
R43	8' x 17' - 90 deg	
43		
LEVEL 1		
R44	8' x 15' - 90 deg	
R45	8' x 15' - 90 deg	
R46	8' x 15' - 90 deg	
R47 R48	8' x 15' - 90 deg	
R48 R49	8' x 15' - 90 deg 8' x 18' - 90 deg	
R50	9' x 18' - 90 deg	
R51	9' x 18' - 90 deg	
R52	9' x 18' - 90 deg	
R53	8' x 15' - 90 deg	
R54 R55	8' x 17' - 90 deg 8' x 17' - 90 deg	
R55 R56	8' x 17' - 90 deg 8' x 16'-6" - 90 deg	
R57	8' x 16'-6" - 90 deg	
R58	8' x 15'-6" - 90 deg	
R59	8' x 15'-6" - 90 deg	
R60	8' x 15' - 90 deg	
R61	8' x 15' - 90 deg	
R62 R63	8' x 18' - 90 deg 8' x 18' - 90 deg	
R63 R64	9' x 18' - 90 deg	
R65	9' x 18' - 90 deg	





GENERAL NOTES - FLOOR PLAN

- DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN.
 ALL CLEAR DIMENSIONS ARE NOT TO BE ADJUSTED WITHOUT APPROVAL OF THE ARCHITECT. 3. SEE SITE PLAN FOR OVERALL SITE DIMENSIONS AND NOTES NOT SHOWN. 4. ALL GRID LINES INDICATE CENTER OF STRUCTURAL WALL OR FACE OF STRUCTURAL MATERIAL, U.N.O. WINDOW TYPES AND LOCATIONS SHALL BE AS PER BUILDING PLANS, NOT ENLARGED PLANS. SEE ENLARGED PLANS FOR DIMENSIONS, TAGS, KEYNOTES, NOTES, ETC. NOT SHOWN. REFER TO CIVIL AND STRUCTURAL FOR LEVEL ONE FINISH FLOOR ELEVATIONS. 8. SEE FINISH LEGEND FOR TYPICAL FINISHES, U.N.O.
- 9. SEE REFLECTED CEILING PLANS FOR LOCATIONS AND DIMENSIONS OF SOFFITED AREAS. 10. PROVIDE AND INSTALL 2X FLAT WOOD BLOCKING OR 16GA METAL STRAPPING FOR ALL BATH ACCESSORIES, HANDRAILS, CABINETS, TOWEL BARS, WALL MOUNTED FIXTURES AND ANY
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- FOR MORE INFORMATION.

LEGEND - FLOOR PLAN

6'-0"	DIMENSION - DENOTING FACE OF STRUCTURE/FRAMING U.N.O.
6'-0"	DIMENSION - DENOTING CENTERLINE
6'-0"	DIMENSION - DENOTING FACE OF FINISH/CLEAR
0)	GRID LINE REFERENCE - FACE OF STUD
	PEDESTAL PAVERS O/ 2" DEPRESSED STRUCTURAL SLAB SLOPING TO DRAIN
	PLANTING, SEE LANDSCAPE
	WALK OFF MAT
	ELECTRICAL PAD
	SINGLE - PLY ROOF MEMBRANE
	1 HOUR RATED WALL
	2 HOUR RATED WALL
	3 HOUR RATED WALL
SIM	
	BUILDING SECTION REFERENCE
A101	- DWG. NO.
	- SHEET NO.
SIM	
A101	WALL SECTION REFERENCE
	- DWG. NO.
	- SHEET NO.

KEYNOTES

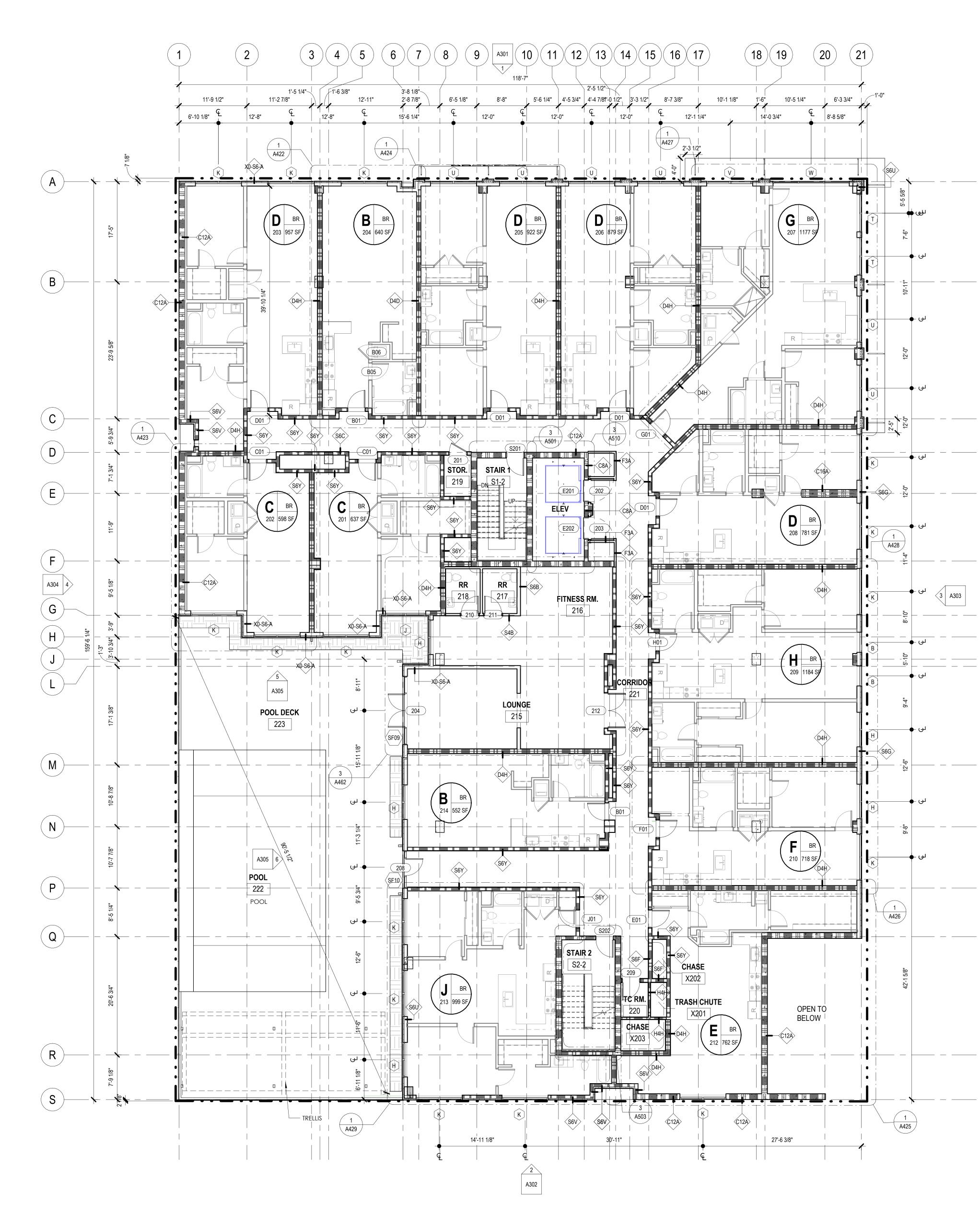
KEYNOTE KEYNOTE DESCRIPTION

Mark	TYPE	NOTES
main		
BASEMENT		
R01	9' x 18' - 90 deg	
R02	9' x 18' - 90 deg	
R03	9' x 18' - 90 deg	
R04 R05	9' x 18' - 90 deg 9' x 18' - 90 deg	
R05 R06	8' x 18' - 90 deg	
R00 R07	8' x 18' - 90 deg	
R08	8' x 18' - 90 deg	
R09	9' x 18' - 90 deg	
R10	9' x 18' - 90 deg	
R11	8' x 18' - 90 deg	
R12	9' x 18' - 90 deg	
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R17	9' x 18' - 90 deg	
R18	9' x 18' - 90 deg	
R19	9' x 18' - 90 deg	
R20	9' x 18' - 90 deg	
R21	8' x 18' - 90 deg	
R22	8' x 18' - 90 deg	
R23	9' x 18' - 90 deg	
R24	9' x 18' - 90 deg	
R25	9' x 16'-6" - 90 deg	
R26	9' x 16'-6" - 90 deg	
R27	9' x 18' - 90 deg	
R28	9' x 18' - 90 deg	
R29	9' x 18' - 90 deg	
R30	9' x 18' - 90 deg	
R31	9' x 18' - 90 deg	
R32	9' x 18' - 90 deg	
R33	9' x 18' - 90 deg	
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R53	8' x 15' - 90 deg	
R54	8' x 17' - 90 deg	
R55	8' x 17' - 90 deg	
R56	8' x 16'-6" - 90 deg	
R57	8' x 16'-6" - 90 deg	
R58	8' x 15'-6" - 90 deg	
R59	8' x 15'-6" - 90 deg	
R60	8' x 15' - 90 deg	
R61	8' x 15' - 90 deg	
R62	8' x 18' - 90 deg	
R63	8' x 18' - 90 deg	
R64	9' x 18' - 90 deg	
R65	9' x 18' - 90 deg	

3 A303

GRAND TOTAL: 65





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LEGEND - FLOOR PLAN

6'-0"	DIMENSION - DENOTING FACE OF STRUCTURE/FRAMING U.N.O.
6'-0"	DIMENSION - DENOTING CENTERLINE
6'-0"	DIMENSION - DENOTING FACE OF FINISH/CLEAR
0	GRID LINE REFERENCE - FACE OF STUD
	PEDESTAL PAVERS O/ 2" DEPRESSED STRUCTURAL SLAB SLOPING TO DRAIN
	PLANTING, SEE LANDSCAPE
	WALK OFF MAT
	ELECTRICAL PAD
	SINGLE - PLY ROOF MEMBRANE
	1 HOUR RATED WALL
	2 HOUR RATED WALL
	3 HOUR RATED WALL
1 SIM A101	BUILDING SECTION REFERENCE DWG. NO.
	SHEET NO.
1 SIM A101	WALL SECTION REFERENCE
	SHEET NO.

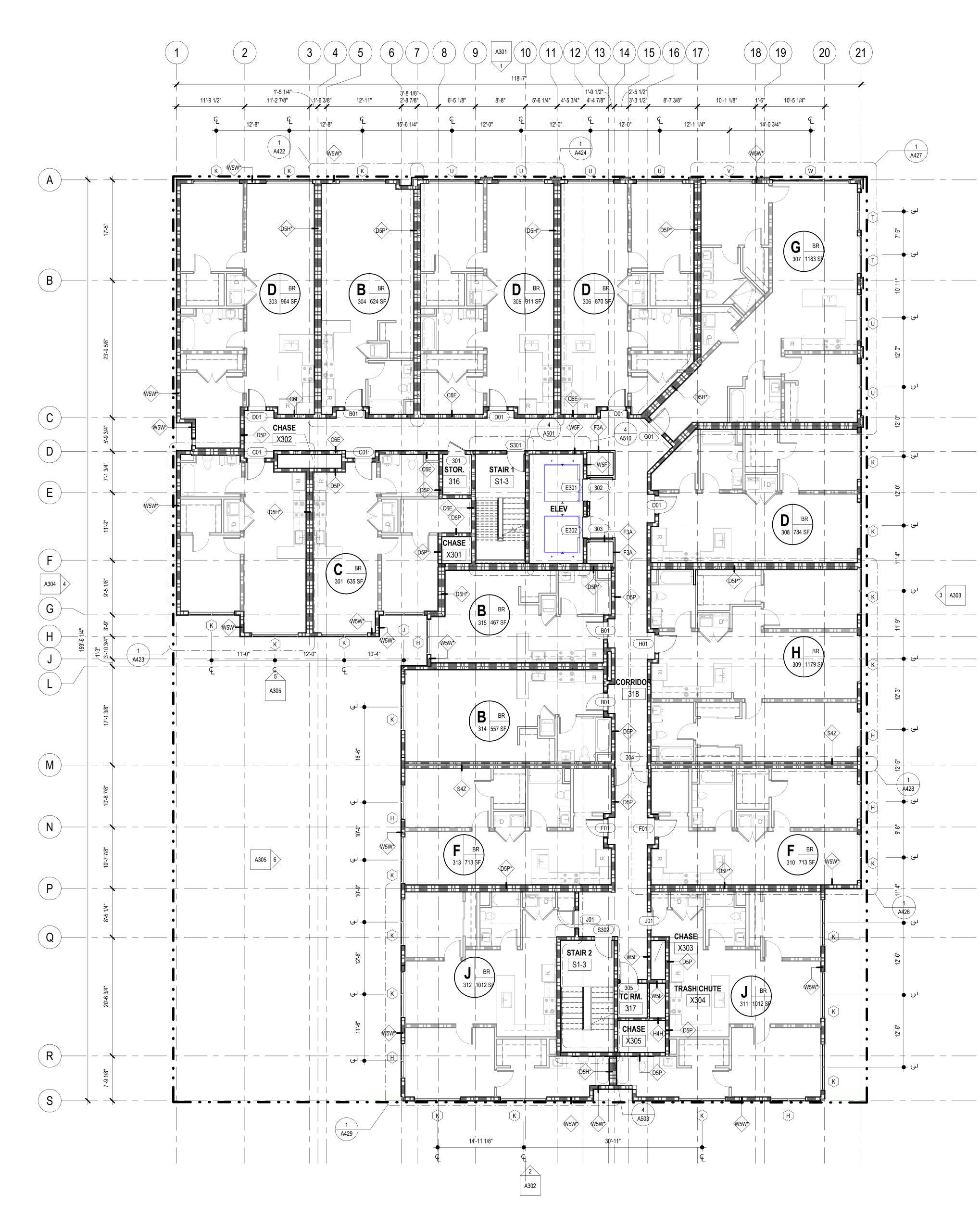
KEYNOTES

3 A303

KEYNOTE KEYNOTE DESCRIPTION



289



- DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN.
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LEGEND - FLOOR PLAN

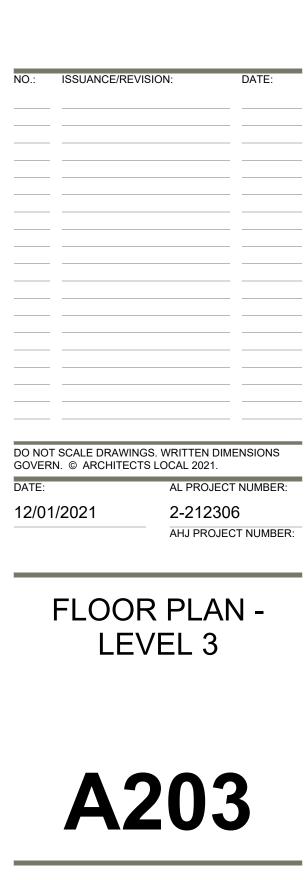
6'-0"	DIMENSION - DENOTING FACE OF STRUCTURE/FRAMING U.N.O.
6'-0"	DIMENSION - DENOTING CENTERLINE
6'-0"	DIMENSION - DENOTING FACE OF FINISH/CLEAR
0	GRID LINE REFERENCE - FACE OF STUD
	PEDESTAL PAVERS O/ 2" DEPRESSED STRUCTURAL SLAB SLOPING TO DRAIN
	PLANTING, SEE LANDSCAPE
	WALK OFF MAT
	ELECTRICAL PAD
	SINGLE - PLY ROOF MEMBRANE
	1 HOUR RATED WALL
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	3 HOUR RATED WALL
SIM I	
	BUILDING SECTION REFERENCE
A101	DWG. NO.
	SHEET NO.
SIM	
A101	WALL SECTION REFERENCE
	DWG. NO.
	SHEET NO.

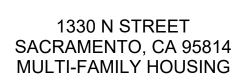
KEYNOTES

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KEYNOTE KEYNOTE DESCRIPTION









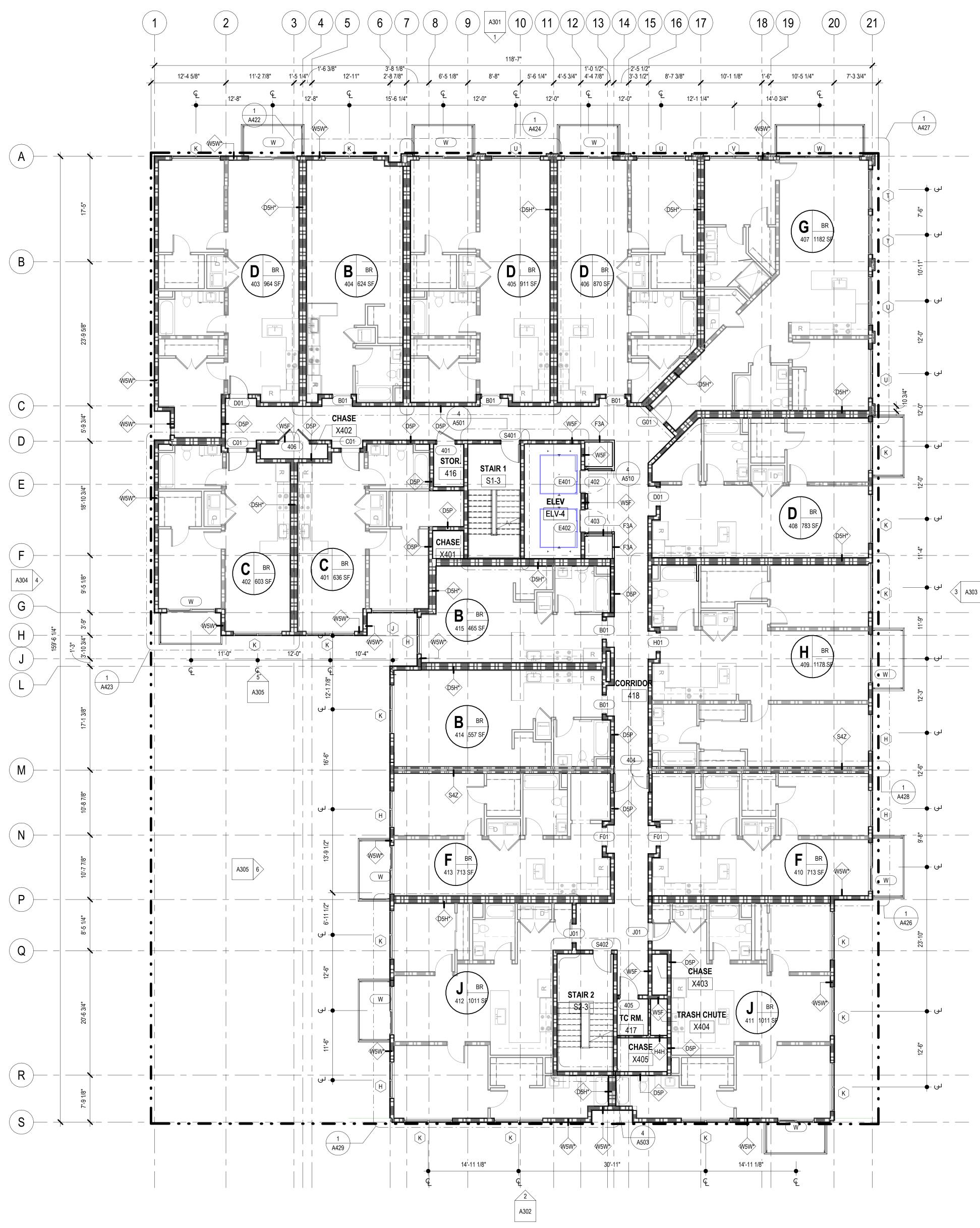
1725 CAPITOL AVE. SACRAMENTO, CA 95811

(916) 442-2488

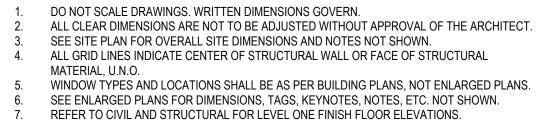
D&S DEVELOPMENT

2715 K STREET, SUITE 250 SACRAMENTO, CA 95816 P: (916) 545-2514 WWW.ARCHITECTSLOCAL.COM

> ARCHITECTS BUILDERS







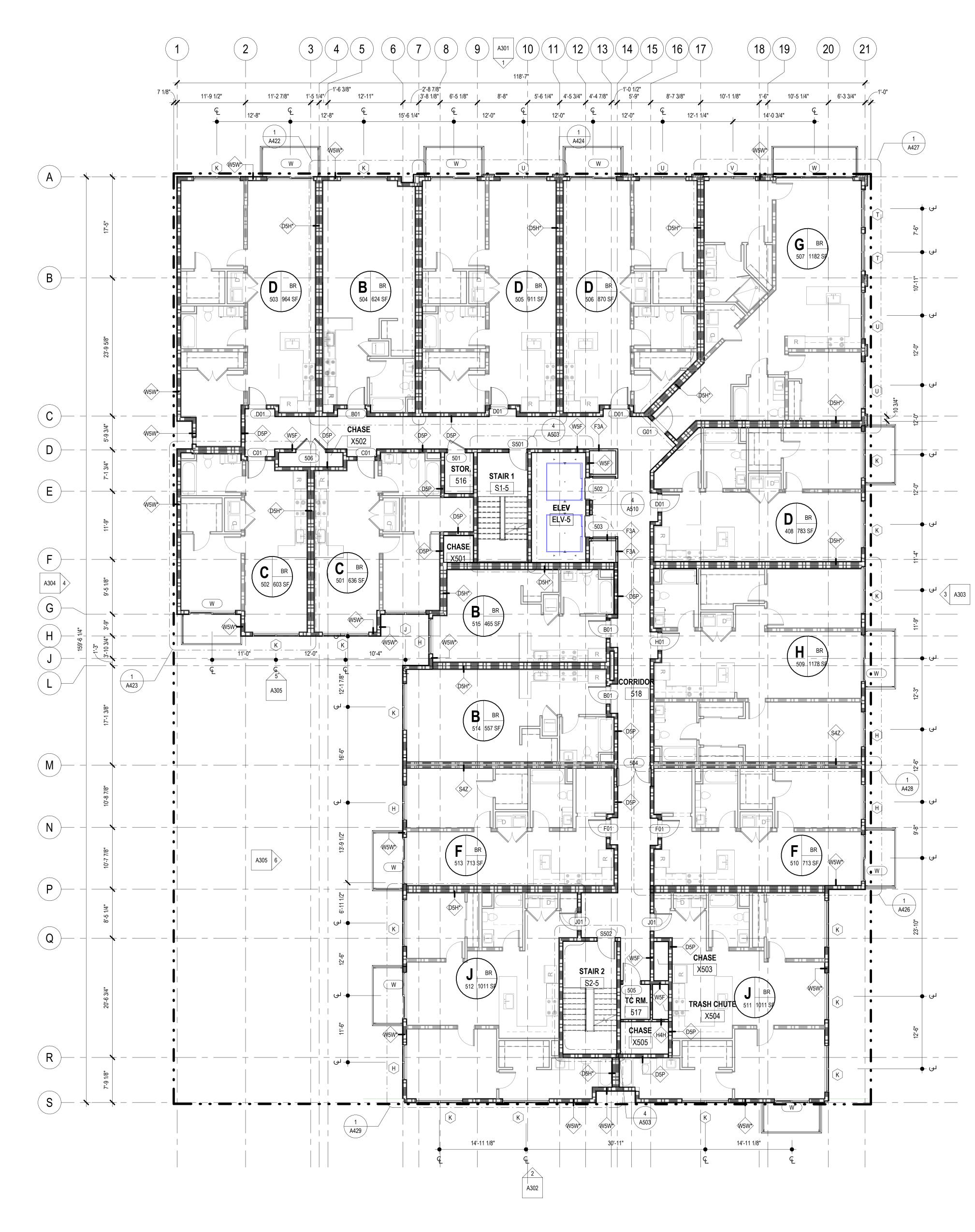
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LEGEND - FLOOR PLAN

6'-0"	DIMENSION - DENOTING FACE OF STRUCTURE/FRAMING U.N.O.
6'-0"	DIMENSION - DENOTING CENTERLINE
6'-0"	DIMENSION - DENOTING FACE OF FINISH/CLEAR
(0)	GRID LINE REFERENCE - FACE OF STUD
	PEDESTAL PAVERS O/ 2" DEPRESSED STRUCTURAL SLAB SLOPING TO DRAIN
	PLANTING, SEE LANDSCAPE
	WALK OFF MAT
	ELECTRICAL PAD
	SINGLE - PLY ROOF MEMBRANE
	1 HOUR RATED WALL
	2 HOUR RATED WALL
	3 HOUR RATED WALL
SIM	BUILDING SECTION REFERENCE
A101	- DWG. NO.
	- SHEET NO.
SIM	
	WALL SECTION REFERENCE
A101	– DWG. NO.
	- SHEET NO.

KEYNOTES





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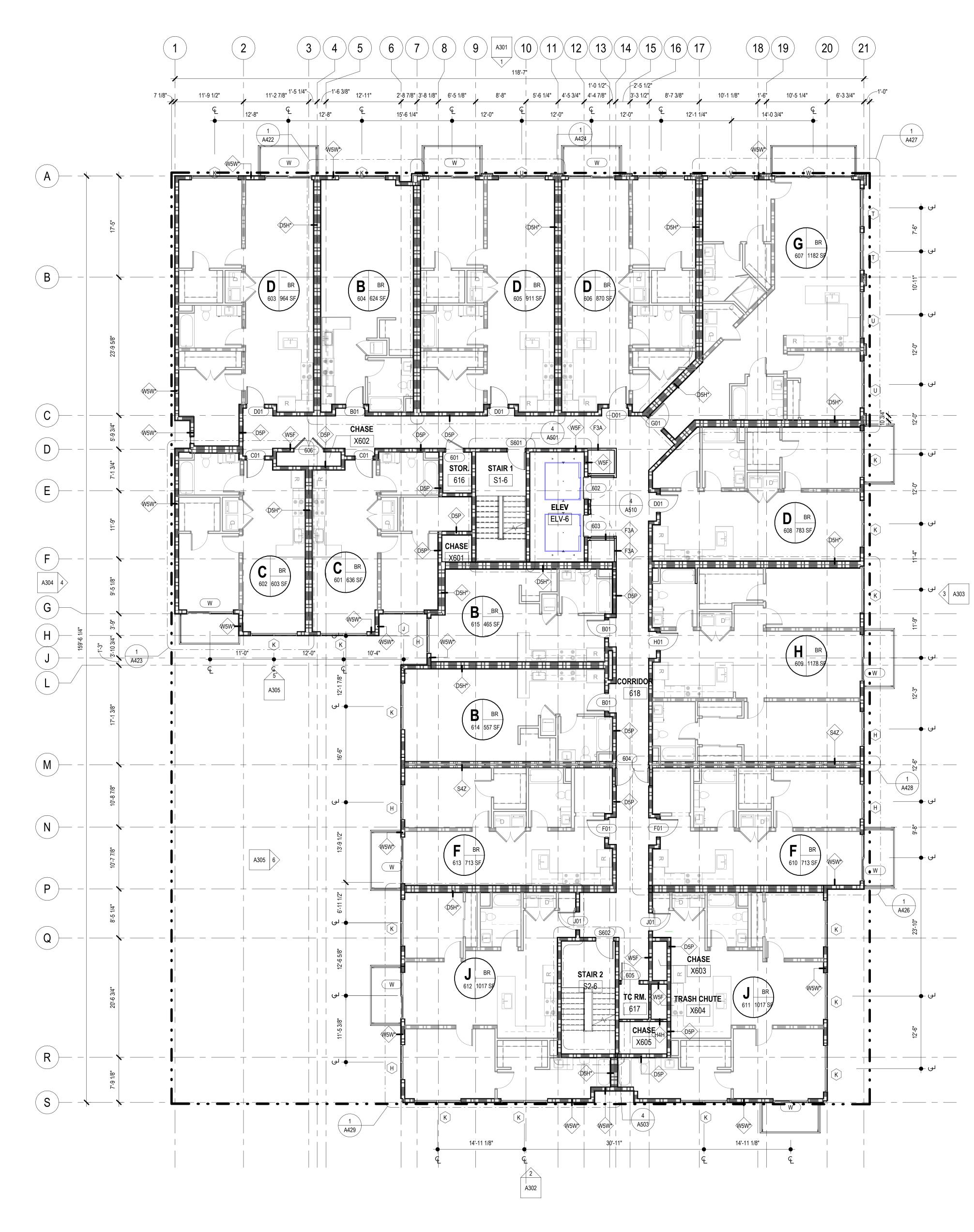
LEGEND - FLOOR PLAN

6'-0"	DIMENSION - DENOTING FACE OF STRUCTURE/FRAMING U.N.O.
6'-0"	DIMENSION - DENOTING CENTERLINE
6'-0"	DIMENSION - DENOTING FACE OF FINISH/CLEAR
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	1 HOUR RATED WALL
	2 HOUR RATED WALL
	3 HOUR RATED WALL
SIM	
A101	BUILDING SECTION REFERENCE
	- DWG. NO.
	- SHEET NO.
SIM	WALL SECTION REFERENCE
A101	- DWG. NO.
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KEYNOTES

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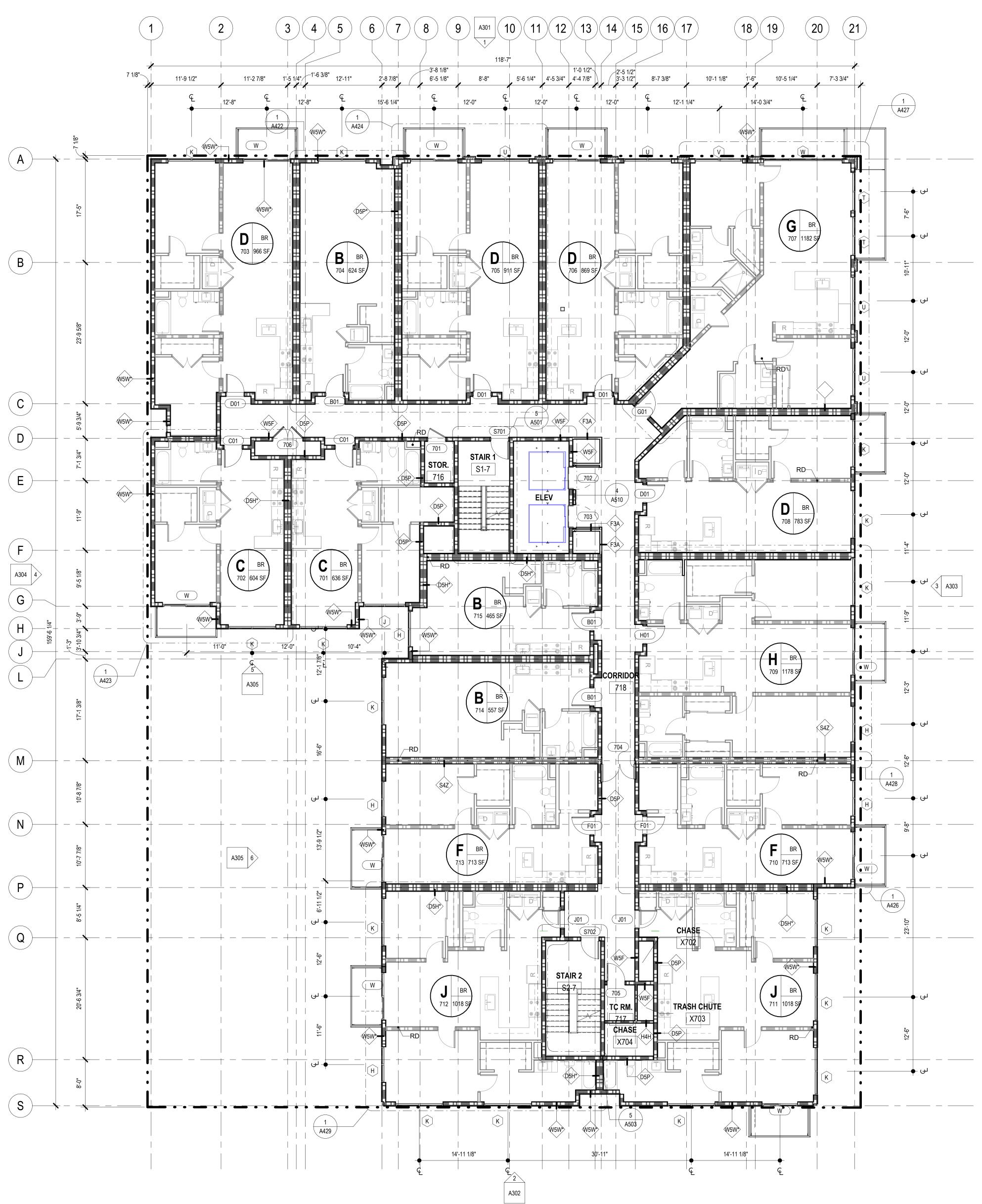
LEGEND - FLOOR PLAN

6'-0"	DIMENSION - DENOTING FACE OF STRUCTURE/FRAMING U.N.O.
6'-0"	DIMENSION - DENOTING CENTERLINE
6'-0"	DIMENSION - DENOTING FACE OF FINISH/CLEAR
0)	GRID LINE REFERENCE - FACE OF STUD
	PEDESTAL PAVERS O/ 2" DEPRESSED STRUCTURAL SLAB SLOPING TO DRAIN
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	SINGLE - PLY ROOF MEMBRANE
	1 HOUR RATED WALL
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	3 HOUR RATED WALL
	BUILDING SECTION REFERENCE
A101	- DWG. NO.
	- SHEET NO.
SIM	
	WALL SECTION REFERENCE
	- DWG. NO.
	- SHEET NO.

KEYNOTES

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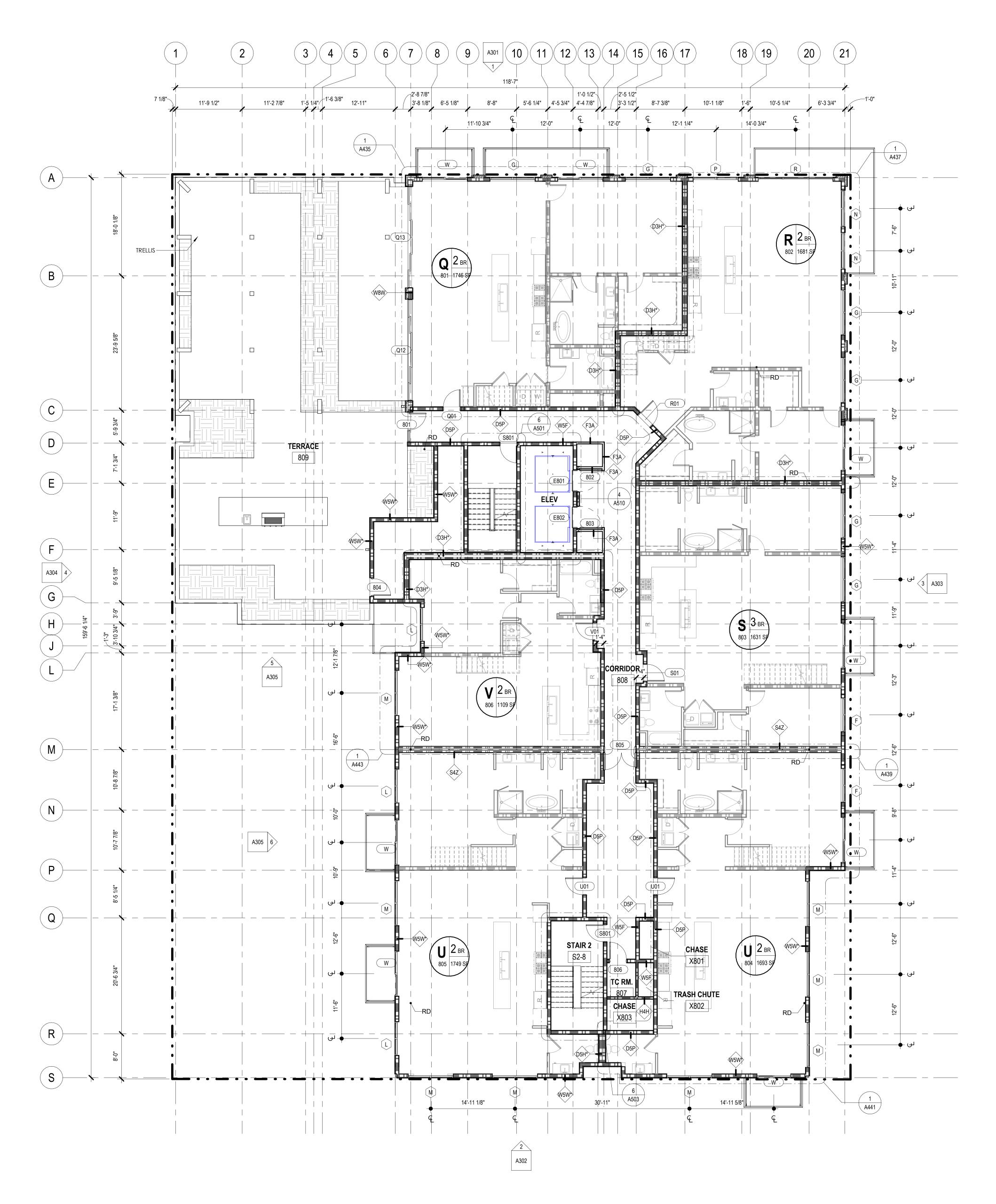
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LEGEND - FLOOR PLAN

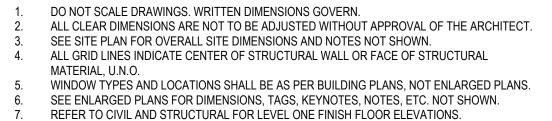
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6'-0"	DIMENSION - DENOTING CENTERLINE
6'-0"	DIMENSION - DENOTING FACE OF FINISH/CLEAR
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	2 HOUR RATED WALL
	3 HOUR RATED WALL
1 SIM A101	BUILDING SECTION REFERENCE DWG. NO. SHEET NO.
1 SIM A101	WALL SECTION REFERENCE DWG. NO. SHEET NO.

KEYNOTES









- 8. SEE FINISH LEGEND FOR TYPICAL FINISHES, U.N.O. 9. SEE REFLECTED CEILING PLANS FOR LOCATIONS AND DIMENSIONS OF SOFFITED AREAS. 10. PROVIDE AND INSTALL 2X FLAT WOOD BLOCKING OR 16GA METAL STRAPPING FOR ALL BATH
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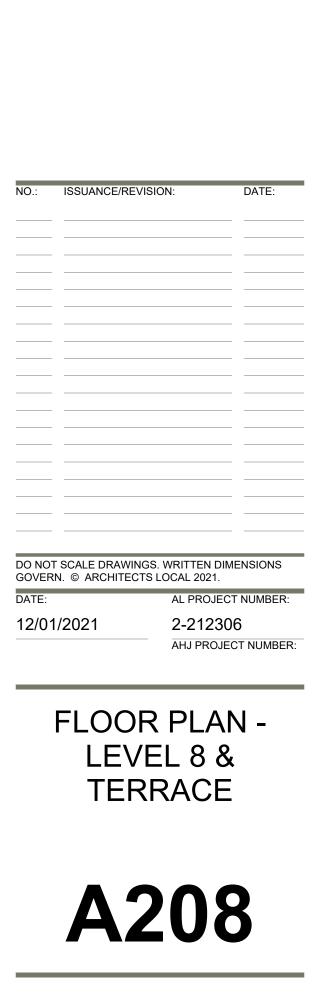
LEGEND - FLOOR PLAN

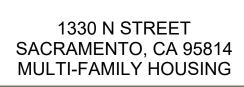
6'-0"	DIMENSION - DENOTING FACE OF STRUCTURE/FRAMING U.N.O.
6'-0"	DIMENSION - DENOTING CENTERLINE
6'-0"	DIMENSION - DENOTING FACE OF FINISH/CLEAR
0	- GRID LINE REFERENCE - FACE OF STUD
	PEDESTAL PAVERS O/ 2" DEPRESSED STRUCTURAL SLAB SLOPING TO DRAIN
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	2 HOUR RATED WALL
	3 HOUR RATED WALL
SIM I	
	BUILDING SECTION REFERENCE
A101	- DWG. NO.
	SHEET NO.
SIM	
A101	WALL SECTION REFERENCE
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KEYNOTES

KEYNOTE KEYNOTE DESCRIPTION







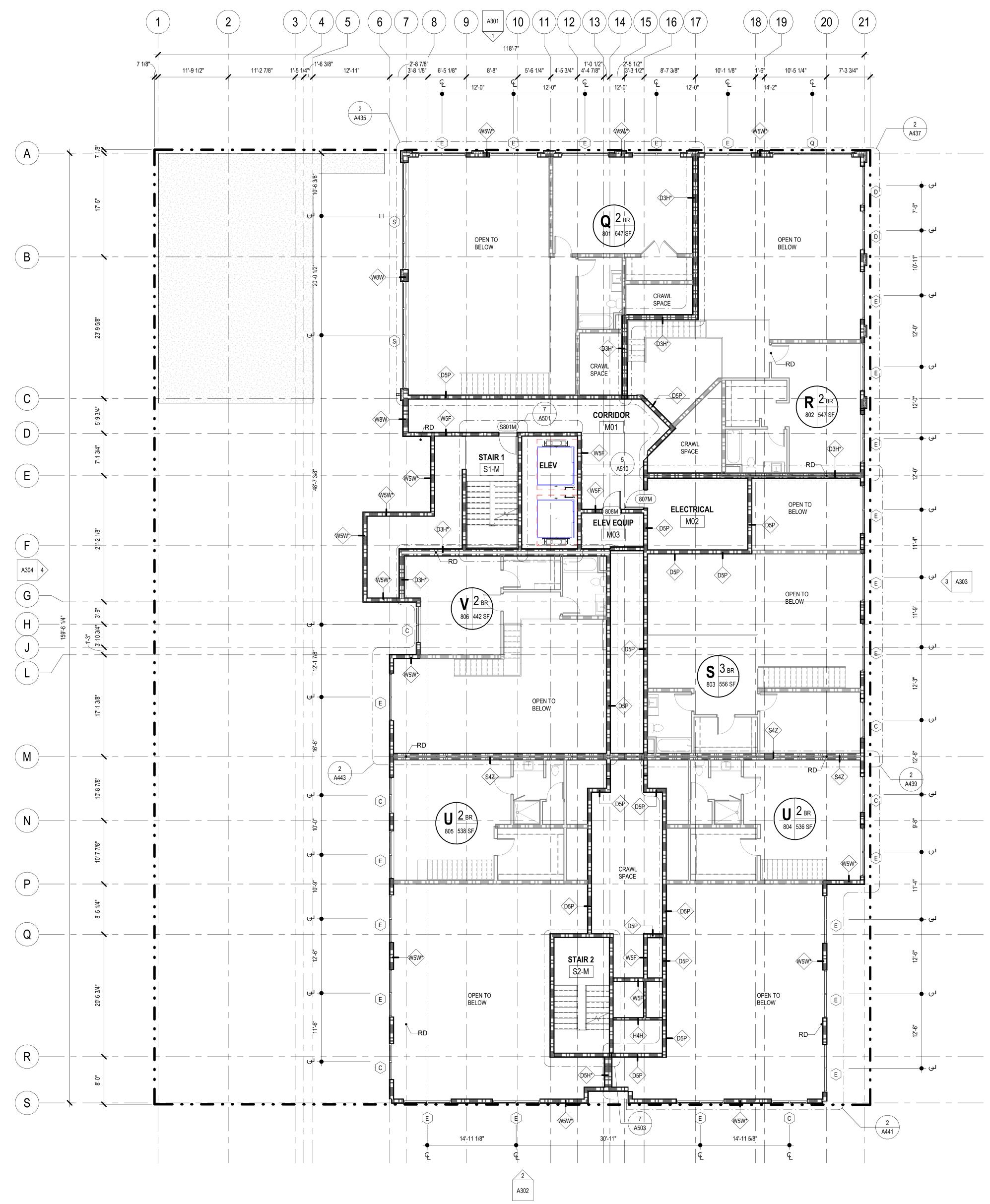


D&S

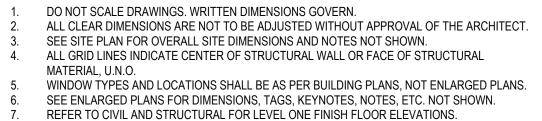
DEVELOPMENT

2715 K STREET, SUITE 250 SACRAMENTO, CA 95816 P: (916) 545-2514 WWW.ARCHITECTSLOCAL.COM

DESIGNERS ARCHITECTS BUILDERS







- 8. SEE FINISH LEGEND FOR TYPICAL FINISHES, U.N.O. 9. SEE REFLECTED CEILING PLANS FOR LOCATIONS AND DIMENSIONS OF SOFFITED AREAS. 10. PROVIDE AND INSTALL 2X FLAT WOOD BLOCKING OR 16GA METAL STRAPPING FOR ALL BATH
- ACCESSORIES, HANDRAILS, CABINETS, TOWEL BARS, WALL MOUNTED FIXTURES AND ANY OTHER ITEMS ATTACHED TO WALLS.
- 11. ALL UNITS ARE ADAPTABLE UNLESS NOTED OTHERWISE AND SHALL MEET REQUIREMENTS PER CBC 11B-233.3.1.2. SEE ENLARGED PLANS FOR MORE INFORMATION.



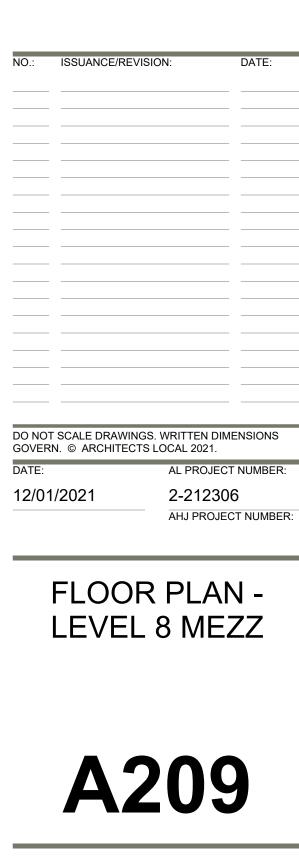
LEGEND - FLOOR PLAN

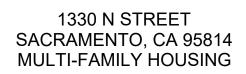
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6'-0"	DIMENSION - DENOTING CENTERLINE
6'-0"	DIMENSION - DENOTING FACE OF FINISH/CLEAR
0)	GRID LINE REFERENCE - FACE OF STUD
	PEDESTAL PAVERS O/ 2" DEPRESSED STRUCTURAL SLAB SLOPING TO DRAIN
	PLANTING, SEE LANDSCAPE
	WALK OFF MAT
	ELECTRICAL PAD
	SINGLE - PLY ROOF MEMBRANE
	1 HOUR RATED WALL
	2 HOUR RATED WALL
	3 HOUR RATED WALL
1 SIM	BUILDING SECTION REFERENCE
A101	– DWG. NO.
	- SHEET NO.
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	WALL SECTION REFERENCE
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	- SHEET NO.

KEYNOTES

KEYNOTE KEYNOTE DESCRIPTION







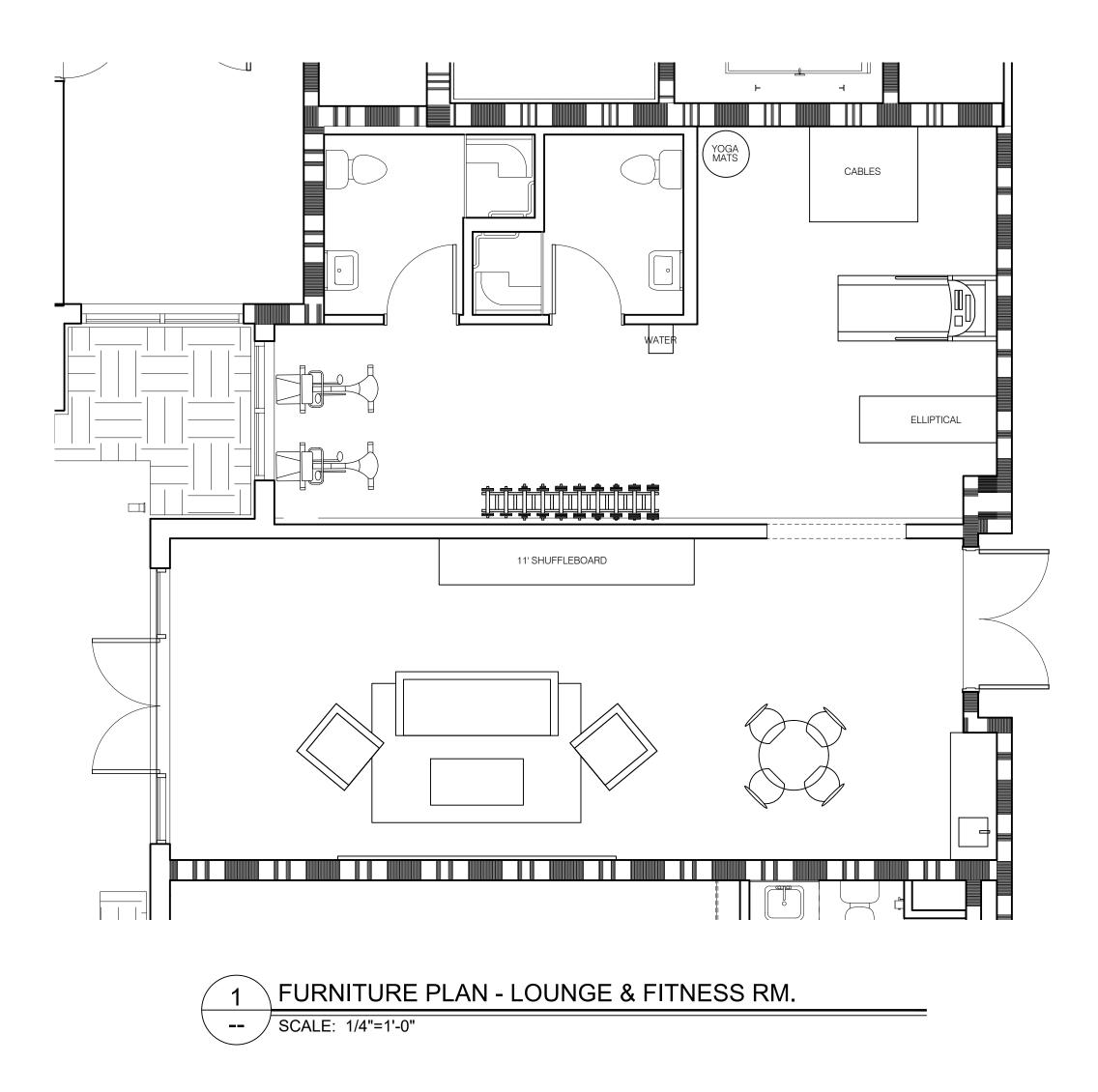


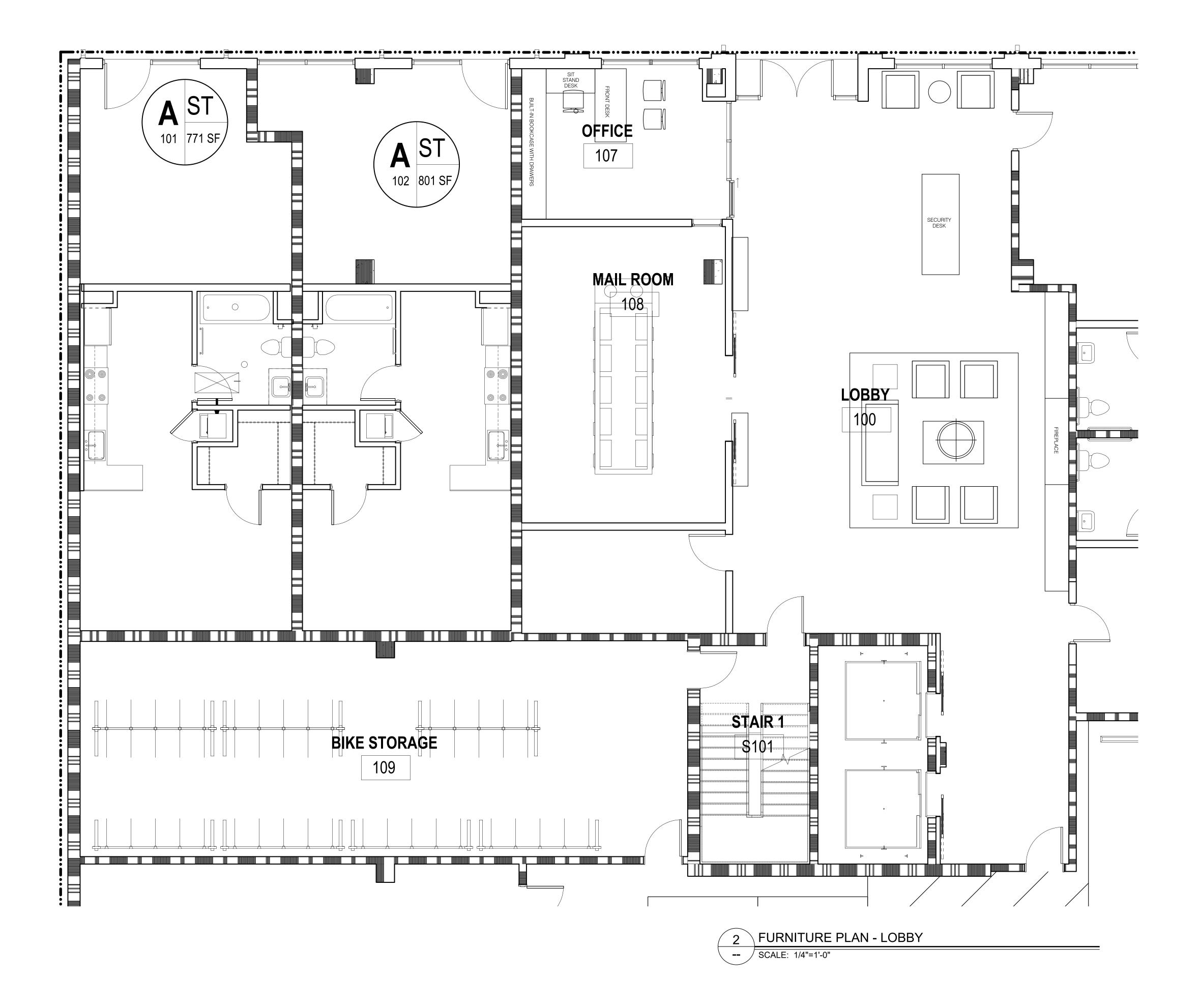
1725 CAPITOL AVE.

D&S DEVELOPMENT

2715 K STREET, SUITE 250 SACRAMENTO, CA 95816 P: (916) 545-2514 WWW.ARCHITECTSLOCAL.COM

DESIGNERS ARCHITECTS BUILDERS BUILDERS









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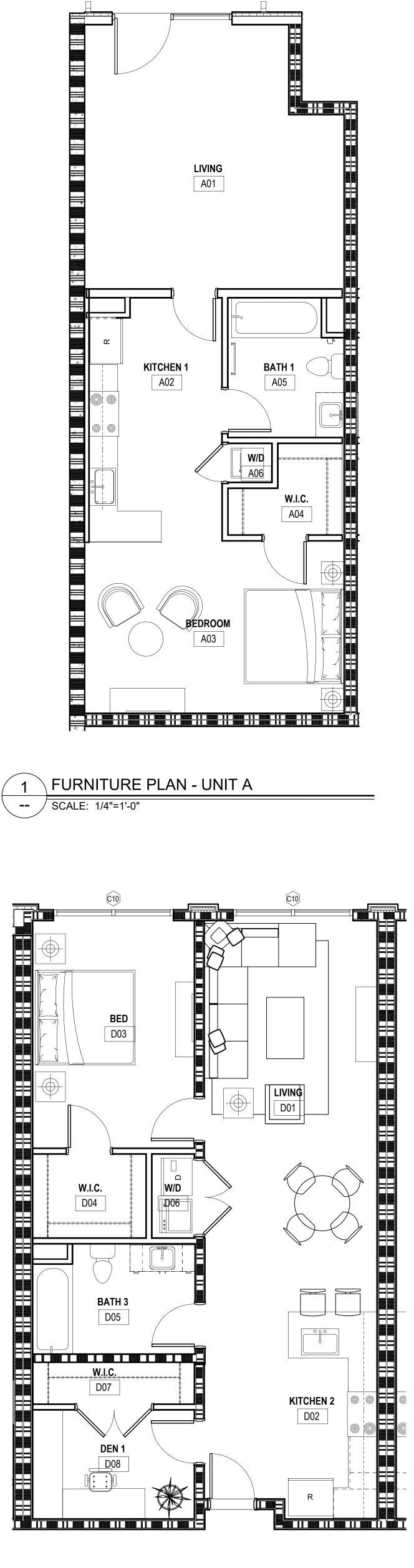


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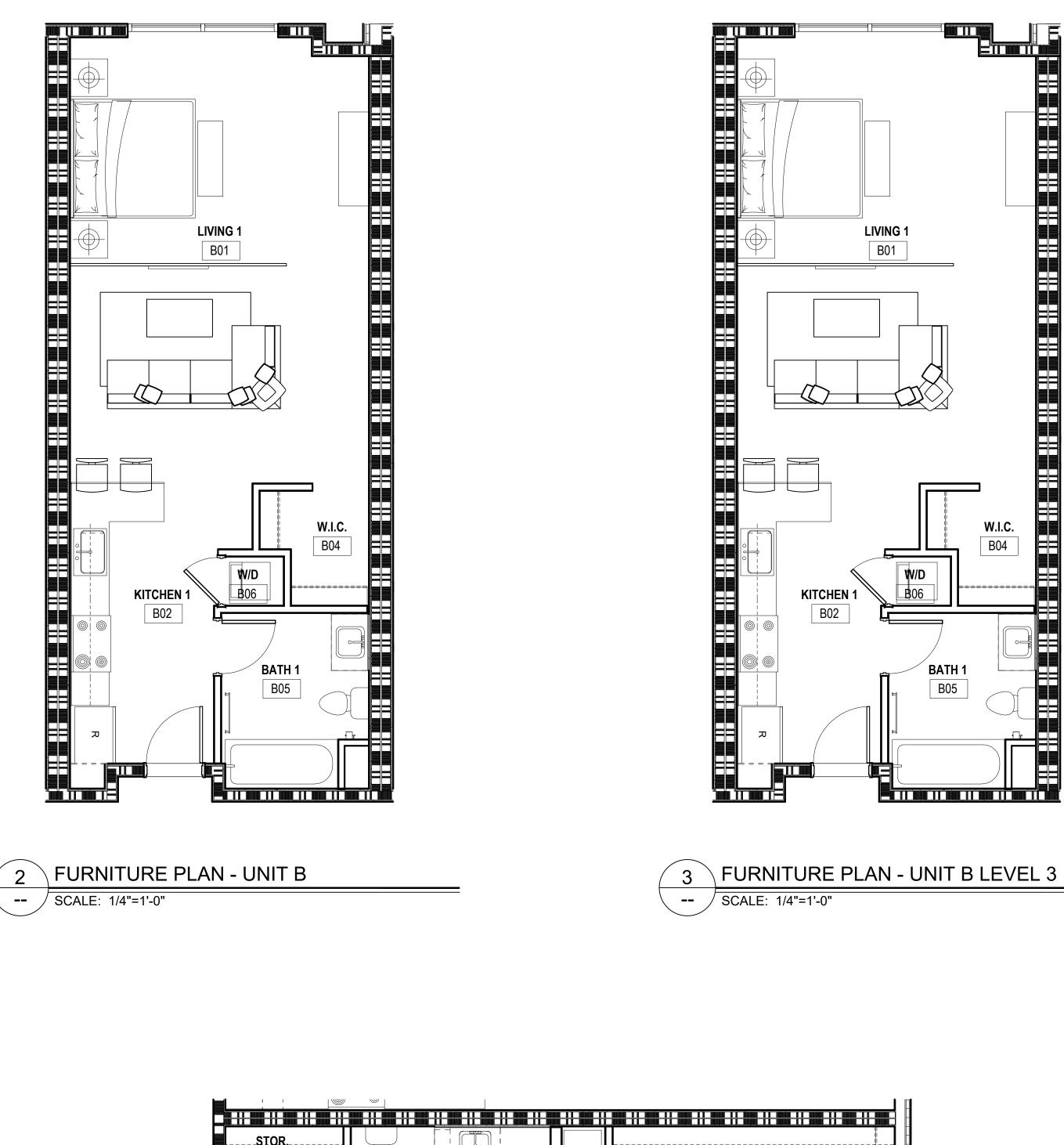
Development

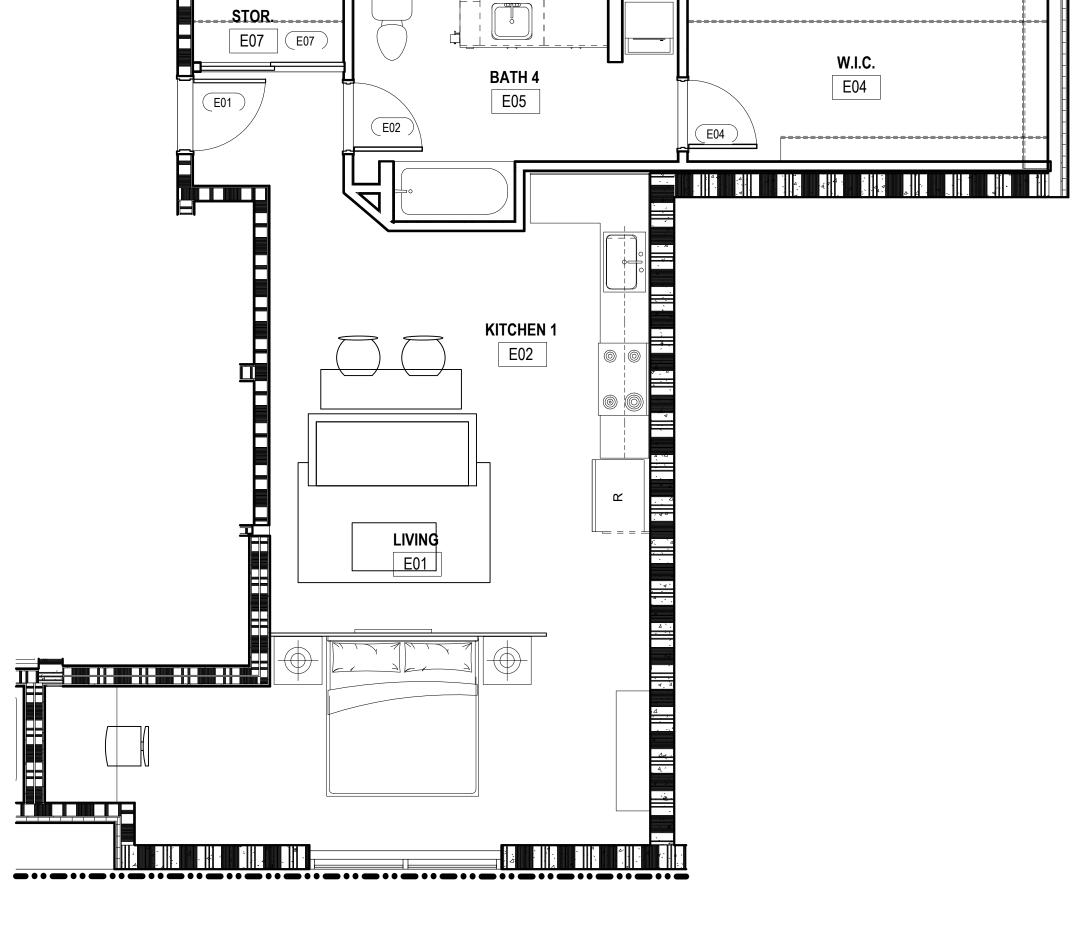


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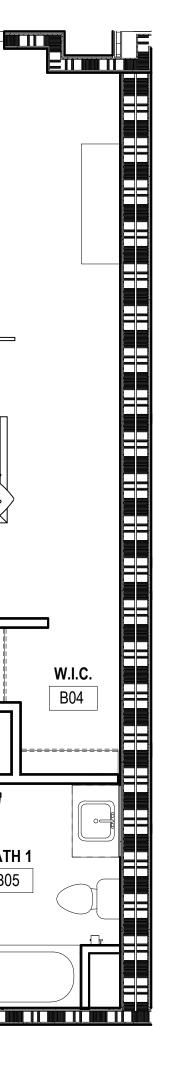






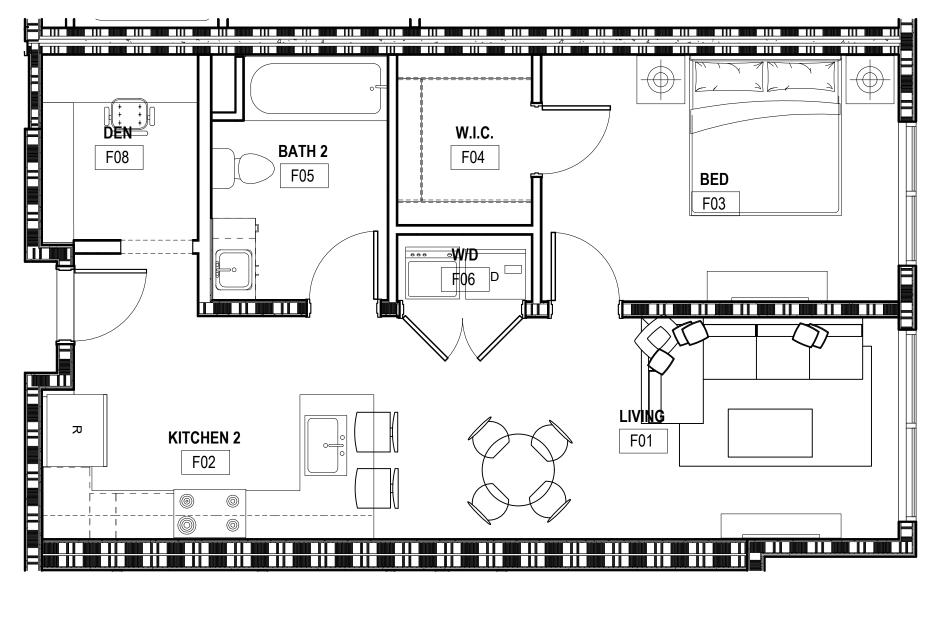






BATH 2 C05 **W.I.C. 1** ∣°₩/D_ **KITCHEN 1** C06 C02 BED 1 C03 LIVING 1 C01





FURNITURE PLAN - UNIT F -- SCALE: 1/4"=1'-0"

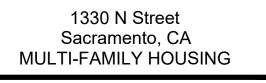




FURNITURE PLANS	
UNITS A-F	

	CALE DRAWINGS. © ARCHITECTS L		NSIONS
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NO.:	ISSUANCE/REVISION:	DATE:





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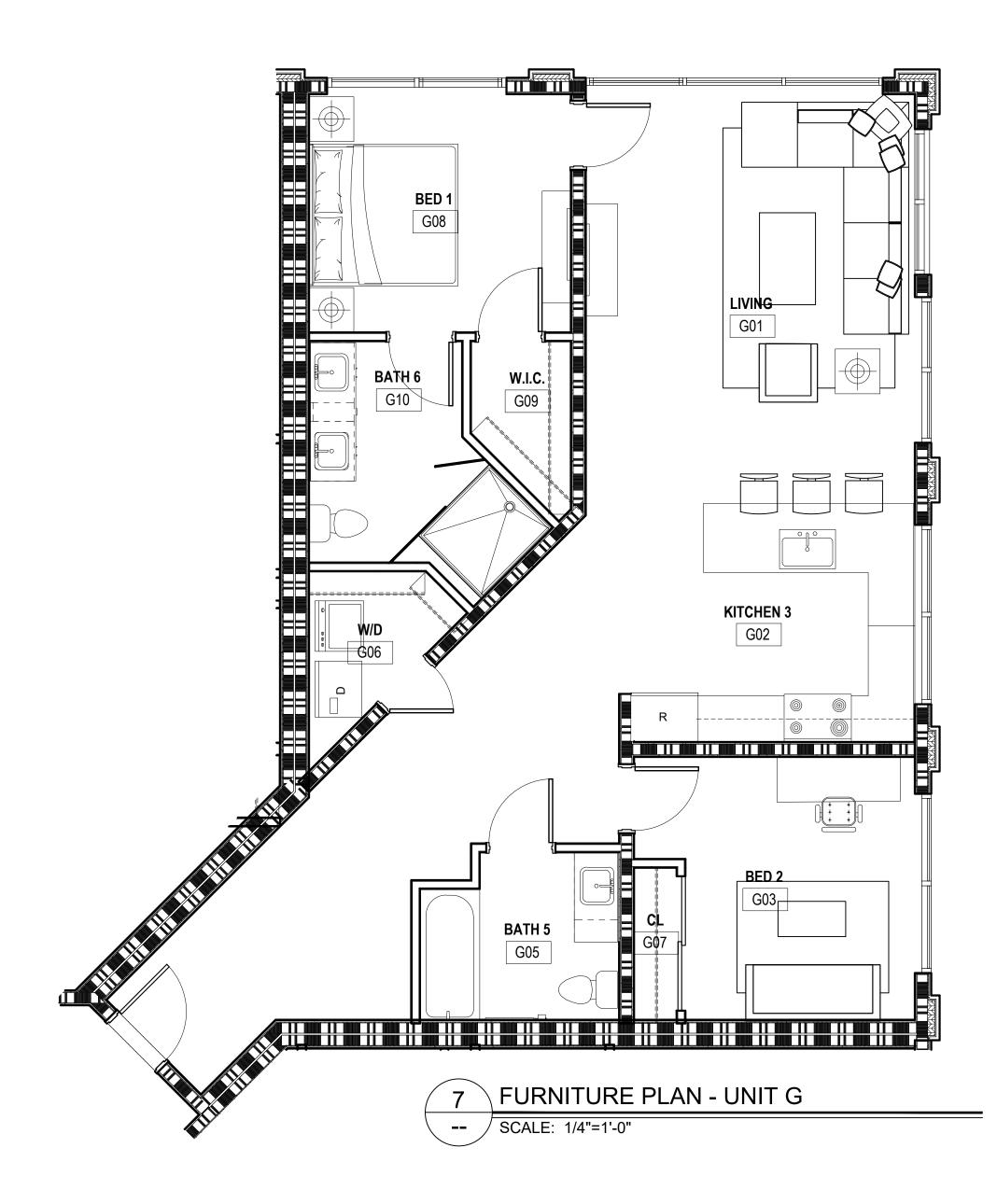
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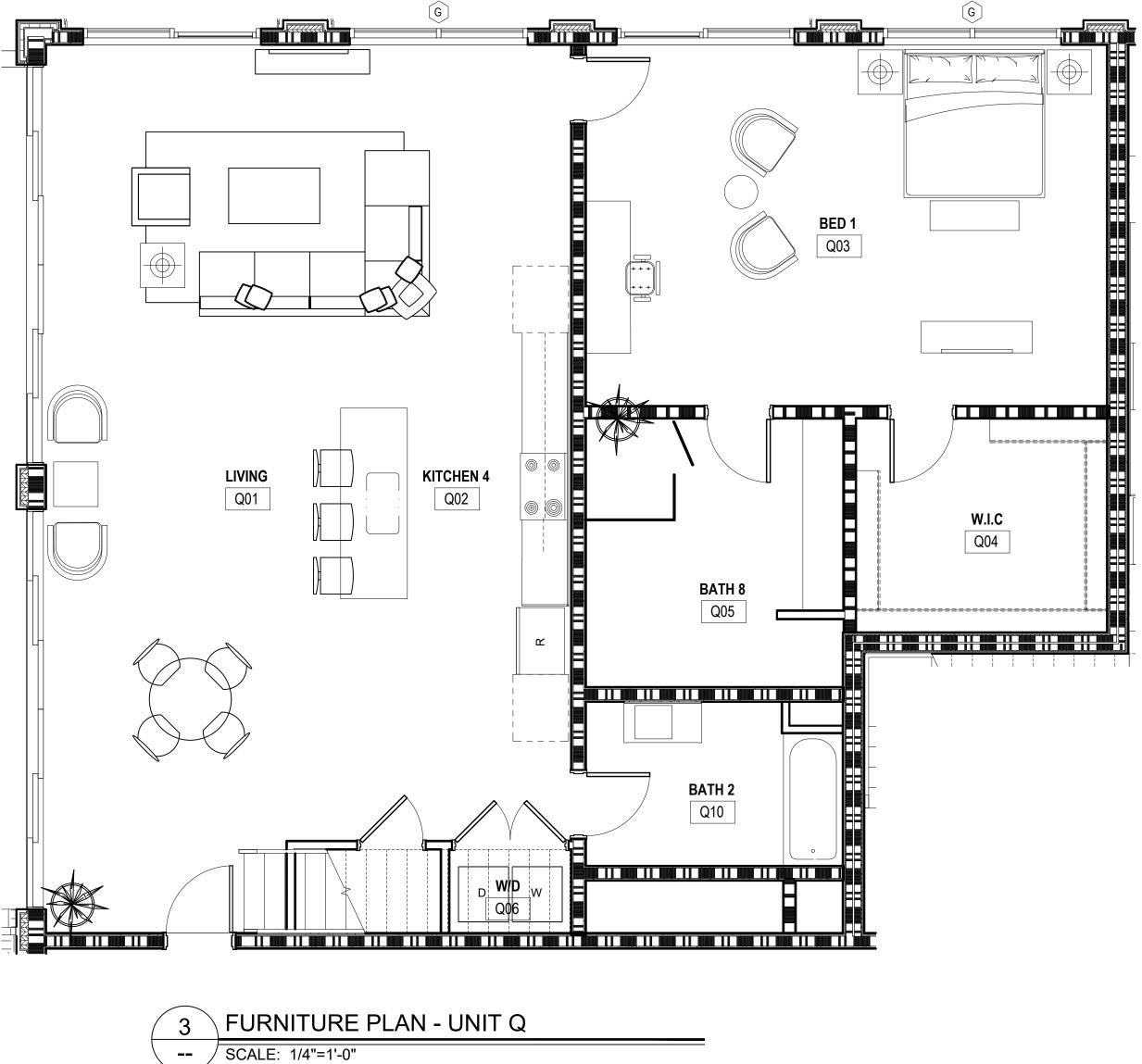
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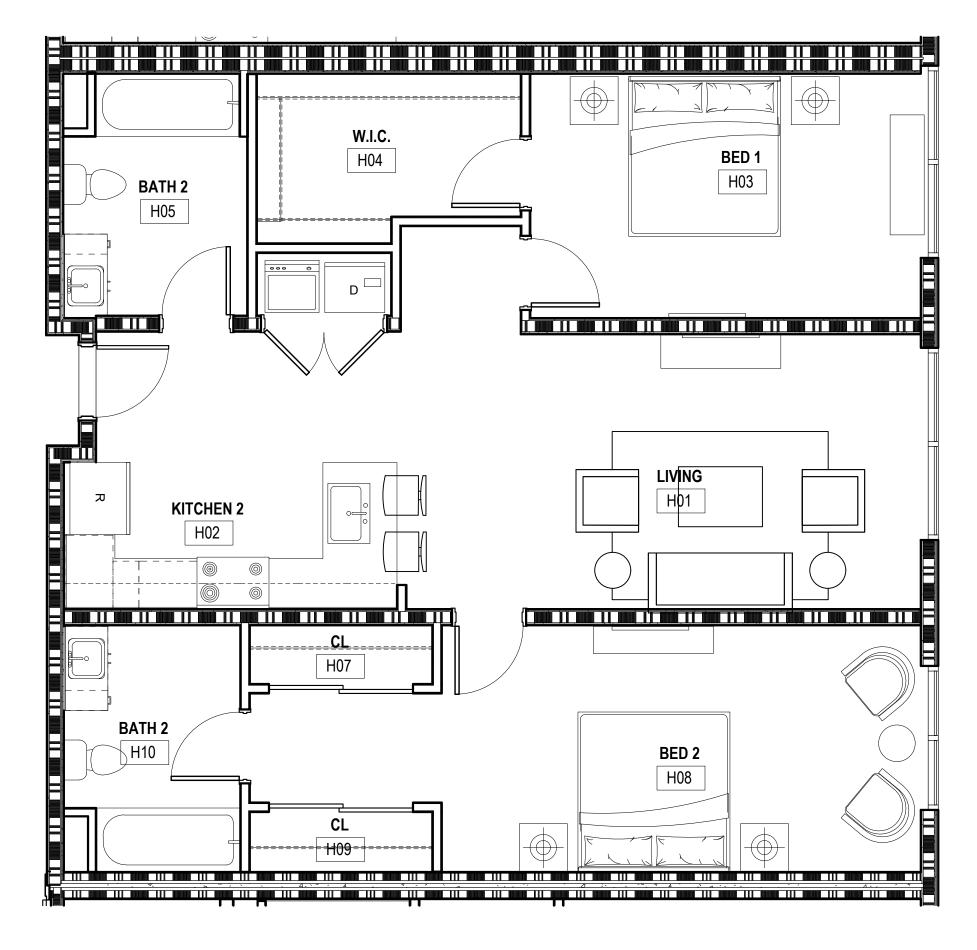
DEVELOPERS DESIGNERS ARCHITECTS BUILDERS INVESTORS

2715 K Street, Suite 250

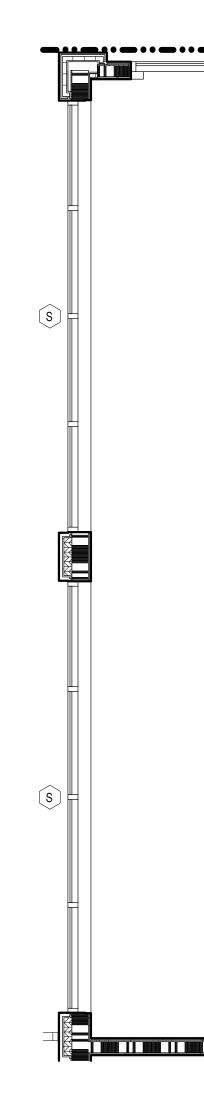
Sacramento, CA 95816

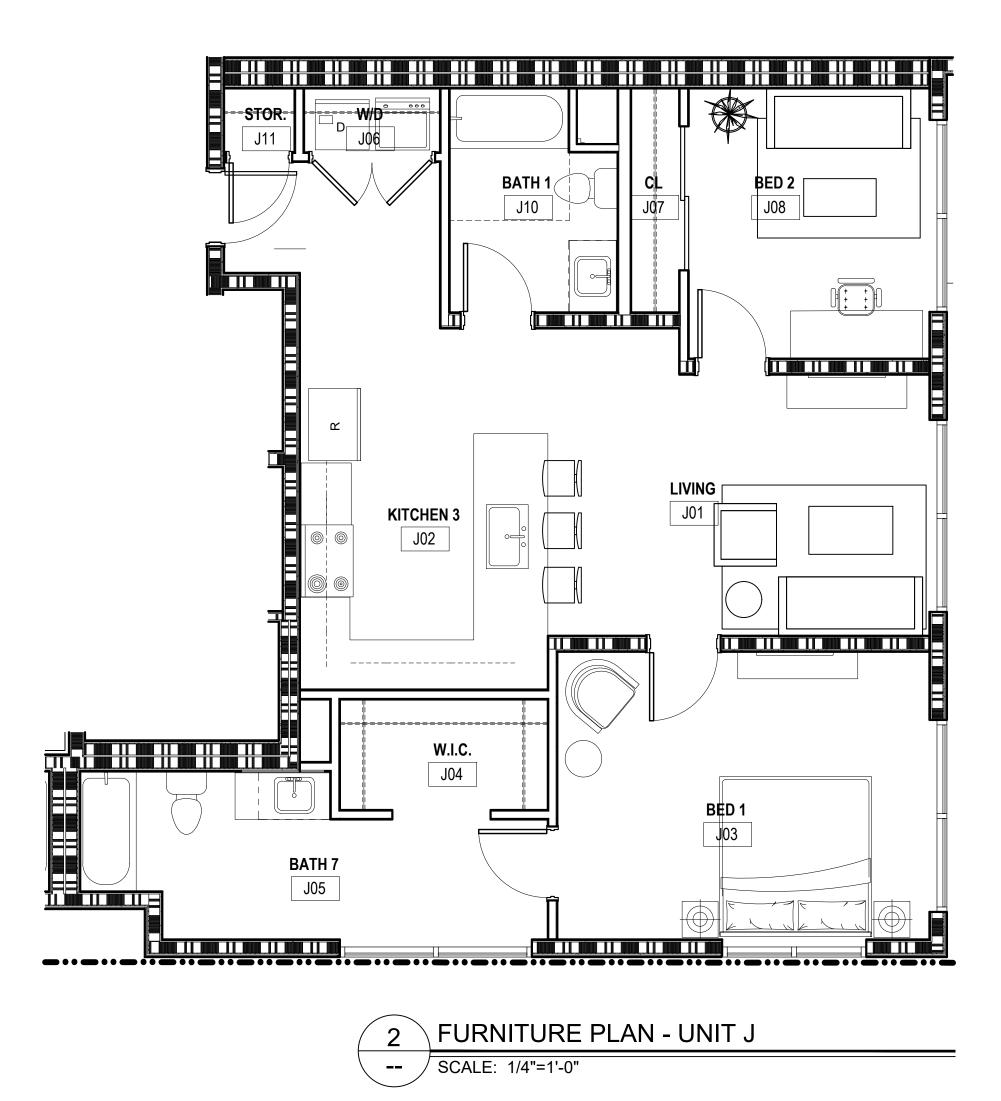


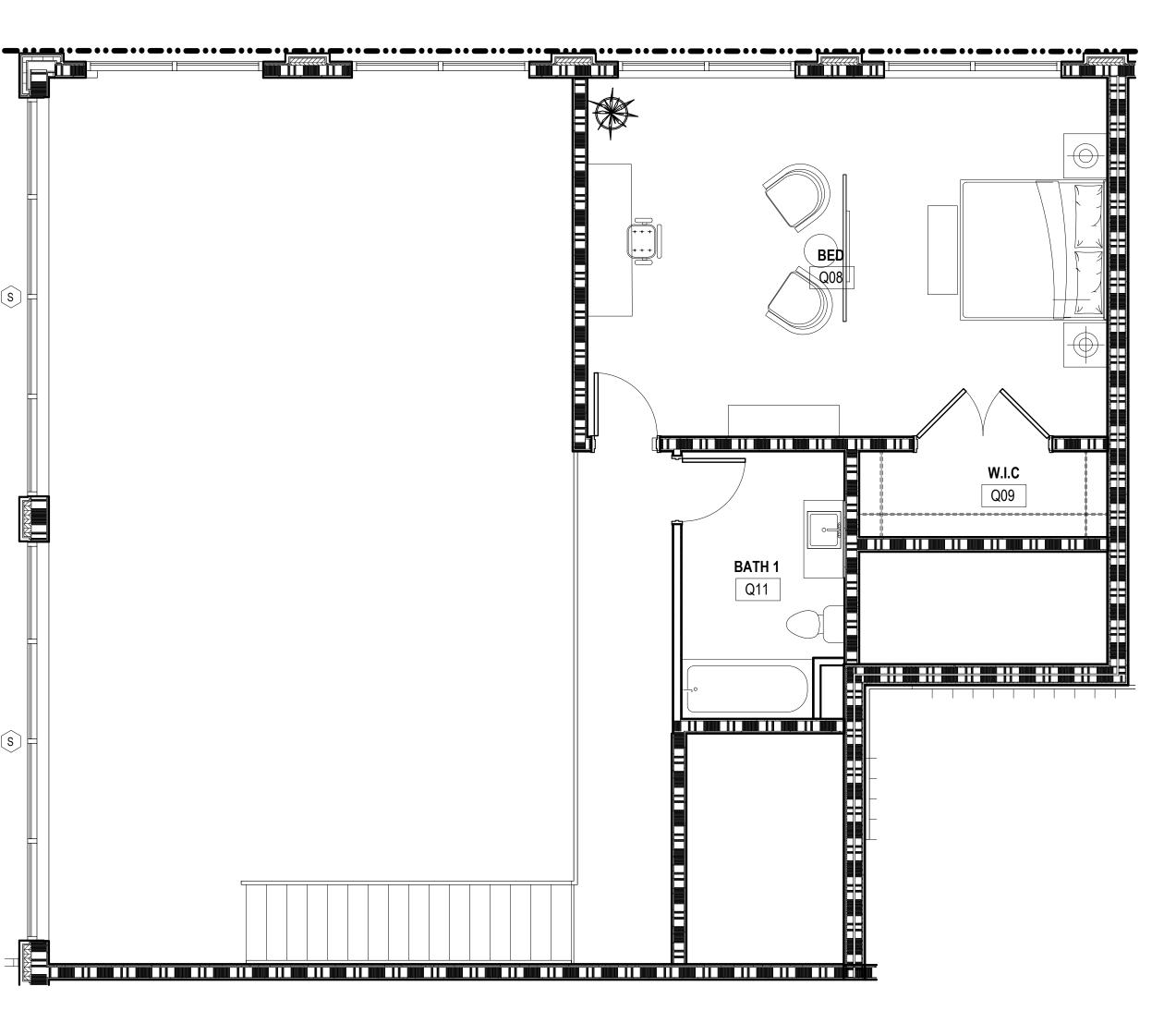




1 FURNITURE PLAN - UNIT H -- SCALE: 1/4"=1'-0"







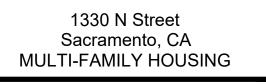




FURNITURE PLANS -
UNITS G-Q

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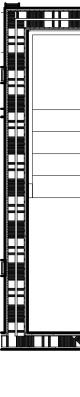
Development

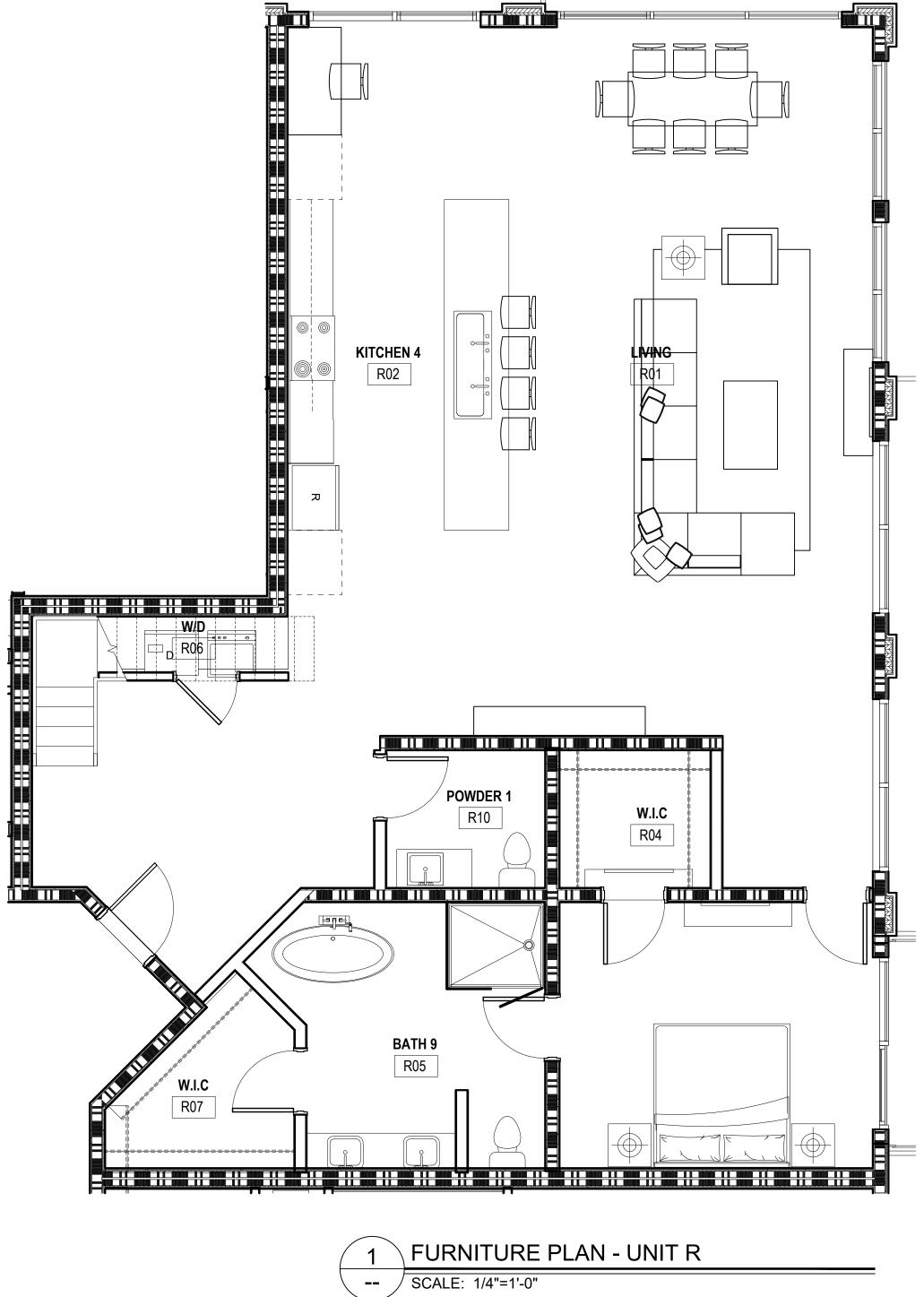




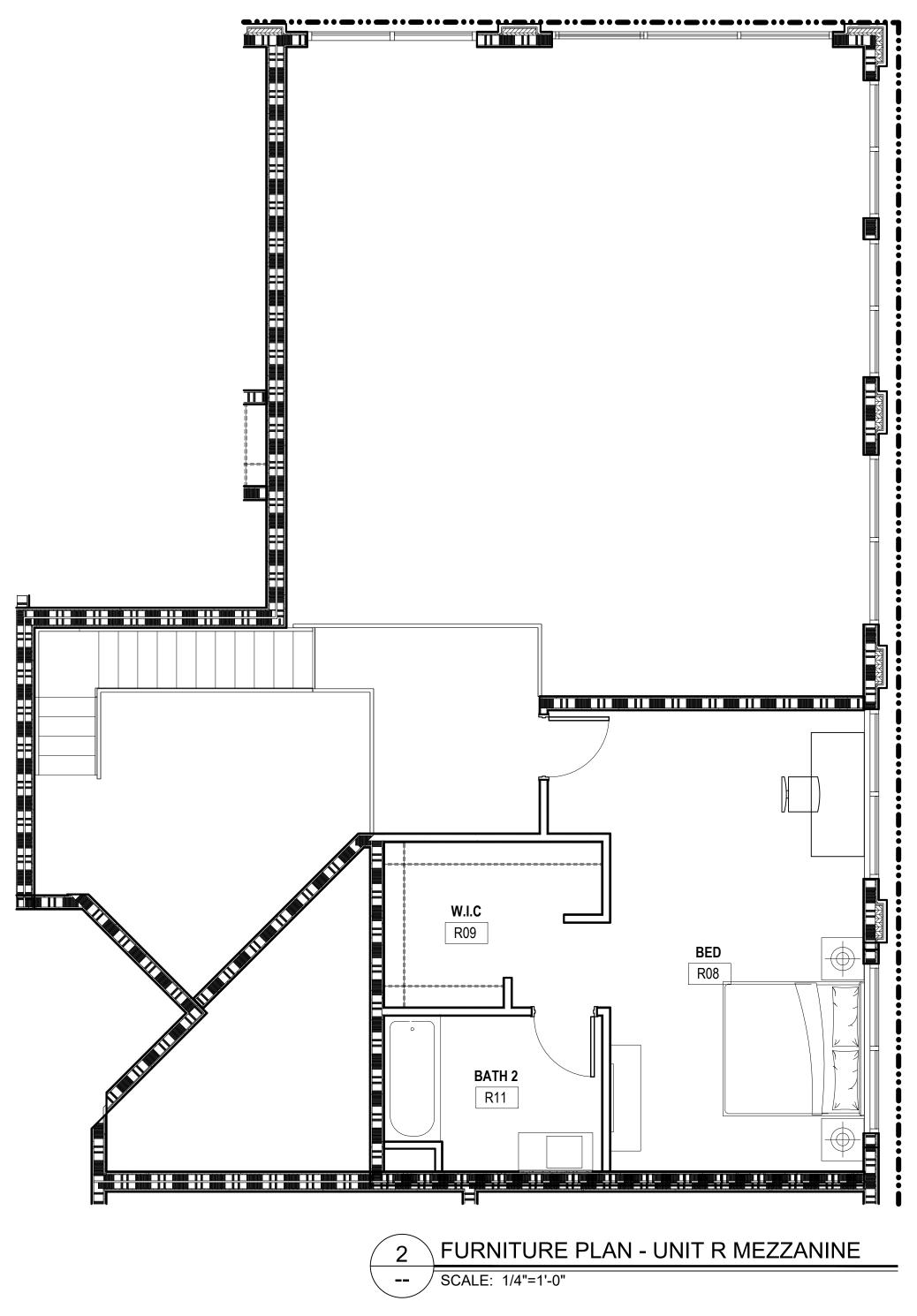
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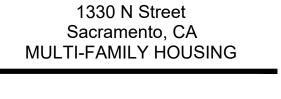






FURNITURE PLANS	
UNIT R	

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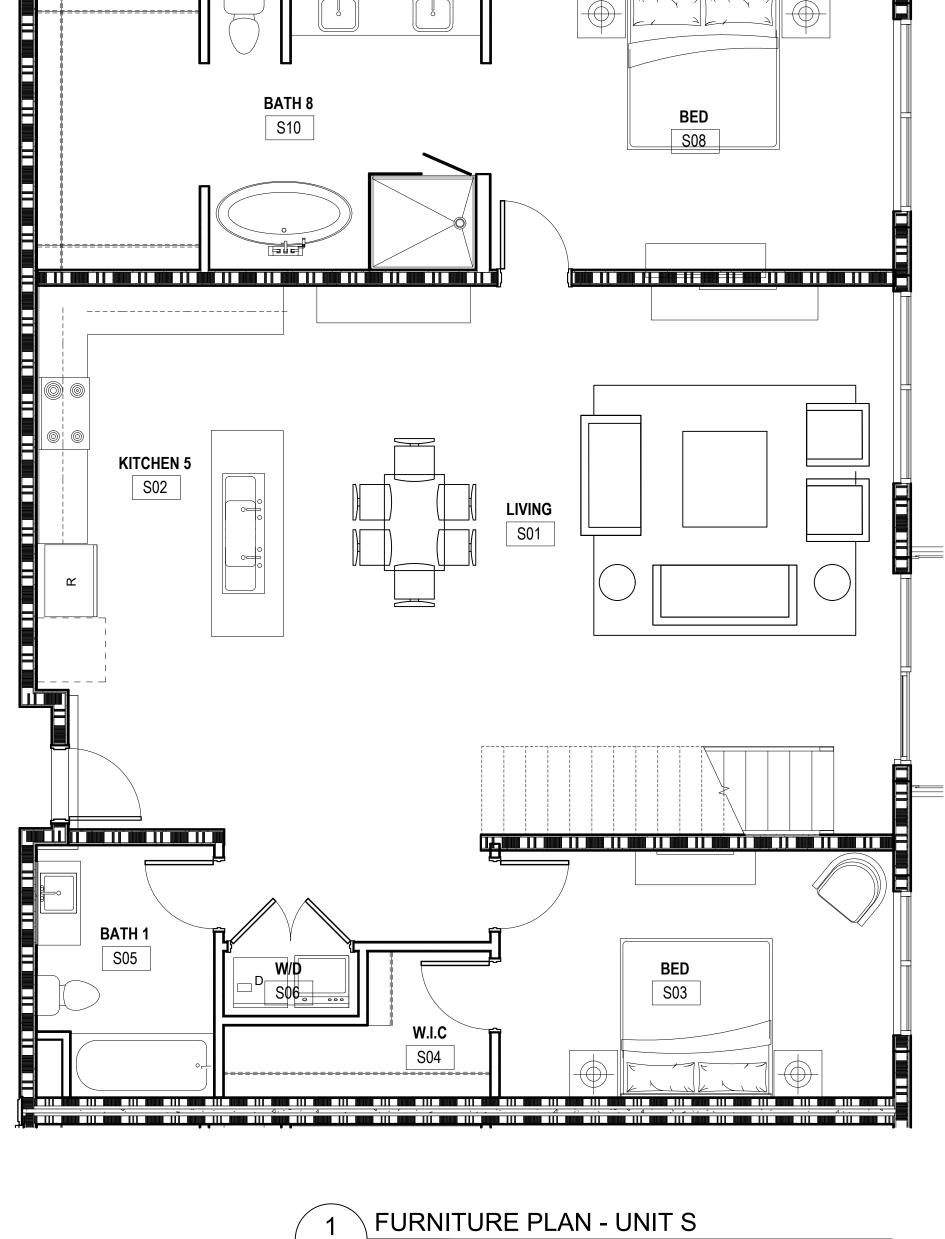
Development

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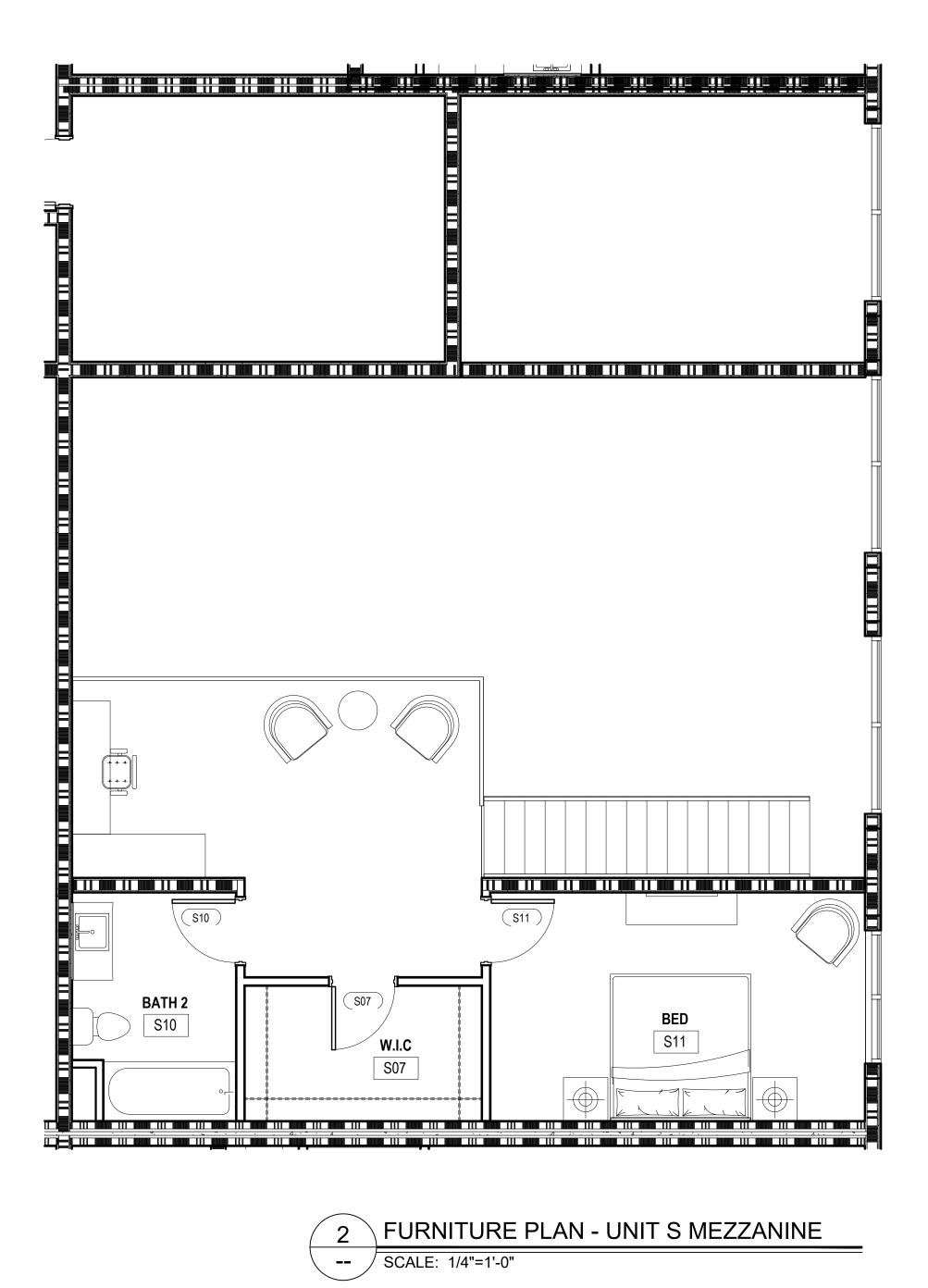
DEVELOPERS DESIGNERS ARCHITECTS BUILDERS BUILDERS

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2715 K Street, Suite 250 Sacramento, CA 95816



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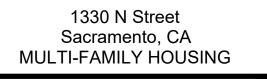
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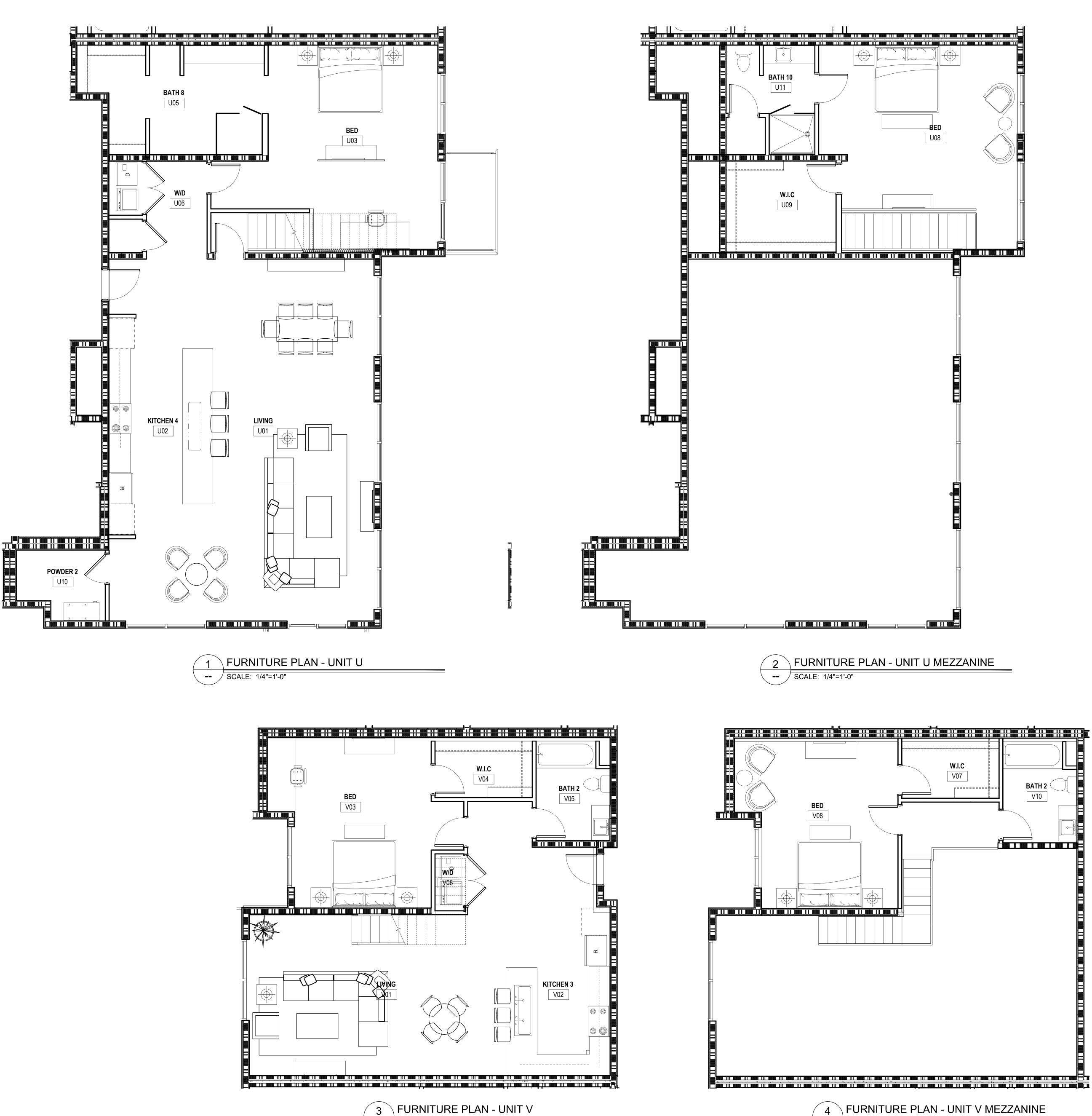
710 13th Street, Ste. 307 San Diego, California 92101

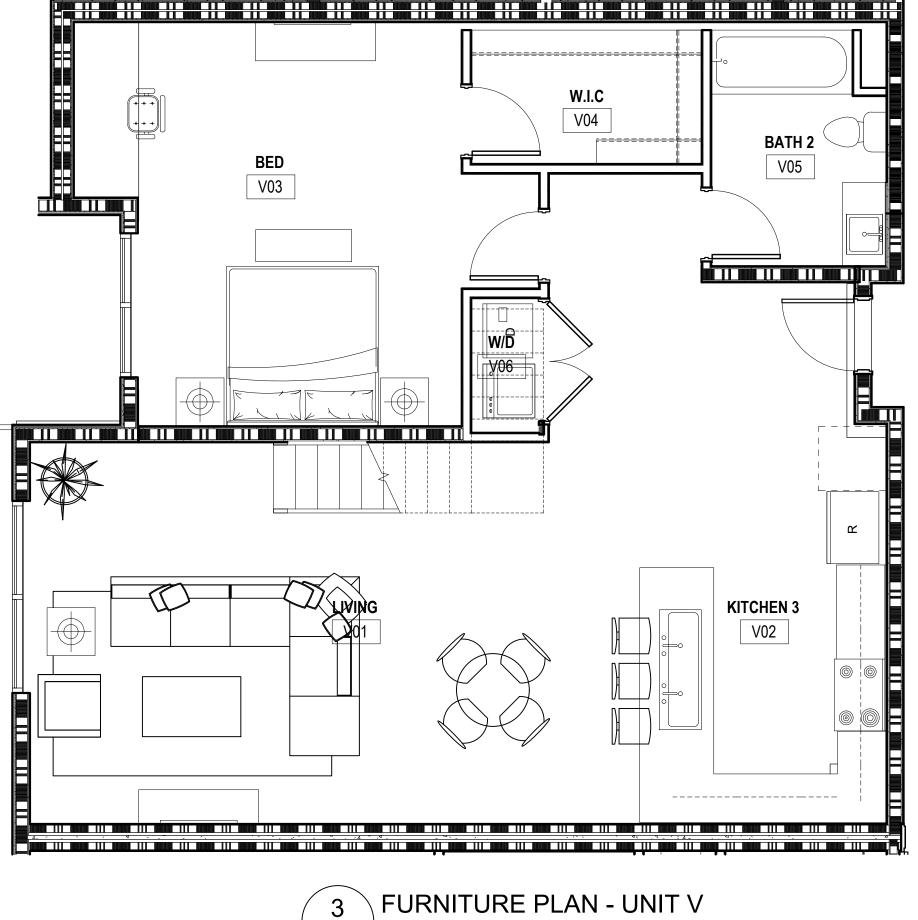
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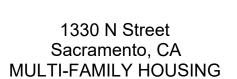
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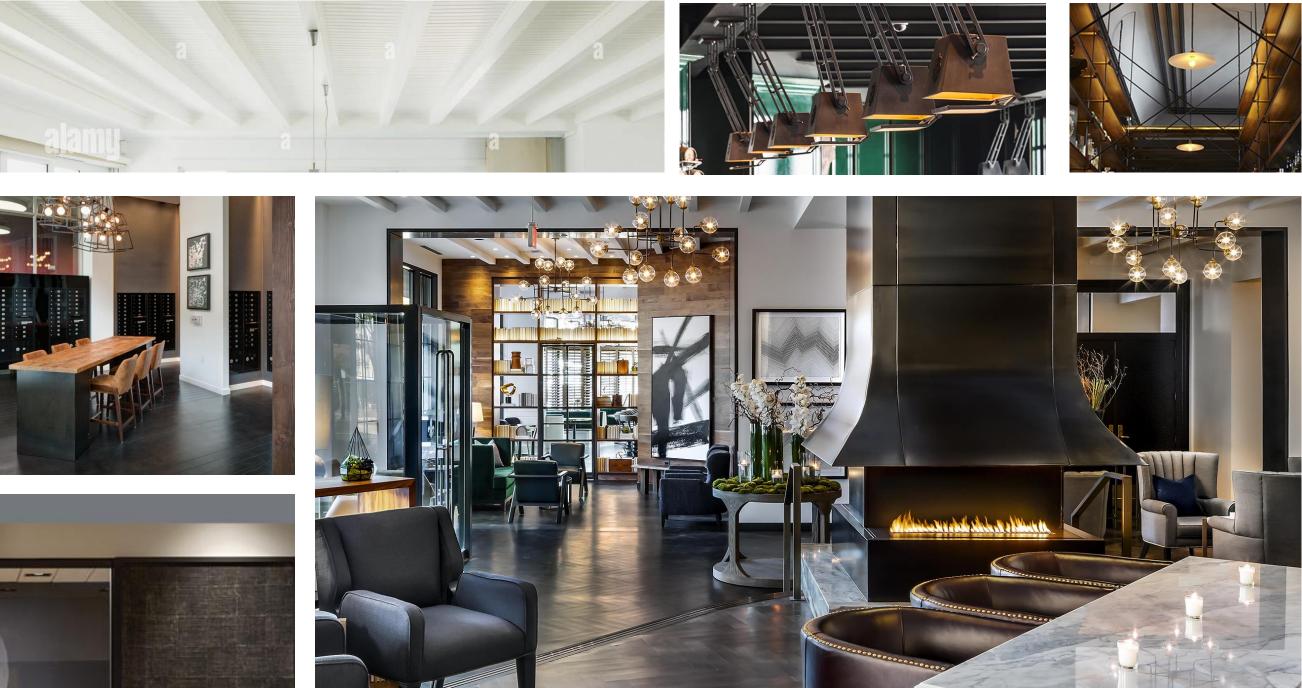
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CYPRESS - LOBBY













Attachment 3





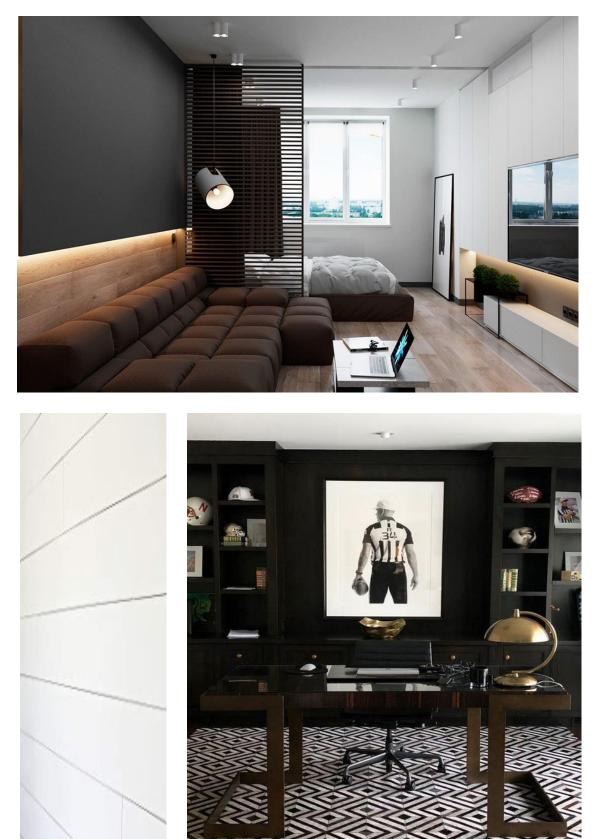


CYPRESS – APARTMENT/ CONDO













RESOLUTION NO. 22 - 05

January 14, 2022

Adopted by the Capitol Area Development Authority

RESOLUTION APPROVING THE DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) FOR CYPRESS (SOUTHWEST CORNER OF 14th AND N STREETS, FORMERLY CADA SITE 21) WITH WEST BROADWAY 2019 INVESTMENTS LLC

WHEREAS, on March 19, 2021, the Board approved an Exclusive Negotiating Agreement (ENA) between CADA and Developer and directed CADA staff to prepare a Disposition and Development Agreement (DDA) between CADA and Developer consistent with the substantive terms of the ENA; and

WHEREAS, on March 19, 2021, the CADA Board approved the Preliminary Schematic Design for a 99-unit condominium and rental project; and

WHEREAS, the CADA staff, CADA Counsel and Developer have prepared a DDA; and

WHEREAS, Developer has presented the 100% Design Development Documents for a 96-unit rental and condominium project that is substantively consistent the previously approved Preliminary Schematic Design, and is attached as an exhibit to the DDA.

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

1. Approves the DDA between CADA and with West Broadway 2019 Investments LLC (D&S Development), and directs the Executive Director to execute the DDA.

Ann Bailey, Chair

ATTEST:

Tara Gandara Secretary to the Board of Directors



January 7, 2022

TO:

CADA Board of Directors

SUBJECT: January 14, 2022 Board Meeting AGENDA ITEM 8 ENVISION O STREET PLAN CONSTRUCTION DOCUMENTS 900 BLOCK– APPROVAL OF CONTRACT (7TH TO 17TH STREETS)

CONTACT: Marc de la Vergne, Deputy Executive Director

RECOMMENDED ACTION:

Staff recommends the Board authorize the Executive Director to enter into a contract with Atlas Lab to prepare construction drawings for the 900 block of O Street.

BACKGROUND

In November 2017, staff issued a Request for Proposals seeking design firm bids to prepare a streetscape design concept plan for O Street.

In February 2018, the Board selected MIG to provide the requested services.

MIG completed preparation of a draft Design Framework for O Street in September 2019, which staff presented to the CADA Board for review and comment at the October 2019 Board meeting.

Based on CADA Board review and comment at the October 2019 Board meeting, staff finalized the Envision O Street Concept Plan in March 2020.

The Board provided its final review and acceptance of the Plan in April 2020.

In October 2020, following a delay caused by the onset of the Covid-19 Pandemic, CADA entered into contracts with Atlas Lab and with Miridae to prepare schematic-level design drawings for the 900 block of O Street for the purpose of advancing MIG's concept-level drawings and to give key stakeholders such as the Department of General Services, Regional Transit and the City of Sacramento the basis for their reviews of the proposed design direction for the 900 block. Atlas Lab's contract was for hardscape design and Miridae's was for the softscape.

Staff and the consultants presented the schematic designs to RT, the City and DGS in June 2021 and to the general public in August and September by means of an online survey.

Atlas and Miridae presented the schematic design-level drawings to the Board at the December CADA Board meeting.

In October 2021, staff invited Miridae and Atlas to submit proposals to advance the schematic drawings to 100%-level construction drawings.

ANALYSIS

Having presented the 900 O Block schematic design to the key stakeholders and to the CADA Board, the next step in implementing the 900 Block portion of the Envision O Street Plan is to advance the schematic design to a completed set of construction drawings that can be reviewed by the City; priced; value engineered, if necessary, to fit the CADA budget; and then bid out. The approximate timeline is as follows:

50% Design Development Drawings to CADA	12/22
CD Kickoff	week of 1/17
50% CD/100% DD Submittal (3 weeks)	2/4
CADA and Stakeholders' Review (1 week)	
90% CD Submittal (4 weeks)	3/11
Cost Estimating by Contractor (2 wks)	3/25
CADA and Stakeholders' Review (2 wks)	
100% CD/Permit Submittal (2 wks)	4/22

To meet this timeline, staff asked Atlas Lab and Miridae to submit fee proposals for the remaining design work. Atlas's bid was \$78,735 for the hardscape design and Miridae's was \$16,080 for the softscape design. The total for the two firms' work is \$94,815. The fee amounts include bid support during bidding and construction observation and reporting during construction.

Attachment 1 contains the design presentation staff and its consultants made to the Board on December 10. The consultants' proposals reflect the cost to prepare construction drawings based on the schematic design shown on page 10 and the succeeding pages of that presentation. The key components include the following:

- 1. Ray Eames Interpretive Signage
- 2. Flexible Plaza with Shade Trees 9th & O
- 3. Additional Plaza with Shade Trees 10th & O
- 4. Pedestrian Safety
- 5. Conversion of Turf to Native Planting
- 6. Resource Markers
- 7. Art Locations
- 8. Micro Retail Siting and Infrastructure

Once the drawings reach the 90% level of completion, the design team will submit them to the City of Sacramento for design review. The expectation is that three cycles of review will occur and the consultants' scopes of work reflect this. Once the final review cycle has been completed, the drawings will be ready to be bid. The contracts will also include design team assistance during bidding. Once a construction contract has been bid out by CADA, the consultants' scopes of work will include construction period oversight to ensure the work is consistent with the drawings and is of high quality.

FINANCIAL IMPACT

The two contracts' values total \$94,815. CADA's FY 21-22 O Street development budget includes \$268,000 for professional services, and \$125,000 specifically for design of the 900 block, so the proposed fees for the 900 O Street construction drawings fall well within that budget.

POLICY

CADA policy requires any contract with a value in excess of \$50,000 to be authorized by the CADA Board before the Executive Director or her designee may sign it. Atlas's contract would be for \$78,735. Accordingly, staff is seeking Board authorization to enter into a contract with Atlas. Miridae's contract would be for \$16,080 and thus does not require Board approval.

STRATEGIC PLAN

Acceptance of the O Street Streetscape Concept Plan advances several 2016-21 Strategic Plan goals including: Promoting Community Stewardship, Collaboration, Urban Development Leadership, and Building Neighborhood Amenities.

ENVIRONMENTAL IMPACT

The requested action would authorize a professional services agreement only for the Envision O Street 900 O Street re-landscaping project. The action is an administrative activity that would not result in a direct or indirect significant effect on the environment and is exempt from CEQA review (CEQA Guidelines section 15378(b)(5); 15060(c)(3)).

Attachments:

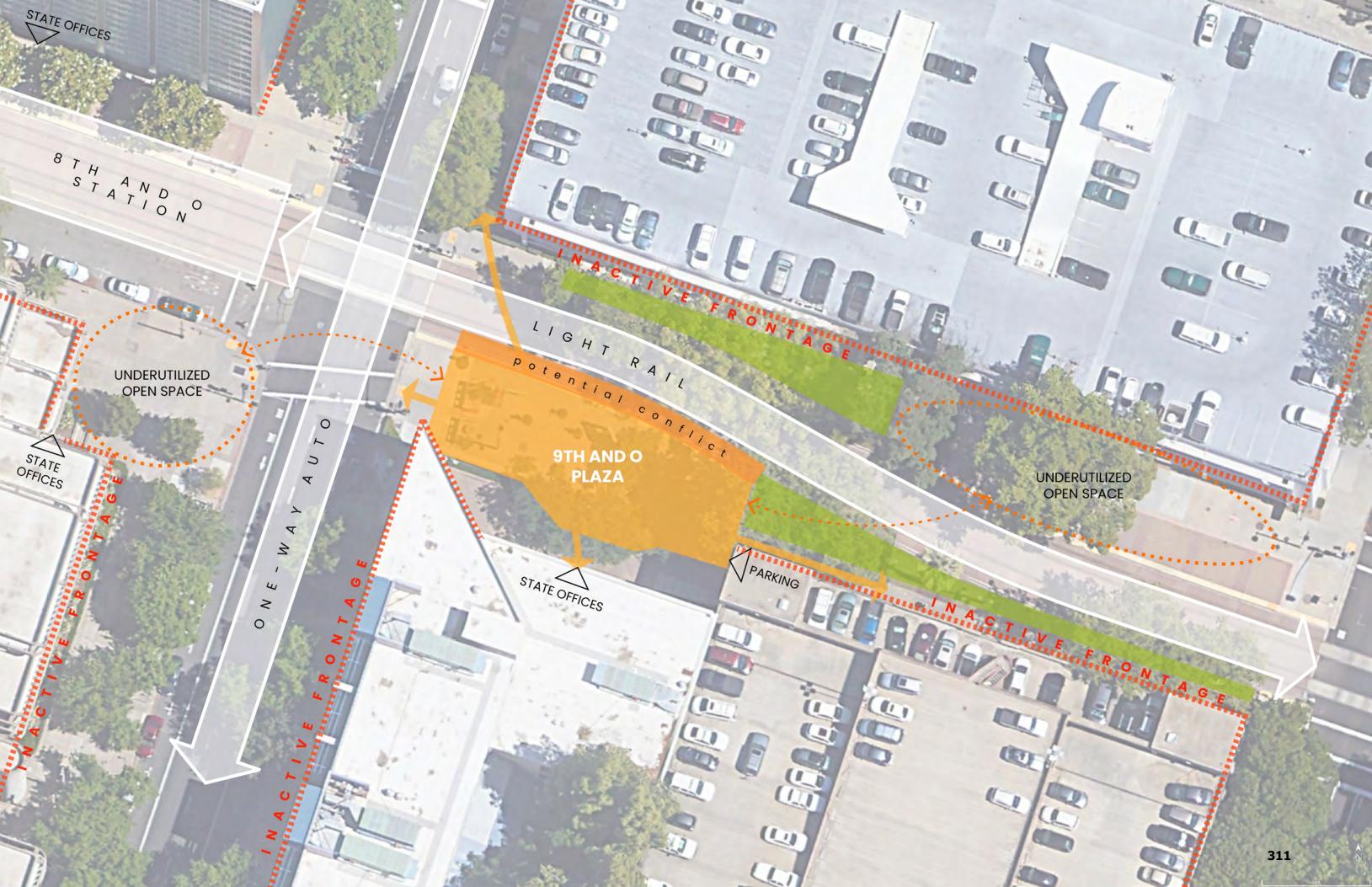
1. 900 Block O Street Presentation to CADA Board – December, 2021.

O STREET 900 block, sacramento ca

ART PLAZA + NATIVE PLANTING



Attachment 1





LOW CANOPY OBSCURES SIGHTLINES

NON-ACCESSIBLE PAVING INFILL

UNINVITING

STERILE MATERIALS

LACK OF SEATING

MISMATCHED PAVING



DO NOT ENTER

INACTIVE FRONTAGE

INACTIVE FRONTAGE

INACTIVE FRONTAGE

314



PLAZA STORYTELLING:

DESIGN INSPIRED BY THE LIFE AND WORK OF RAY EAMES

An objective of the 900 Block Art Plaza project is to highlight the life and work of Ray Eames, a Sacramento native who was an artist and designer working in partnership with her husband Charles. This interpretive layer meets the goals of the Envision O Street Concept Plan, which identifies the need for interactive art, play for all, and activation of underutilized space.

The Art Plaza concept design pays tribute to the abstract playfulness, color, and sense of curiosity that characterizes the Eames's body of work. It foregrounds Ray as a woman who made significant contributions to the fields of architecture, design, and art in the modern era.









LA CHAISE BY EAMES ORGANIC | ADAPTABLE | COMFORTABLE



ATLAS MIRIDAE O STREET ART PLAZA + NATIVE PLANTING

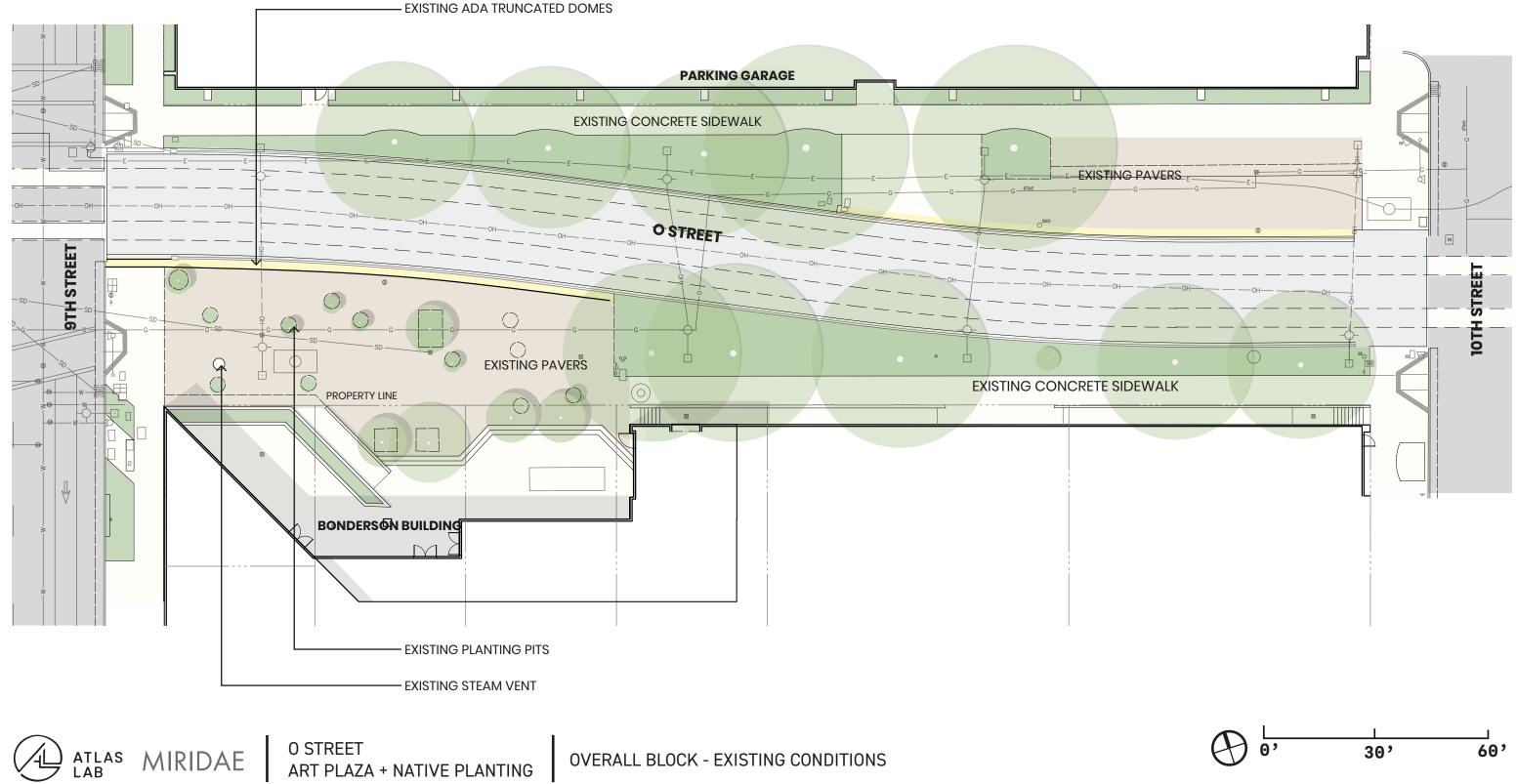


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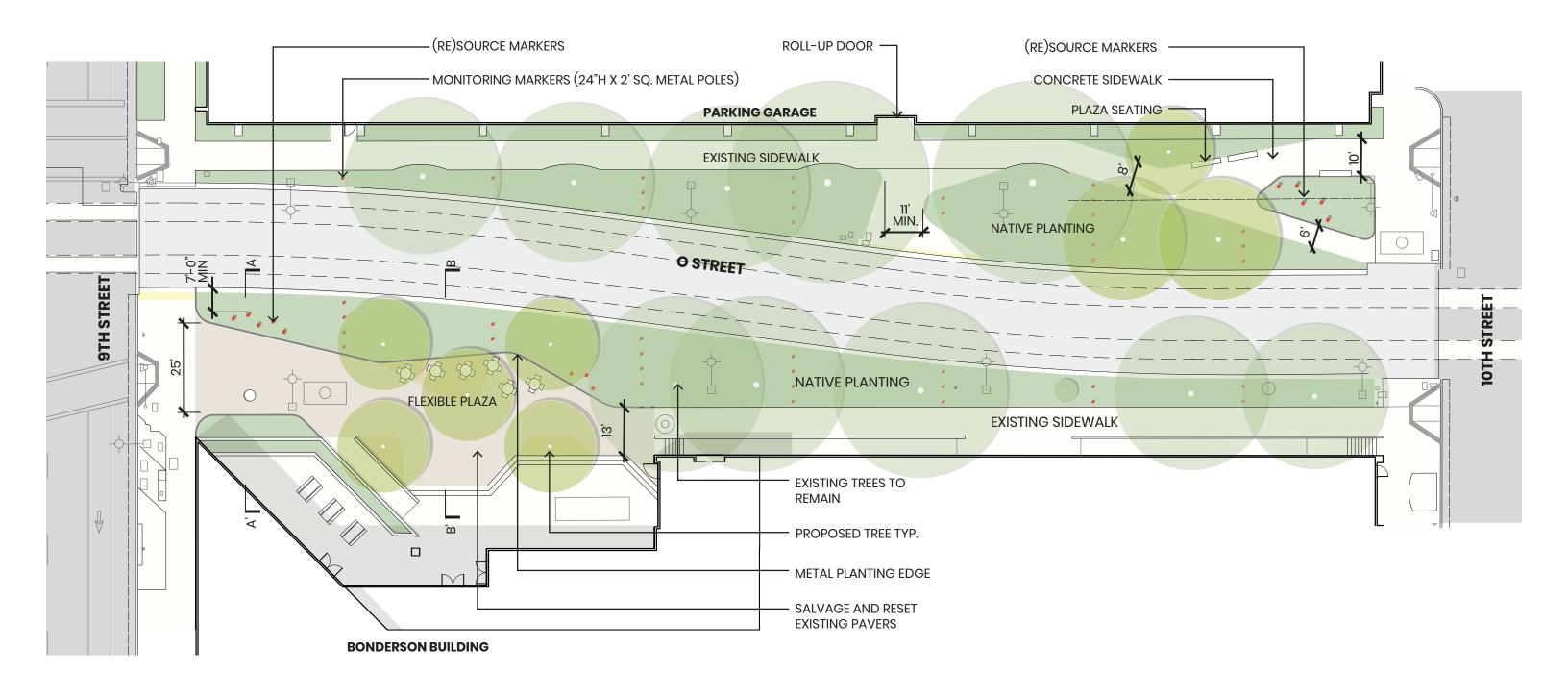
ATLAS MIRIDAE O STREET ART PLAZA + NATIVE PLANTING

PRECEDENT IMAGES - MATERIALS AND CORRIDOR AESTHETIC

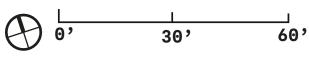




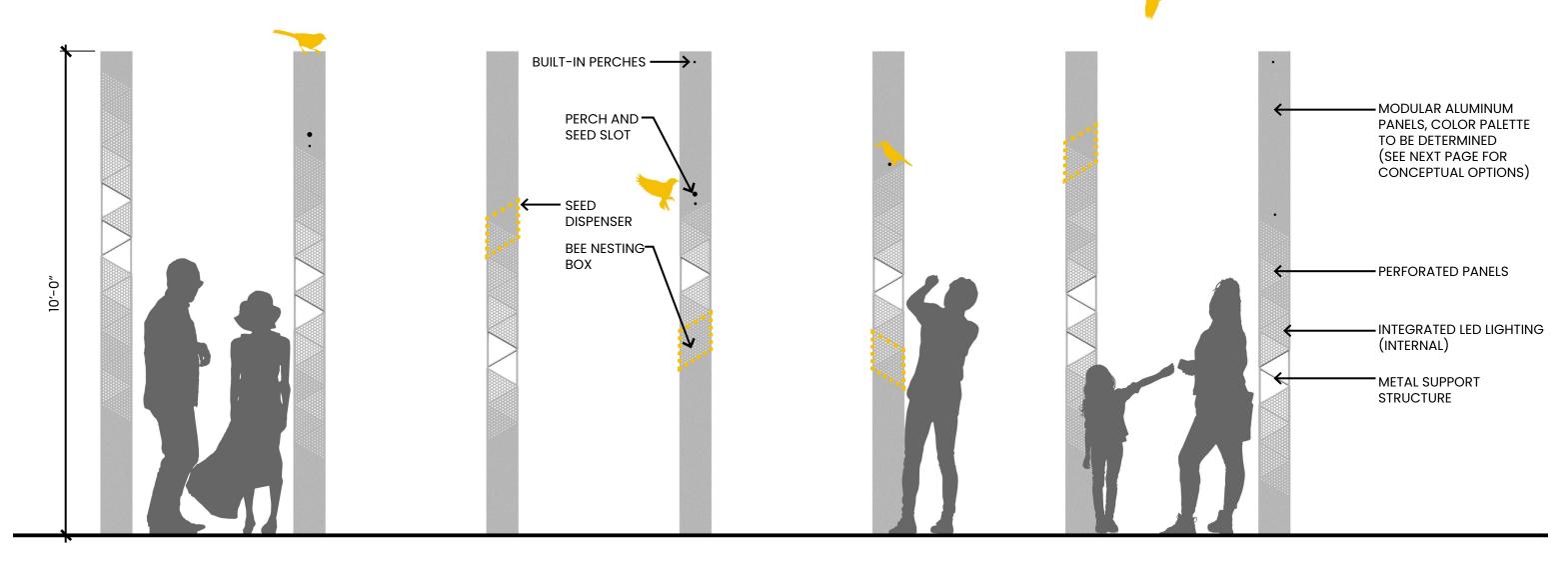










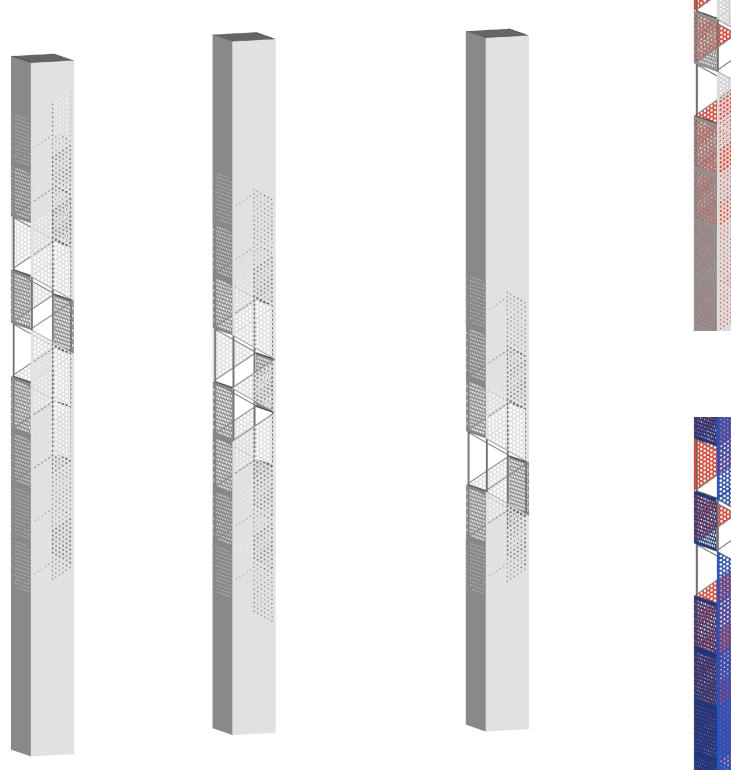


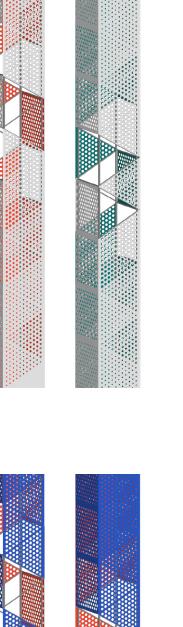
ELEVATION - (RE)SOURCE MARKERS

Inspired by The Toy by Eames, these modular vertical markers introduce color, movement, and ecological function to inspire curiosity and engagement.



ATLAS MIRIDAE O STREET ART PLAZA + NATIVE PLANTING

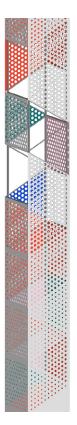




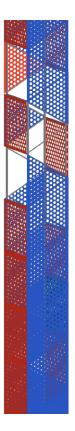


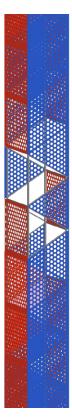
ATLAS MIRIDAE

O STREET ART PLAZA + NATIVE PLANTING (RE)SOURCE MARKER COLOR ALTERNATIVES

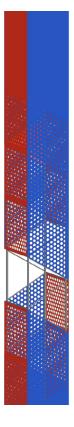


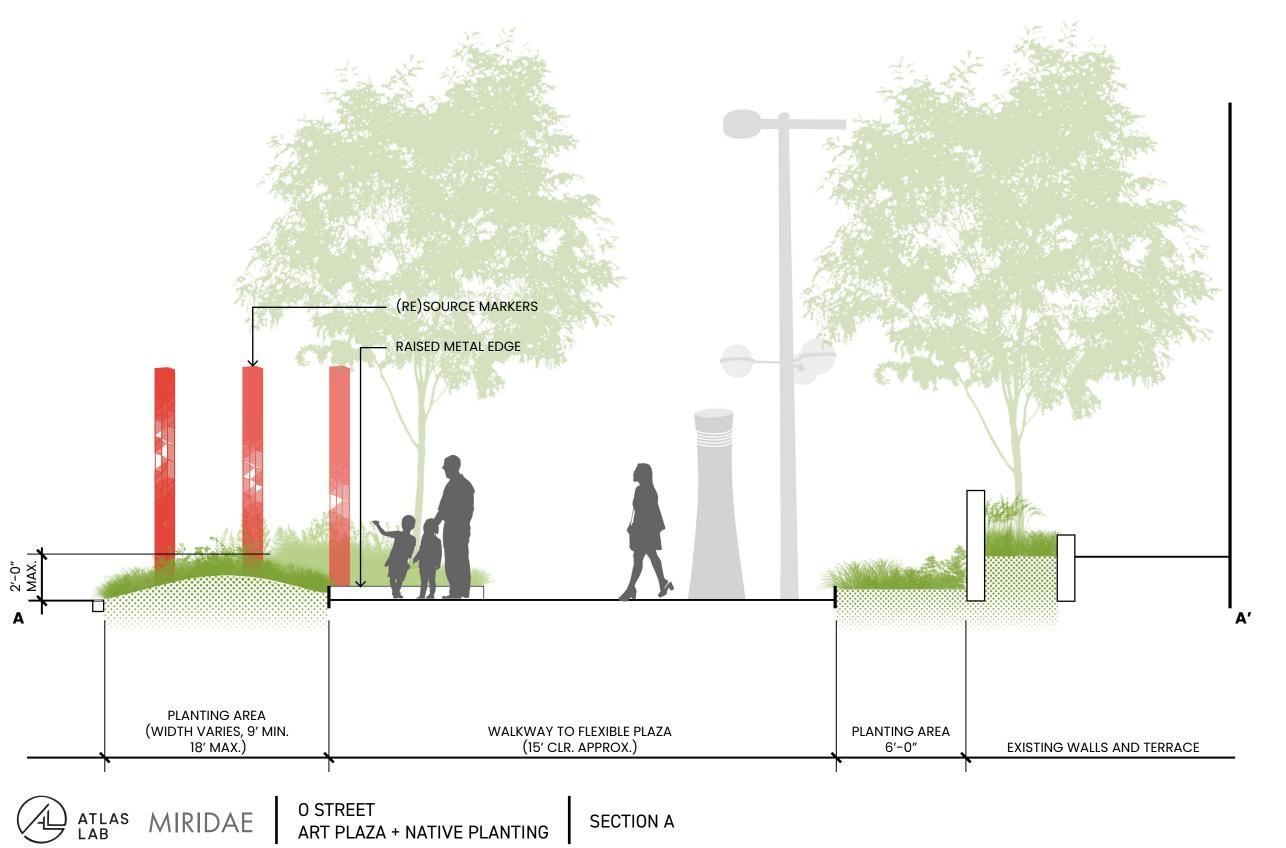


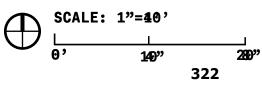


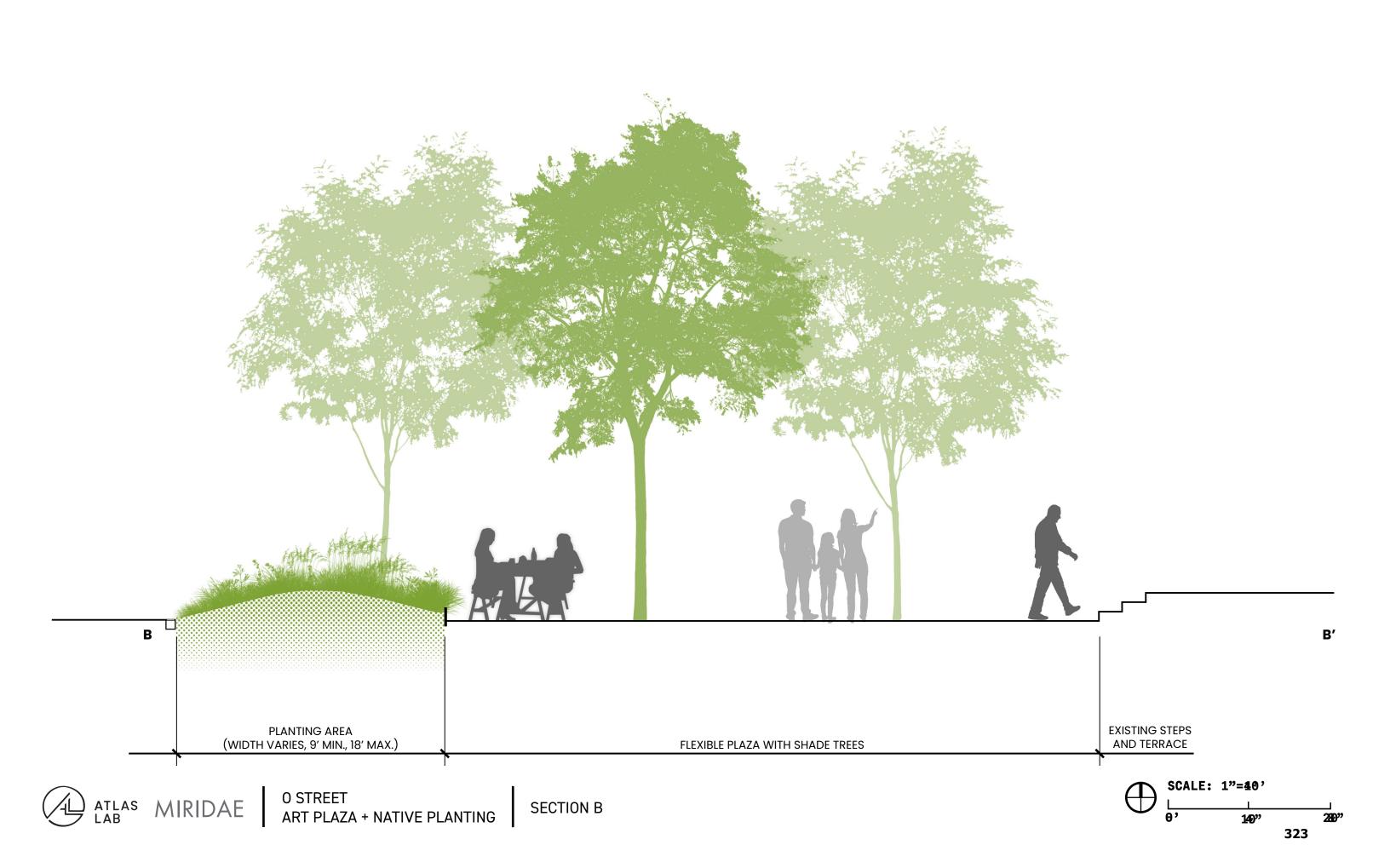


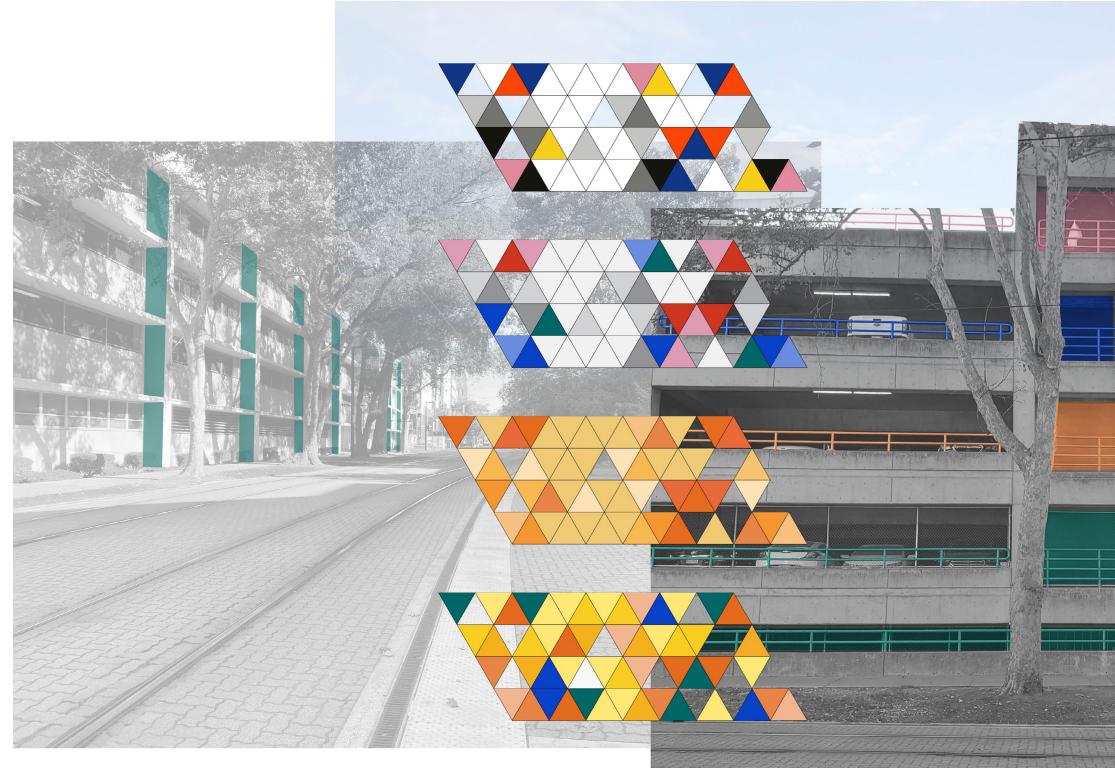












OPTIONAL: APPLY COLOR TREATMENT TO PARKING GARAGE FACADES TO TIE IN TO PROJECT COLOR PALETTE

ATLAS MIRIDAE O STREET ART PLAZA + NATIVE PLANTING

OPTIONAL: ARCHITECTURAL COLOR TREATMENT

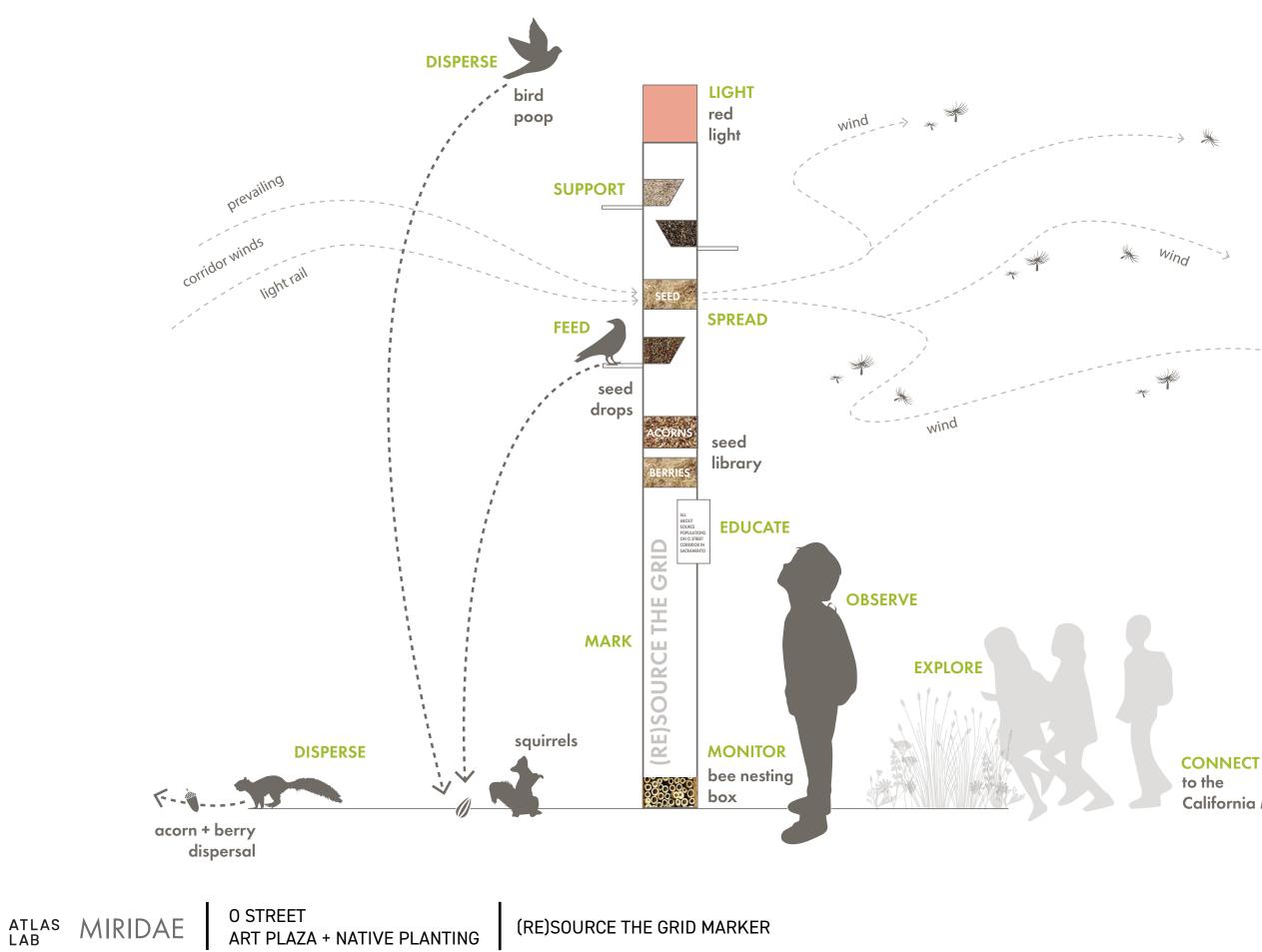


This block of O Street will become the **SOURCE POPULATION** for the greater area. A source population is defined as "a patch that provides a net donation of immigrants to nearby patches with lower-quality habitat." In other words, this 9th block of O Street will have a patch of habitat whose propagules will disperse to, then populate, the surrounding blocks. It is both the physical source (of plants, seeds, animals, etc.) and the inspiration for the future planting design of O Street Corridor and CADA properties.



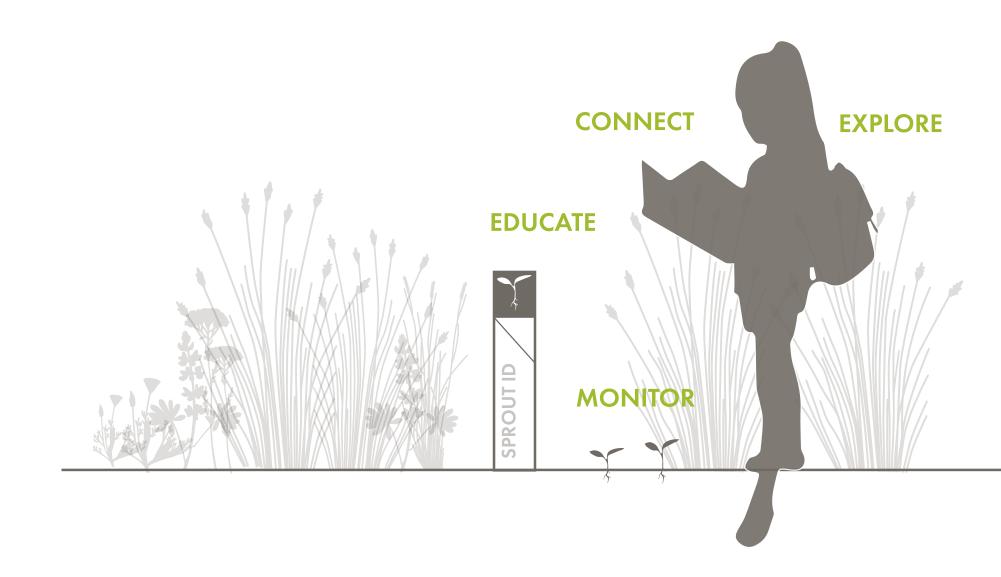


CONTEXT / SOURCE POPULATION



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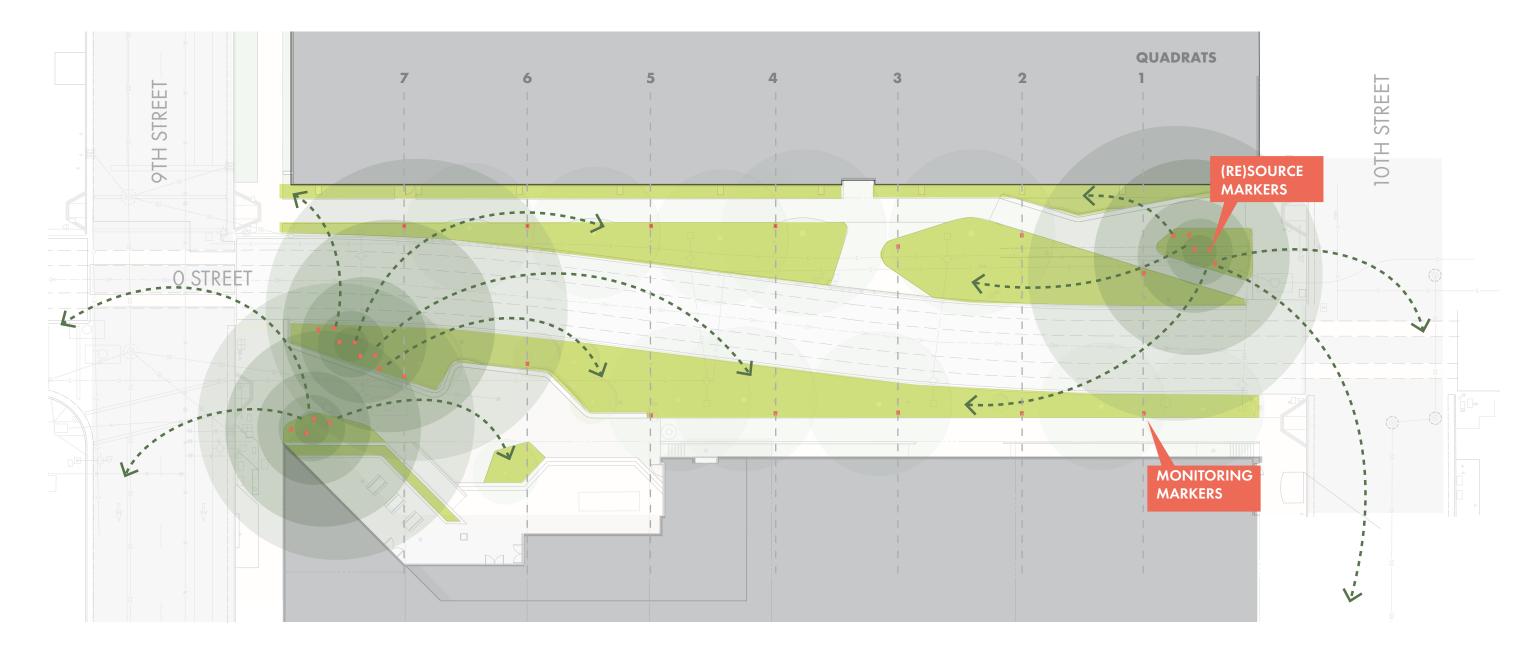
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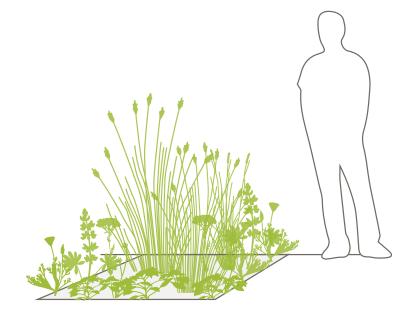
The **QUADRAT** planting concept experiments with plant movement over time by using a simple, scientific grid system overlaid on the site. The goal / concept is to measure plant movement across the site and in the greater neighborhood. The seeds disperse from: (1) the (RE)SOURCE MARKERS and (2) seed-dispersed plants placed in the planting beds.

MONITORING MARKERS act as spatial anchors, or survey "monuments" along the sidewalk, to delineate/mark each quadrat zone. These smaller markers demarcate the quadrats and are branded with different sprout IDs to help identify the seed-dispersed plants. Typically, quadrats are used over much smaller areas, but we're scaling up this concept and applying it to the entire block. We are testing dispersal directionality to learn which plant species are distributing out and into the larger urban matrix. This data can then be used to inform future CADA projects and understand in general how native plants migrate within the Sacramento grid.









AFTER PLANT MIGRATION



SEED-DISPERSED TREES



Quercus wislizeni (Interior Live Oak)



Aesculus californica (California Buckeye)



Cercis occidentalis (Western Redbud)



Heteromeles arbutifolia (Toyon)

BIRD-DISPERSED SHRUBS



Ribes malvaceum (Chaparral Currant)



Berberis aquifolium var repens (Creeping Oregon Grape)



Symphoricarpos mollis (Creeping Snowberry)



O STREET ART PLAZA + NATIVE PLANTING

PROPOSED PLANT PALETTE / TREES + SHRUBS

SEED TO BE PLACED IN THE (RE)SOURCE MARKERS



Achillea millefolium (Yarrow)



Eschscholzia californica (California Poppy)



Lupinus succulentus (Succulent Lupine)



Phacelia californica (Rock Phacelia)



Clarkia concinna (Red Ribbons)



Madia elegans (Tarweed)



Croton setigerus (Turkey Mullein)



Helianthus bolanderi (Bolander's Sunflower)



Oenothera biennis (Evening Primrose)



O STREET ART PLAZA + NATIVE PLANTING

PROPOSED PLANT PALETTE / (RE)SOURCE MARKER



Amsinckia intermedia (Common Fiddleneck)

PLANT IN THE GROUND: WIND-DISPERSED SEED







Aster chilensis 'Purple Haze' (Pacific Aster)

Epilobium canum (California Fuschia)

Asclepias fascicularis (Narrow Leaf Milkweed)

Anaphalis margaritacea (Pearly Everlasting)

PLANT IN THE GROUND: OTHER SEED-DISPERSED PLANTS



Sisyrinchium bellum (Blue Eyed Grass)



Eriophyllum lanatum (Common Woolly Sunflower)



Monardella villosa (Coyote Mint)



Penstemon heterophyllus (Foothill Penstemon)



Stipa pulchra (Purple Needlegrass)



0 STREET ART PLAZA + NATIVE PLANTING

PROPOSED PLANT PALETTE / PLANTS IN THE GROUND



Festuca californica (California fescue)

STRUCTURAL PLANTS



Ceanothus martitimus 'Valley Violet' (Valley Violet Ceanothus)



Frangula californica 'Mound San Bruno' (Mound San Bruno Coffeeberry)



Frangula californica 'Ed Holm' (Ed Holm Coffeeberry)





Baccharis piluaris 'Pigeon Point' (Dwarf Coyote Brush)

Muhlenbergia rigens (Deer Grass)

SPREAD BY RHIZOMES



Epilobium canum (California Fuschia)



Aster chilensis 'Purple Haze' (Pacific Aster)



Iris douglasiana 'Canyon Snow' (Canyon Snow Iris)



Asclepias fascicularis (Narrow Leaf Milkweed)





Heuchera maxima (Maxima Coral Bells)



O STREET ART PLAZA + NATIVE PLANTING

PROPOSED PLANT PALETTE / STRUCTURAL PLANTS ETC.



Woodwardia fimbriata (Giant Chain Fern)





Heuchera micrantha (Alum Root)

O STREET ART PLAZA + NATIVE PLANTING CONCEPT DESIGN PUBLIC SURVEY

FEEDBACK AND SURVEY FINDINGS

49 RESPONSES OPEN SEPT. 16-OCT 15

KEY FINDINGS:

Support for overall project and design direction

Support for future art and activation including:

- Sculptures
- Creative lighting
- Murals
- Creative crosswalks
- Dining kiosk
- Special events
- Music and performances

Bringing life to downtown is more than just food and bars. It's also encouraging life within our streets.

I love the idea of native plants and the feeders for birds and bee nesting. I'm glad to support pollinators.



Would be amazing to see extremely bright, bold abstract piece.

RESOLUTION NO. 22 - 06

Adopted by the Capitol Area Development Authority (CADA)

January 14, 2022

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A DESIGN CONTRACT WITH ATLAS LAB

WHEREAS, in April 2020, the Board provided its review and acceptance of the Envision O Street Plan; and

WHEREAS, in October 2020, in furtherance of the Envision O Street Plan, CADA entered into contracts with Atlas Lab and with Miridae to prepare schematic-level design drawings for the 900 block of O Street; and

WHEREAS, Staff and the consultants presented the schematic designs to RT, the City and DGS in June 2021 and to the general public in August and September by means of an online survey; and

WHEREAS, Atlas and Miridae presented the schematic design-level drawings to the Board at the December CADA Board meeting; and

WHEREAS, in October 2021, staff invited Miridae and Atlas to submit proposals to advance the schematic drawings to 100%-level construction drawings and staff has received proposals from both teams; and

WHEREAS, the Atlas proposal, with a value of \$78,735, requires Board approval because it exceeds the Executive Director's \$50,000 contract signing authority.

NOW ,THEREFORE, BE IT RESOLVED, by the Board of Directors of the Capitol Area Development Authority that the Executive Director is authorized to enter into a \$78,735 design contract with Atlas Lab for construction drawings for the 900 block of O Street.

Ann Bailey, Chair

ATTEST:

Tara Gandara Secretary to the Board of Directors



January 7, 2022

TO: CADA Board of Directors

SUBJECT: January 14, 2022, Board Meeting AGENDA ITEM 9 RETIRED ANNUITANT APPOINTMENT

CONTACT: Jill Azevedo, Human Resources Manager

RECOMMENDED ACTION

Staff recommends that the Board adopt a resolution entitled "Retired Annuitant Appointment" which authorizes the appointment of Diana Rutley as a Retired Annuitant effective on or around January 17, 2022.

BACKGROUND

CADA's Property Manager, Diana Rutley, retired from the agency effective December 30, 2021 after nearly 23 years of service in the same position.

CADA's Property Manager position plays a crucial role in CADA's property management activities, the agency's main revenue stream, including management of commercial rentals and ground leases, setting market rents, preparing three-day notices for non-payment of rent, ensuring CADA's compliance with housing programs regulated by outside agencies, and ensuring, on an annual basis, that all leasing documents are current with respect to new laws. This position has also been in charge of managing all aspects of the agency's Covid-19 Rental Assistance Programs, including providing on-going assistance to all tenants, both residential and commercial, with Covid-19 hardships.

Having Ms. Rutley available as a retired annuitant to impart her decades of specialized institutional knowledge before the 180-Day waiting period will prevent any stoppage of business as the agency recruits for and trains a new employee to perform these critical duties, as well as assist current staff who will be handling the workload in the interim. Ms. Rutley's assistance will also be critical to ensuring that CADA's template commercial lease is up-to-date and ready for use with commercial tenants CADA anticipates signing leases with in the next 90 to 180 days, a task which cannot wait until the usual 180 Day waiting period for Retired Annuitants. Ms. Rutley's continuing management of the Covid-19 Rental Assistance Program is also vitally important and time-sensitive and cannot be put on hold until a new employee is hired and trained.

The Public Employee's Pension Reform Act of 2013 (PEPRA), which became effective January 1, 2013, states that retirees cannot be employed by a CalPERS employer for a period of 180 days after their retirement date without reinstating from retirement, except under certain circumstances. One such circumstance is:

The public agency or school's governing body presents CalPERS with a resolution, passed in a public meeting, that approves the appointment in which the employer has certified the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days have passed.

POLICY ISSUES

PEPRA requires that the employer certify the nature of the employment. Below is a condensed list of projects and services Ms. Rutley will assist with and provide as a Retired Annuitant, which need to be completed as soon as possible, or in the case the of Covid-19 Rental Assistance Program, must continue uninterrupted. Please see ATTACHMENT 1 – Rutley Retired Annuitant Proposed Scope of Services for the scope of services Ms. Rutley will provide to CADA in her capacity as Retired Annuitant.

- Update commercial leases for use with commercial tenants CADA anticipates leasing to in the next 90-to 180 days.
- Continued management of the agency's Covid-19 Rental Assistance Programs and Covid-19 hardship requests
- Onboarding¹ and training of the new Manager once hired.
- On an as needed basis, impart institutional knowledge and provide any needed assistance with and training in with all aspects of the agency's property management activities, including but not limited to: providing background on commercial tenants, preparation of three-day notices for non-payment of rent, and how to prepare the market study for setting of market rents.

STRATEGIC PLAN

This action contributes to the achievement of many of the goals of CADA's strategic plan. Utilizing Ms. Rutley's unique experience and nearly 23 years of institutional knowledge immediately and during the training period for the new Property Manager will enable CADA to continue its work of providing housing that is affordable and attractive to a diverse population, and being a leader in urban property management.

FISCAL IMPACT

In keeping with CalPERS standards, retired annuitants cannot be paid more or less than the monthly base salary paid to other employees performing comparable duties. Ms. Rutley will be paid an hourly rate of \$38.78/hour, which is the midpoint of the Property Manager's salary range.

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).

CONTRACT AWARD CONSIDERATIONS

Not applicable. This action is not subject to CADA Contract Policy.

Approved for transmittal to the Board:

Wendy S. Saunders, Executive Director

ATTACHMENT 1 – ATTACHMENT 1 – Rutley Retired Annuitant Proposed Scope of Services

¹ "Onboarding" is an HR term referring to the process of assisting a new employee to become accustomed to and familiar with the culture and practices of the hiring organization.

RESOLUTION NO. 22 - 07

Adopted by the Capitol Area Development Authority

January 14, 2022

RESOLUTION FOR EXCEPTION TO THE 180 DAY WAIT PERIOD GC sections 7522.56 & 21224

WHEREAS, in compliance with Government Code section 7522.56 of the Public Employees' Retirement Law, the CADA Board of Directors must provide CalPERS this certification resolution when hiring a retiree before 180 days has passed since his or her retirement date; and

WHEREAS, Diana Rutley, (CalPERS ID 6769505022) retired from CADA in the position of Property Manager effective December 30, 2022; and

WHEREAS, section 7522.56 requires that post-retirement employment commence no earlier than 180 days after the retirement date, which is June 28, 2022 without this certification resolution; and

WHEREAS, section 7522.56 provides that this exception to the 180 day wait period shall not apply if the retiree accepts any retirement-related incentive; and

WHEREAS, the CADA Board of Directors, CADA and Diana Rutley certify that Diana Rutley has not and will not receive a Golden Handshake or any other retirement-related incentive; and

WHEREAS, the CADA Board of Directors hereby appoints Diana Rutley as an extra help retired annuitant to perform the duties of Property Manager for CADA under Government Code section 21224 effective on or around January 17, 2022; and

WHEREAS, the entire employment agreement, contract or appointment document between Diana Rutley and CADA has been reviewed by this body and is attached herein; and

WHEREAS, no matters, issues, terms or conditions related to this employment and appointment have been or will be placed on a consent calendar; and

WHEREAS, the employment shall be limited to 960 hours per fiscal year; and

WHEREAS, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

WHEREAS, the maximum base salary for this position is \$8,067 and the hourly equivalent is \$46.54 and the minimum base salary for this position is \$5,378 and the hourly equivalent is \$31.03 and

WHEREAS, the hourly rate paid to Diana Rutley will be \$38.78; and

WHEREAS, Diana Rutley has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to this hourly pay rate; and

NOW, THEREFORE, BE IT RESOLVED THAT the CADA Board of Directors hereby certifies the nature of the appointment of Diana Rutley as described herein and detailed in the attached SCOPE OF SERVICES appointment document and that this appointment is necessary to fill the critically needed position of Property Manager for CADA by January 17, 2022 because Diana Rutley possesses vast and unique institutional knowledge that will be critically needed to avoid a stoppage of business in CADA's property management operation due to time sensitive tasks with regard to legally necessary updates to existing leases, revisions to the template CADA commercial lease for new CADA commercial **338**

tenants who will be leasing from CADA in the next 90 to 180 days, continuing management of the agency's Covid-19 Rental Assistance Programs, and the onboarding of the new Manager, once hired.

ATTEST:

Ann Bailey, Chair

Tara Gandara Secretary to the Board of Directors

Attachment 1 – Rutley Retired Annuitant Proposed Scope of Services

Diana Rutley

Retired Annuitant Proposed Scope of Services

1-5-21

- 1. Update the template CADA commercial lease for use with new tenants CADA anticipates leasing to in the next 90-to 180 days
- 2. Continued management of the agency's Covid-19 Rental Assistance Programs and provide continuing assistance to CADA tenants with Covid-19 hardships
- 3. Onboarding and training of the new Manager, once hired
- 4. Provide the Deputy Executive Director (Interim Commercial Manager) with assistance and training including, but not limited to:
 - a. Locations of key commercial files, as needed
 - b. Background on each commercial tenant, as needed
 - c. Other assistance, as needed, until the new Manager is hired.
- 5. Until the new Manager is hired and trained:
 - a. Work with the Accounting Manager to track tenants who are not paying their rents and to implement and follow up on rent repayment agreements
 - b. Prepare 3-day notices for non-payment of rent
 - c. Provide training for preparation of market study for setting of market rents

RESOLUTION NO. 22 - 08

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAPITOL AREA DEVELOPMENT AUTHORITY AND RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM (MARCH 4, 2020) AS APPLICABLE IN CADA'S JURISDICTION AND AUTHORIZING TELECONFERENCE MEETINGS OF CADA LEGISLATIVE BODIES PURSUANT TO THE RALPH M. BROWN ACT

RECITALS

WHEREAS, all meetings of the Capitol Area Development Authority ("CADA") legislative bodies are open and public, as required by the Ralph M. Brown Act, Government Code section 54950 et seq. ("Brown Act"), so that any member of the public may attend, participate, and watch CADA's legislative bodies conduct their business; and

WHEREAS, on September 16, 2021, Governor Gavin Newsom signed Assembly Bill 361, which, effective immediately, added Government Code section 54953(e) to the Brown Act, providing a legislative body may meet via teleconference without complying with Section 54953(b)(3) if certain conditions exist and specified procedures are followed; and

WHEREAS, Section 54953(e)(1) provides a legislative body may meet via teleconference if the Governor has proclaimed a state of emergency pursuant to Government Code section 8625 and either (i) state or local officials have imposed or recommended measures to promote social distancing, (ii) the legislative body meets to determine by majority vote that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees, or (iii) the legislative body has voted as such and is meeting pursuant to that vote; and

WHEREAS, while a legislative body meets via teleconference pursuant to Section 54953(e), it must take actions to preserve public access and public participation and give notice of the meeting and post agendas as otherwise required, allow members of the public to access the meeting via call-in line or internet-based service line, provide details on the agenda on how to access the meeting and give public comment, give an opportunity to comment pursuant to Government Code section 54954.3 and allow a reasonable amount of time during public comment for a person to register, login, and comment, and monitor the call-in line and internet-based service line to ensure no disruption hinders access or ability to comment, if there is, take no action until public access is restored; and

WHEREAS, a legislative body's decision to meet pursuant to Section 54953(e) must be reevaluated and renewed at least every thirty (30) days, or else the body will be required to adopt new initial findings; and

WHEREAS, on March 4, 2020, Governor Gavin Newsom proclaimed a state of emergency pertaining to the threat to human health and safety posed by the COVID-19 virus pandemic and that proclamation remains in effect to this day in Sacramento County and statewide; and

WHEREAS, the virus has short- and long-term effects – fever and chills, cough, shortness of breath and difficulty breathing, fatigue, headache, nausea, vomiting, gastrointestinal issues, loss of taste and smell, death – and it's prolific spread is severely

impacting the health care system, inhibiting access to care for COVID-19 symptoms and other ailments; and

WHEREAS, while being vaccinated significantly decreases the likelihood of contracting or dying from the virus, vaccinated and unvaccinated people alike can carry, transmit, and be affected by the virus; and

WHEREAS, the COVID-19 virus, and its variants, is spread through the air when a person who is carrying the virus, whether he or she is showing symptoms or not, is in close proximity to another person; and

WHEREAS, while the COVID-19 virus remains present in the community, allowing members of CADA's legislative bodies and members of the public to meet in person would present an imminent risk to attendee health and safety beyond the control of CADA services, personnel, equipment, and facilities; and

WHEREAS, pursuant to Government Code section 8635 et seq., the CADA Board of Directors has the authority during a state of emergency to take all actions necessary to perform its functions in the preservation of law and order, preservation of the furnishing of local services, and protection of life and property, which includes the authority to direct meetings of all CADA legislative bodies to be held via teleconference pursuant to this Resolution; and

WHEREAS, the CADA Board of Directors desires to ratify the Governor's March 4, 2020, proclamation of state of emergency related to the COVID-19 virus pandemic as it applies to the jurisdiction of CADA and authorize teleconference meetings of CADA legislative bodies pursuant to Section 54953(e) so long as all provisions of that section are followed to provide public access and opportunity for public comment; and

WHEREAS, CADA has taken and will continue to take measures to ensure access for the public, including by providing the public a call-in option and/or internet-based service option to access and comment for all meetings of CADA legislative bodies.

NOW, THEREFORE, THE CAPITOL AREA DEVELOPMENT AUTHORITY BOARD OF DIRECTORS HEREBY RESOLVES:

- 1. The recitals set forth above are true and correct and are incorporated herein by reference as if set forth in full.
- 2. The Governor's March 4, 2020 proclamation of state of emergency related to the COVID-19 virus pandemic applies to the jurisdiction of CADA and is ratified by the Board of Directors.
- 3. A state of emergency exists within CADA's jurisdiction related to the COVID-19 virus pandemic and the conditions of that emergency present an imminent risk to the health and safety of attendees at CADA legislative body meetings.
- 4. All meetings of CADA legislative bodies shall be conducted in accordance with Government Code section 54953(e) and staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including conducting open and public meetings in accordance with Section 54953(e) and other applicable provisions of the Brown Act.

5. This Resolution shall take effect immediately upon its adoption and be effective for thirty (30) days, unless the Board takes action to rescind the Resolution. On or before the 30th day since adoption, the Board may take action to extend the Resolution's permissions pursuant to Government Code section 54953(e)(3).

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 Development Authority held on January 14, 2022, by the following vote:

AYES: NOES: ABSENT: ABSTAIN:

Ann Bailey, Chair

ATTEST:

Tara Gandara Secretary to the Board of Directors



January 7, 2022

TO: CADA Board of Directors SUBJECT: January 14, 2022 Board Meeting AGENDA ITEM 11 EMPLOYEE HANDBOOK ADDENDUM – EMPLOYEE TENANTS POLICY

CONTACT: Jill Azevedo, Human Resources Manager

RECOMMENDED ACTION:

Staff recommends the Board adopt a resolution titled "Resolution Adopting the Employee Handbook Addendum – Employee Tenants" which replaces the "Employee Discount – Rent of CADA Units" policy with an updated policy.

BACKGROUND

At the December 10, 2021 meeting, the CADA Board approved revisions to the CADA Employee Handbook. Among the proposed changes was the deletion of Section IV. Benefits, K. Employee Discount – Rent of CADA Units. Staff informed the Board that they were working with legal counsel on an updated policy which would be presented to the Board for approval at the January 14, 2022 meeting.

POLICY ISSUES

In order for CADA staff to be able to adequately and efficiently address CADA employee issues and CADA tenant issues, staff recommends deletion of Section IV. Benefits, K. Employee Discount – Rent of CADA Units, and replace it with Article I. Employee Basics, Section H. Employee Rent of CADA Units Prohibited which better reflects CADA's current operational needs. Based on CADA's experience, when an issue arises with a CADA employee/tenant, it is difficult for CADA staff to adequately and efficiently address the issue with the person while respecting their rights as both a tenant and employee. Article 1 is set forth below.

ARTICLE I. EMPLOYMENT BASICS

Section H. Employee Rent of CADA Units Prohibited

Effective January 1, 2022, no CADA employee may lease any CADA unit. Specifically, current employees are not eligible to apply to lease a CADA unit.

Current CADA tenants are not eligible for employment with CADA. A current tenant may apply to a CADA position but, if successful, the tenant will be required to immediately vacate his or her unit or else decline CADA's offer for employment. CADA may terminate such an

employee who fails to vacate his or her unit prior to the employee's first day of work. Should an employee who vacated his or her unit to be employed by CADA in accordance with this policy be terminated, he or she is not guaranteed return of the unit.

A CADA employee who leased a CADA unit on or before January 1, 2022, will be exempt from this policy prohibiting current CADA employees from leasing a CADA unit. This exemption only applies so long as the employee remains continuously employed by CADA.

This policy shall not apply to CADA Resident Services Representatives ("RSRs"). For conditions regarding RSRs' occupancy of CADA units as part of their job duties, please see the Resident Services Representative Addendum available from Human Resources. RSRs who wish to have a pet must sign and comply with the terms and conditions of the CADA Lease Pet Addendum, including payment of a pet deposit at a rate of half the monthly market rate rent of his or her unit.

This proposed revision has been reviewed by CADA legal counsel.

STRATEGIC PLAN

The Employee Handbook has proven to be an effective internal communication tool that supports CADA's ability to achieve its strategic plan goals. The policies set forth in the Handbook help CADA to retain a high-performing staff and to sustain a professional work culture.

FINANCIAL IMPACT

While there may be some operational impacts, no financial impact is anticipated.

ENVIRONMENTAL REVIEW

None. The proposed action is an administrative action and is not a project as defined by the California Environmental Quality Act (CEQA).

CONTRACT AWARD CONSIDERATIONS

This action does not involve contract awards.

RESOLUTION NO. 22 - 09

Adopted by the Capitol Area Development Authority

January 14, 2022

RESOLUTION ADOPTING THE EMPLOYEE HANDBOOK ADDENDUM – EMPLOYEE TENANTS

WHEREAS, on December 10, 2021, the CADA Board of Directors adopted the CADA Employee Handbook dated January 1, 2022 ("Employee Handbook"); and

WHEREAS, prior CADA policy permitted CADA employees to rent CADA units ("CADA employee/tenant"), and, at the discretion of the Executive Director, to receive a discount on his or her rent for being a CADA employee/tenant; and

WHEREAS, based on experience, when an issue arises with a CADA employee/tenant, it is difficult for CADA staff to adequately and efficiently address the issue with the person while respecting their rights as both a tenant and employee; and

WHEREAS, in order for CADA staff to be able to adequately and efficiently address CADA employee issues and CADA tenant issues, the Board wishes to clarify and amend the Employee Handbook related to CADA employee/tenants.

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

1. Article I. "Employment Basics" is amended to include Section H. "Employee Rent of CADA Units Prohibited" as shown in **Attachment 1** to this Resolution 22-09, attached hereto and incorporated herein as if set forth in full.

ATTEST:

Ann Bailey, Chair

Tara Gandara Secretary to the Board of Directors

Attachment 1

ARTICLE I. EMPLOYMENT BASICS

Section H. Employee Rent of CADA Units Prohibited

Effective January 1, 2022, no CADA employee may lease any CADA unit. Specifically, current employees are not eligible to apply to lease a CADA unit.

Current CADA tenants are not eligible for employment with CADA. A current tenant may apply to a CADA position but, if successful, the tenant will be required to immediately vacate his or her unit or else decline CADA's offer for employment. CADA may terminate such an employee who fails to vacate his or her unit prior to the employee's first day of work. Should an employee who vacated his or her unit to be employed by CADA in accordance with this policy be terminated, he or she is not guaranteed return of the unit.

A CADA employee who leased a CADA unit on or before January 1, 2022, will be exempt from this policy prohibiting current CADA employees from leasing a CADA unit. This exemption only applies so long as the employee remains continuously employed by CADA.

This policy shall not apply to CADA Resident Services Representatives ("RSRs"). For conditions regarding RSRs' occupancy of CADA units as part of their job duties, please see the Resident Services Representative Addendum available from Human Resources. RSRs who wish to have a pet must sign and comply with the terms and conditions of the CADA Lease Pet Addendum, including payment of a pet deposit at a rate of half the monthly market rate rent of his or her unit.

	Monthly Ombudsman Report						
	MONTH: December 2021						
		No calls received for the month:	X				
Date	Resident Contact Info	Problem/Outcome/Staff Involved	<u>Mins</u>				
		Case Time (Minutes)	0				
		Write up of Issues (Minutes)	0				
		Total Minutes	0				
		Total Hours	0				

APARTMENT STATUS REPORT (Month-ending DEC 31, 2021)	Current Month-End	Previous Month- End	Previous Year Month- End	Current Year	Previous Year	Previous Year
CURRENT MONTH STATUS - OCCUPIED UNITS	12/31/21	11/26/21	12/25/20	2021 Monthly Average	2020 Monthly Average	2019 Monthly Average
Total Units	721	721	720	721	720	725
Occupied (formula)	665	669	673	665	685	690
Percentage Occupied* (formula)	93%	94%	96%	94%	96%	97%
Percentage Leased* (formula)	95%	96%	97%	96%	97%	99%
* adjusted for Unrentable units						
CURRENT MONTH STATUS - VACANT UNITS	12/31/21	11/26/21	12/25/20	2021 Monthly Average	2020 Monthly Average	2019 Monthly Average
Vacant	56	52	47	56	35	35
Vacant: Pre-leased Units	13	12	10	12	6	15
Vacant: Unrentable Units (repairs, temp tsf's,etc.)	8	8	17	12	9	12
Vacant: Units Available to Rent (formula)	35	32	20	32	20	7
CURRENT MONTH STATUS - ON NOTICE UNITS	12/31/21	11/26/21	12/25/20	2021 Monthly Average	2020 Monthly Average	2019 Monthly Average
On-Notice: Units to vacate within 30 days	2	8	12	9	7	12
On-Notice: Pre-leased Units	0	0	1	0	1	6
On-Notice: Unrentable Units (repairs, etc.)	0	0	1	1	1	1
On Notice: Units Available to Rent (formula)	2	8	10	8	6	5
Total Units Available to rent (Vacant & On Notice) (formula)	37	40	30	40	26	12
CURRENT MONTH ACTIVITY - TOTAL	12/31/21	11/26/21	12/25/20	2021 YTD	2020 YTD	2019 YTD
# of Move-Outs / % of Total Units	13	6	9	19%	16%	19%
# of Move-Ins / % of Total Units	9	10	11	18%	12%	19%
# of New Rentals	11	9	10	168	98	181
# of 30-Day Notices Received / % of Total Units	7	6	16	19%	17%	19%
# of Units brought to market / % of Move-Outs	7	7	13	85%	85%	96%
# of Rentals Canceled or Denied / % of Rentals	2	2	5	30%	44%	27%
# of Notices Canceled / % of Notices Received	0	0	0	6%	4%	3%
CURRENT MONTH ACTIVITY - MOVE OUT REASONS	12/31/21	11/26/21	12/25/20	2021 YTD %	2020 YTD %	2019 Total %
Asked to move by CADA	1	1	1	2%	6%	7%
Bought a house	0	1	0	7%	9%	8%
Deceased	1	0	1	3%	3%	3%
Dissatisfied (unable to resolve)	0	0	1	6%	5%	2%
Employment/education related	0	0	2	15%	5%	1%
Financial	0	1	0	11%	2%	5%
Illness/ health/ personal	3	3	0	6%	10%	7%
Moving out of the area	1	1	2	14%	8%	6%
Desire larger/smaller apt or house (incl. change in hh size)	2	0	1	9%	3%	3%
Need amenity not offered / not currently available	1	0	0	2%	0%	0%
Moved with no notice/Unknown	2	1	1	1%	23%	17%
Transferred to another CADA apartment	2	3	0	21%	17%	24%
Other / ("Covid-related" as of Aug 2020)	0	0	0	2%	11%	16%
Unaccounted for (Not incl. in occupancy length) - Adj.	0	0	0	0%	0%	0%
TOTAL	13	11	9	100%	100%	100%
Average length (years) of Occupancy (YTD):				4.7	5.0	4.9

CADA AFFORDABLE HOUSING STATISTICS: Dec 31, 2021	CADA Rent- Assisted	Other / Additional Assisted Units	Total Assisted Units	Market- Rate Units	Total Units
Scattered Site Units:	46	45	91	492	583
Undersubscribed:			8	-8	
Special Management Units:	99	0	99	39	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	15	0	15	1	16
Undersubscribed:					
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 & DE	VELOPED A	FFORDABLE HO	USING 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%	L		24.56%	75%	100%

CAPITOL AREA DEVELOPMENT AUTHORITY

New Commercial Leases (New Rentals)

DECEMBER 2021

None.

Commercial Listings (Current Vacancies)

DECEMBER 2021

1603 10th Street and 1607 10th Street, two commercial spaces located at the Somerset Condominium complex, both came vacant on September 1, 2021. Both tenants cited Covidrelated reasons for closing, particularly the lack of state workers at lunch. Even with CADA providing a significant amount of rent credit over the past 18 months, neither tenant felt they could continue to stay open.

CADA will be executing a contract very soon with a Colliers Broker, Dave Herrera, and his Associate Broker, Trevor Jackson, to lease both spaces. We are anticipating to collect rent of approximately \$1.85 per square foot for both spaces, and to pay a Broker Fee of 6% of the rent for first lease term (typically 5 years). Tenant Improvement costs to be negotiated with the tenants.

Address:	1603 10 th Street
Current Tenant:	OB 2000
Square Feet:	1,754
New Monthly Rent (estimate):	\$3,245
Broker's fee (estimate):	\$11,682

This space has been continuously occupied since the original tenant, Azam Khan, opened his business, OB 2000, in October 1984. It has changed hands four times over the years, one of those times when the original owner bought back his business after a couple of years from the person to whom he sold it in 2000.

Address:	1607 10 th Street
Current Tenant:	Bagel Time
Square Feet:	880
New Monthly Rent (estimate):	\$1,628
Broker's fee (estimate):	\$5,861

This space has also been nearly continuously occupied since the original tenant, Bagful of Bagels, first took occupancy of the space sometime in the 80's. The business closed once – briefly - in 2000, and CADA signed a lease with a new tenant in December 2001. That tenant renamed the business Bagel Time, and later assigned the lease in 2011 to the tenant who vacated on 8/31/21. She also kept the business under the name of Bagel Time.

Capitol Area Development Authority CADA Neighborhood Incident Report December, 2021:

Residential break-ins, vandalism, theft, disturbances:

:

- <u>12/01/21</u>: 1317 O St: Courtesy patrol found an individual loitering on the property. Patrol requested the individual leave the area which he did without incident.
- <u>12/05/21:</u> 1228 O St: Courtesy patrol received a call regarding an individual going through the dumpster. Patrol arrived and asked the individual to leave the property which he did without incident.
- <u>12/20/21</u>: 1201 P St: Courtesy patrol found an individual in the carport surrounded by waste and bags. The individual picked up his things and left when he saw patrol exit his vehicle.
- <u>12/21/21:</u> 1228 O St: Courtesy patrol found individual going through the dumpster. Patrol requested the individual leave the area which he did without incident.

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

• <u>12/20/21:</u> 1413 16th St: Simon's Restaurant: Courtesy patrol received a call regarding an individual swinging a stick at customers and refusing to leave. Patrol arrived and found a man swinging a bamboo stick. The man stated he was there to start a bar fight and would not leave regardless of being told to do so. Patrol phoned police who arrived and gave the man a no trespassing order and sent him on his way. The man then stopped at Enterprise Rent a Car and started swinging the stick again so the police arrested him.

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

There were 16 calls during the month of December. 9 calls were to report a noise disturbance, 4 calls were to report a person loitering on a property, 1 call was to report someone at Simon's Restaurant who refused to leave, 1 call was to report a bar fight at Simon's Restaurant, and 1 call was to report a neighbor disbute.

CAPITOL AREA DEVELOPMENT AUTHORITY FY 2021 - 2022 Contract Log as of 1/7/2022



DATE	CONTRACT NUMBER	Type of Service	CONTRACTOR	PROJECT		AMOUNT	ACCOUNT
12/15/2021	C22-061	Maintenance	Elite Service Experts	Fence Replacement	1631 P Street	\$14,695.00	38-C22-5820-C234-27-006.3
12/19/2021	C22-062	Maintenance	Buskirk Construction	Emergency Repairs of Soffits, Fascia, Gutters, & Awnings	1201 P Street	\$49,900.00	10-C22-5820-C222-22-006.3
12/22/2021	C22-064	Maintenance	Elite Service Experts	Dean Apt 9 Shower Remodel	1400 N Street	\$13,460.00	10-D20-4711-D225-01
12/22/2021	C22-065	Maintenance	Elite Service Experts	Kitchen & Fireplace Tile & Countertops	1400 N #1, 9, & 10	\$14,995.00	10-D20-4711-D225-01



Investment Report November 2021



John Colville, City Treasurer

<u>Office of the City Treasurer - City of Sacramento</u>



Historic City Hall 915 | Street, 3rd Floor Sacramento, CA 95814 916-808-5168 Quarterly Investment Committee Meeting Thursday, January 27, 2022

10:00AM-11:00AM

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INVESTMENT COMMITTEE MEETING

January 27, 2022 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:	Emily A Combs (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 (Sac SPLA)	ramento Public Library Authority-					
	Kimberli S. Burns (The Natomas Basin Conserva	ncy – TNBC)					
	Mike Testa, Daniel Santucci (Visit Sacramento)						
	City Treasurer's Office Staff						
Please read:	October 28, 2021 Minutes of Meeting						
Agenda							
Economic Commen	tary and Market Conditions	Patrick Zalasky					
Monthly Yield Curv	ve Analysis	Patrick Zalasky					
Cash Flow Analysis	3	Patrick Zalasky					
Pooled Funds Analy	sis - City Pool A and SHRA Investment Pool	Patrick Zalasky					
Miscellaneous Topics All							
Additional Inform	ation						
Special If un notes:	able to attend, please feel free to call with any quest	tions or comments.					

This report has been reviewed and approved by:

John Colville Digitally signed by John Colville Date: 2021.12.20 10:18:03 -08'00'

City Treasurer

TO: Investment Committee Members

FROM: Patrick Zalasky

RE: Minutes of Quarterly Investment Meeting held via Zoom on October 28, 2021

Attendees Present: Stacy Hussey, Shirley Tupaz, Katy Nguyen, Jason Bader, Osvaldo Lopez, Noelle Mussen, Mirthala Santizo and Patrick Zalasky

The COVID-19 pandemic and the City's response has led to most staff working remotely since March of 2020. 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 \$107 million in excess cash for the next 6-months and an approximate \$27 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 June 2022.

2) **Performance of the Pools**

Investment staff updated the attendees on the performance of Pool A during the first quarter of fiscal year 2021/2022. The earned interest yield of Pool A for July, August, and September was 1.33%, 0.88 and 0.88%, respectively. All monthly Pool A yields exceed the 0.21% yield earned by the State Treasurer's Local Agency Investment Fund (LAIF) and the 0.31% 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 October 25, 2021.

The Yield Curve has held relatively steady over the past year and has set yields very low in our investment window that goes out to 5-year maturities. Interest rates on shorter commitments are very close to zero which has provided a challenge when looking for extra yield while maintaining the liability-matching strategy. Investments in cash and other liquid investments made up 35% of the pool on 9/30/21, primarily due to large outflows of cash during the quarter. The largest of these was to meet an obligation to CalPERS in excess of \$80 million. The spread between the yields produced by liquid investments (LAIF, CalTRUST, etc.) and core investments like Agencies, Municipal Bonds, and Corporate Bonds is beginning to widen as inflation becomes more prominent. Yields are still historically very low, but there are signs that they may begin to rise in

the 5-30 year window over the next few months. Should that happen, yields for Pool A should begin to move upward over the next two or three quarters.

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 Congress, 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 hovered around 0.80% for the majority of the quarter. News of rising inflation led to a major move upward the last week of September. The second consecutive month of price increases over 5% year-over-year caused markets to begin pricing in higher interest rates. Higher inflation has led The Federal Reserve Board to begin tapering their asset purchasing program. After the end of the quarter, The Fed did indeed state that tapering would begin, although they did not indicate how long it would take them to wind themselves out of the program all together. Markets may also be impacted by federal legislation and budget construction. Two massive bills have been constructed and introduced in Congress. One would spend nearly \$2 trillion on infrastructure across the country, including the retrofitting of tens of thousands of miles of roads and bridges. The other bill details budget provisions in excess of \$3 trillion that would create the largest net of social safety and welfare programs in the history of the country. The largest point of contention is the size of the proposals (although the infrastructure bill had passed as of this writing), as Republicans, and two Democrat Senators, are balking at spending over \$6 Trillion, regardless of where the money is intended to go. Much of their apprehension stems from what such a large amount of fiscal stimulus will do to the economy, particularly with an eye on inflation. With inflation being acknowledged as being a real phenomenon, there is fear that pumping even more cash into the economy will devalue the dollar even further and push prices higher. Add that to the horrible disruptions in supply chains and there is legitimate concern that the economy could face rampant long-term inflation if policies are not crafted and executed with the utmost of skill.

The Federal Reserve continues to maintain a Federal Funds Rate near zero. Fed Chair Jerome Powell has confirmed that the purchase of short-term assets will slow beginning in November, 2021. Since The Fed will likely give markets at least a few months to adjust to any major shifts in policy, it is safe to assume that (barring any major shocks to the economy) we won't see The Fed wind up the program until at least the middle or end of 2022. Short-term yields should begin to slowly move upward over the next few months due to the actions of The Fed, but we likely won't see major movement in maturities of 3-months to 12-months until mid-to-late 2022. Yields on 5-year Treasuries spent most of the quarter moving between 0.65% and 0.85%, but spiked upward near the end of September, even breaking through 1.00% briefly, as concerns about inflation arose.

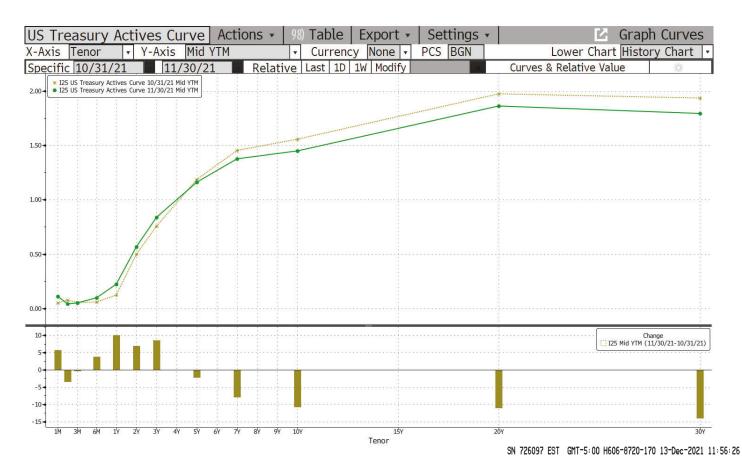
Unemployment numbers improved during the quarter as generous government benefits ran out for a large number of Americans. Those workers returned primarily to the restaurant and hospitality

industries. Many economists are hoping that people returning to the workforce will further jumpstart an economy that needs to grow in order to keep pace with inflation.

Global economies are in much worse shape than ours, which is exacerbating the supply chain problem. It has become clear that shutting down industries globally for any reason and for any period of time will cause major problems moving forward. This global weakness continues to perpetuate the 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 to 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 have closed after being shut down for a long period of time and/or trying to survive at much less than full capacity.

4) **Other business:** None

Next Meeting: The next quarterly meeting is scheduled for Thursday, January 27, 2022 at 10:00 a.m. via Zoom.



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CITY OF SACRAMENTO - INVESTMENT POOL A 6-MONTH CASH FLOW ANALYSIS December 1, 2021 - May 31, 2022

December 1, 2021 - May 31, 2022	In millions
Cash Balances:	
CalTRUST	99.130
Fidelity Fund	1.413
Five Star Bank Community Fund	40.007
JP Morgan Chase	19.622
LAIF	42.000
River City Bank Community Fund	25.004
Less: Required bank balance by policy	(0.500)
Cash available at beginning of period:	226.676
Projected net cash flow:	
December-21	69.418
January-22	79.811
February-22	(12.065)
March-22	(5.287)
April-22	53.550
May-22	54.100
Net cash flow during period:	239.527
Cash in excess of policy: 1	466.203
Cash Balances of non-City and/or Pool A Participants:	
SCERS Cash:	
Fixed Bonds	(0.295)
Large Cap Growth	(0.434)
International	(0.045)
Equity Income	(0.262)
Retirement Trust Operating Fund	(7.097)
Ann Land/Bertha Henschel Endowment Fund	(0.057)
Ethel Hart Mutual Endowment Fund	(0.230)
George H. Clark Memorial Scholarhip Fund	(0.009)
Capitol Area Development Authority (CADA)	(51.269)
American River Flood Control District (ARFCD)	(8.932)
The Natomas Basin Conservancy (TNBC)	(0.496)
Sacramento Public Library Authority (SPLA)	(34.085)
Reclamation District No. 1000	(2.184)
SPLA Hurst Trust	(1.353)
Gifts to Share	(0.755)
Visit Sacramento	(9.947)
Other Misc Non-City Funds (CARES Act, ARP, CalEPA, City/County Office-Water Planning, etc)	(57.682)
Total cash balances of non-City and/or Pool A participants: 2	(175.132)
Excess or (Shortfall) if all Pool A participants withdraw all funds within 6 months: 3	291.071

¹The City will be able to meet its cash flow needs for the next six months, with \$466 mm to cover on going expenditures

 $_2$ Non-City and/or Pool A participants have \$175 mm invested in Pool A

3 If all non-City and/or Pool A participants withdraw the entire \$175 mm within the next twelve months, the City will have

\$291 mm to cover on going expenditures

CITY OF SACRAMENTO - INVESTMENT POOL A 12-MONTH CASH FLOW ANALYSIS December 1, 2021 - November 30, 2022

December 1, 2021 - November 30, 2022	In millions
Cash Balances:	
CalTRUST	99.130
Fidelity Fund	1.413
Five Star Bank Community Fund	40.007
JP Morgan Chase	19.622
LAIF	42.000
River City Bank Community Fund	25.004
Less: Required bank balance by policy	(0.500)
Cash available at beginning of period:	226.676
Projected net cash flow:	
December-21	69.418
January-22	79.811
February-22	(12.065)
March-22	(5.287)
April-22	53.550
May-22	54.100
June-22	(5.648)
July-22	(75.817)
August-22	(17.012)
September-22	(16.116)
October-22	(8.627)
November-22	(75.535)
Net cash flow during period:	40.773
Cash in excess of policy: 1	267.449
Cash Balances of non-City and/or Pool A Participants:	
SCERS Cash:	
Fixed Bonds	(0.295)
Large Cap Growth	(0.434)
International	(0.045)
Equity Income	(0.262)
Retirement Trust Operating Fund	(7.097)
Ann Land/Bertha Henschel Endowment Fund	(0.057)
Ethel Hart Mutual Endowment Fund	(0.230)
George H. Clark Memorial Scholarhip Fund	(0.009)
Capitol Area Development Authority (CADA)	(51.269)
American River Flood Control District (ARFCD)	(8.932)
The Natomas Basin Conservancy (TNBC)	(0.496)
Sacramento Public Library Authority (SPLA)	(34.085)
Reclamation District No. 1000	(2.184)
SPLA Hurst Trust	(1.353)
Gifts to Share	(0.755)
Visit Sacramento	(9.947)
Other Misc Non-City Funds (CARES Act, ARP, CalEPA, City/County Office-Water Planning, etc)	(57.682)
Total cash balances of non-City and/or Pool A participants: 2	(175.132)
<i>Excess or (Shortfall) if all Pool A participants withdraw all funds within 12 months:</i> 3	92.317

The City will be able to meet its cash flow needs for the next twelve months, with \$267 mm to cover on going expenditures

2 Non-City and/or Pool A participants have \$175 mm invested in Pool A

3 If all non-City and/or Pool A participants withdraw the entire \$175 mm within the next twelve months, the City will have

\$92 mm to cover on going expenditures

City of Sacramento Investment Pool A

CITY OF SACRAMENTO INVESTMENT POOL A

MONTHLY REVIEW – NOVEMBER 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

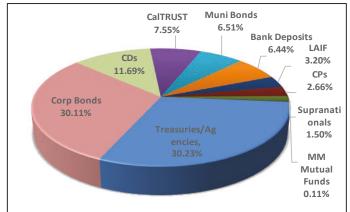
Beginning Market Value	1,354,515,237
Month's Yield or RoR	0.87%
Weighted Average Maturity (Yrs)	3.11
Weighted Average Duration (Yrs)	3.04
Ending Book Value	1,325,592,392
Ending Market Value	1,315,617,480
Percent of Market to Book Value	99.25%
Month's Investment Earnings	955,999
Fiscal YTD Investment Earnings	5,710,623

External Third-Party Investment ManagerCalTRUST99,130,147LAIF42,000,000

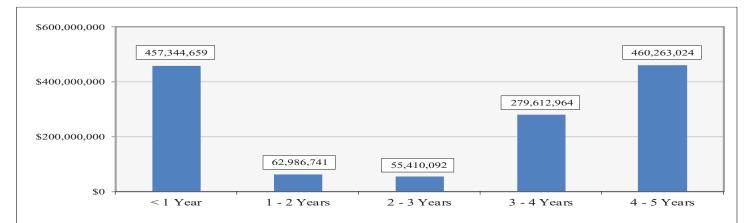
MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
<1 Year	457,344,659	34.77%
1 - 2 Years	62,986,741	4.79%
2 - 3 Years	55,410,092	4.21%
3 - 4 Years	279,612,964	21.25%
4 - 5 Years	460,263,024	34.98%
Total	1,315,617,480	100.00%

PORTFOLIO COMPOSITION



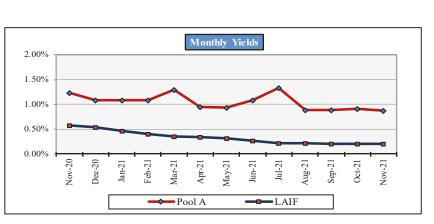
Asset Type	Pct. Assets	YTM
Treasuries/Agencies	30.23%	0.69%
Corp Bonds	30.11%	1.45%
CDs	11.69%	0.62%
CalTRUST	7.55%	0.24%
Muni Bonds	6.51%	1.60%
Bank Deposits	6.44%	0.20%
LAIF	3.20%	0.20%
CPs	2.66%	0.22%
Supranationals	1.50%	0.92%
MM Mutual Funds	0.11%	0.01%



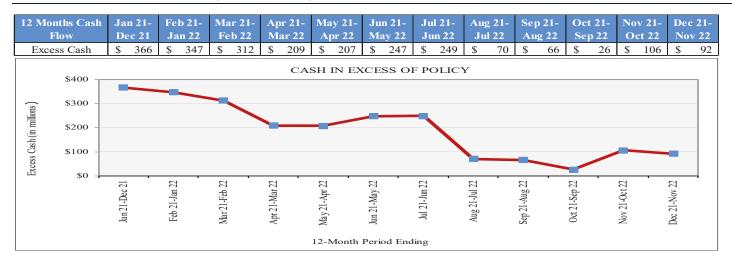
INTEREST RATE ENVIRONMENT

The economic story in November revolved around the highest rate of inflation since 1980. Economists are acknowledging that the surge in prices is sustained, rather than transitory, and will likely carry into late 2022 or early 2023. The unemployment rate dropped to a pandemic low of 4.2%, but even that number is indicative of underlying problems. The number of jobs in America only grew by 210,000, which missed estimates (575,000) by a very wide margin. Lackluster job creation and low unemployment seem contradictory until you consider that nearly 10 million Americans have exhausted their unemployment benefits and are no longer factored into the rate. Inflation took its toll on consumers as the University of Michigan Consumer Sentiment Index, a measure of how confident consumers are about the economy, dropped to 67.4, a rate that is one of the worst in the past 50 years. The Federal Reserve Board is no longer hinting at taking action and is currently planning on when and to what extent they will slow their asset purchases (otherwise known as tapering). The original goal was to use tapering as the means to slow inflation, but the rise in prices is too severe for just that action. It is clear that the Fed will need to also raise interest rates, which is where the majority of the debate among the members of the board is now focused. Action needs to be taken and most expect a plan to be released to the public following the Fed's meeting in mid-December. A flattening yield curve highlighted fixed income markets, as very short-term rates began to finally move upward. Rates further out the curve (5 years through 30 years) were more volatile as they reacted to economic and pandemic news on a nearly daily basis. The yield on 5-year Treasuries began November at 1.18%, dipped to just above 1.00% early in the month, broke through 1.30% as inflation numbers were released late in the month, and finally settled at 1.15% as the month closed. Although markets are very difficult to predict, it will be a major surprise if we do not see interest rates climb over the next year. The investment team will keep a keen eye on market conditions 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.

Ν	Ionthly Yields	
Month	Pool A	LAIF
Nov-20	1.23%	0.58%
Dec-20	1.08%	0.54%
Jan-21	1.08%	0.46%
Feb-21	1.09%	0.41%
Mar-21	1.29%	0.36%
Apr-21	0.95%	0.34%
May-21	0.93%	0.32%
Jun-21	1.08%	0.26%
Jul-21	1.33%	0.22%
Aug-21	0.88%	0.22%
Sep-21	0.88%	0.21%
Oct-21	0.91%	0.20%
Nov-21	0.87%	0.20%
FYTD	0.98%	0.21%



CASH IN EXCESS OF POLICY (IN MILLIONS)



Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. <u>Yield</u>	<u>S & P</u>	Bond Status	Call Put Date
CASH AND EQ	QUIVALENTS														
	caltrust-bff	Caltrust BlackRock FedFund		9,687,820		9,687,820		9,687,820	0.74	0.030	2,906	0.03			
	caltrust-lf	Caltrust Liquidity Fund		12,222,537		12,222,537		12,222,537	0.93	0.030	3,667	0.03			
	caltrust-mt	Caltrust Medium-Term		56,841,118		56,841,118		56,841,118	4.33	0.350	198,944	0.35			
	caltrust-st fidfund	Caltrust Short-Term Fidelity Fund		20,378,672 1,413,257		20,378,672		20,378,672	1.55 0.11	0.150 0.010	30,568 141	0.15 0.01			
	fivestar	Fidenty Fund Five Star Bank Community Fund		40,007,013		1,413,257 40,007,013		1,413,257 40,007,013	3.05	0.010	84.015	0.01			
	cashipm	JP Morgan Chase Cash		19,622,200		19,622,200		19,622,200	1.49	0.210	29,433	0.21			
	laifa	Local Agency Investment Fund,		42,000,000		42,000,000		42,000,000	3.20	0.203	85,260	0.20			
		Pool A		,,		,,		,,							
	miscintrec	Misc Interest Receivable		20,706		20,706		20,706	0.00	0.010	2	0.01			
	rivercity	River City Bank Community Fund	-	25,004,213	-	25,004,213		25,004,213	1.90	0.210	52,509	0.21			
				227,197,537		227,197,537		227,197,537	17.30		487,445	0.21			
NON-NEGOTI	ABLE CERTIFICATE	S OF DEPOSIT													
15,000,000	100181409-21	Safe Credit Union CD 0.690% Due 09-17-26	100.00	15,000,000	100.00	15,000,000	8,507	15,008,507	1.14	0.690	103,500	0.69			
15,000,000	100181409-22	Safe Credit Union CD 0.690% Due 09-17-26	100.00	15,000,000	100.00	15,000,000	8,507	15,008,507	1.14	0.690	103,500	0.69			
			-	30,000,000	-	30,000,000	17,014	30,017,014	2.28		207,000	0.69			
CERTIFICATI	ES OF DEPOSIT														
10,000,000	83369x3x4	Societe Generale NY 0.150% Due 03-08-22	100.00	10,000,000	100.00	9,999,861	7,042	10,006,903	0.76	0.150	15,000	0.15	A1		
5,000,000	86564g2e0	Sumitomo Mitsui Trust NY 0.170% Due 04-18-22	100.00	5,000,000	99.97	4,998,649	1,299	4,999,947	0.38	0.170	8,500	0.17	A1		
10,000,000	05966dc83	Banco Santander SA/NY 0.170% Due 04-19-22	100.00	10,000,000	99.96	9,995,980	4,722	10,000,702	0.76	0.170	17,000	0.17	A1		
3,000,000	02587dq84	American Express 2.400% Due 04-26-22	100.00	3,000,000	100.91	3,027,378	7,101	3,034,479	0.23	2.400	72,000	2.40			
	90348jcb4	UBS Bank CD 2.400% Due 04-28-22	100.00	3,000,000	100.92	3,027,569	592	3,028,161	0.23	2.400	72,000	2.41			
	53947cn53	LLoyds Bank Corp Mkts/NY 0.160% Due 05-31-22	100.00	10,000,000	99.96	9,995,855	3,689	9,999,544	0.76	0.160	16,000	0.16			
	53947cka5	Lloyds Bank Corp Mkts/NY 0.200% Due 06-14-22	100.00	10,000,000	99.97	9,997,051	9,667	10,006,717	0.76	0.200	20,000	0.20			
	53947c148	LLoyds Bank Corp Mkts/NY 0.230% Due 07-12-22	100.00	10,000,000	99.97	9,996,878	9,264	10,006,142	0.76	0.230	23,000	0.23			
	89114wgl3	Toronto Dominion Bank NY 0.170% Due 07-27-22	100.00	10,000,000	99.91	9,990,784	3,306	9,994,090	0.76	0.170	17,000	0.17			
	55380tve7	MUFG Bank Ltd New York 0.220% Due 08-09-22	100.00	7,000,000	99.91	6,993,927	5,005	6,998,932	0.53	0.220	15,400	0.22	Al		
	02587cgb0	American Express 2.400% Due 09-06-22	100.00	5,000,000	101.66	5,082,941	28,274	5,111,215	0.39	2.400	120,000	2.40			
10,000,000	2254912z7	Credit Suisse New York 0.540% Due 11-20-23	100.00	10,000,000	98.76	9,876,200	1,350	9,877,550	0.75	0.540	54,000	0.54			
	2254915r2	Credit Suisse New York 0.490% Due 12-04-23	100.00	10,000,000	98.61	9,861,400	48,864	9,910,264	0.75	0.490	49,000	0.49			
6,000,000	90348jb66	US Bank CD 0.600% Due 01-27-26	100.00	6,000,000	97.98	5,878,606	395	5,879,000	0.45	0.600	36,000	0.60	A1		01-27-22
5,000,000	05600xcf5	BMO Harris Bank 0.750% Due 02-26-26	100.00	5,000,000	98.51	4,925,627	9,966	4,935,593	0.38	0.750	37,500	0.75			02-26-22
5,000,000	48128uf95	JP Morgan Chase Bank NA 0.950% Due 03-17-26	100.00	5,000,000	100.24	5,011,841	9,760	5,021,602	0.38	0.950	47,500	0.95		с	03-17-22

Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. <u>Yield</u>	<u>S & P</u>	Bond Status	Call Put Date
UBS Bank CD 0.850% Due 06-16-26	100.00	5,000,000	98.66	4,932,824	1,747	4,934,570	0.38	0.850	42,500	0.85			06-16-22
	_	124,000,000	_	123,593,371	152,041	123,745,412	9.41		662,400	0.54			
Credit Suisse NY 0.220% Due 12-01-21	99.87	4,993,614	100.00	4,999,985	0	4,999,985	0.38	0.220	11,000	0.22	A1		
Barclays Bank Plc 0.200% Due 04-05-22	99.85	9,985,389	99.93	9,993,140	0	9,993,140	0.76	0.200	20,000	0.20	A1		
Barclays Bank Plc 0.230% Due 06-28-22	99.85	4,992,397	99.82	4,990,958	0	4,990,958	0.38	0.230	11,500	0.23	A1		
Toronto Dominion Bank 0.230% Due 07-26-22	99.83	9,982,750	99.80	9,980,233	0	9,980,233	0.76	0.230	23,000	0.23	A1+		
Citigroup Global Mkts 0.230% Due 07-27-22	99.83	4,991,567	99.79	4,989,710	0	4,989,710	0.38	0.230	11,500	0.23	A-1		
0.25070 Due 07 27 22	-	34,945,717	_	34,954,026	0	34,954,026	2.66		77,000	0.22			
U.S. Treasury Note 0.375% Due 01-31-26	98.83	4,941,406	97.09	4,854,297	6,267	4,860,564	0.37	0.375	18,750	0.62	AA+		
U.S. Treasury Note 0.500% Due 02-28-26	98.75	14,812,891	97.53	14,629,102	19,061	14,648,162	1.11	0.500	75,000	0.75	AA+		
0.50070 Due 02 20 20	-	19,754,297	_	19,483,398	25,328	19,508,726	1.48		93,750	0.72			
Federal Home Loan Bank 0.750% Due 05-19-25	100.00	5,000,000	99.43	4,971,288	1,250	4,972,538	0.38	0.750	37,500	0.75	AA+		12-06-21
Federal Home Loan Bank 0.500% Due 09-22-25	99.90	4,995,000	97.67	4,883,278	4,792	4,888,070	0.37	0.500	25,000	0.52	AA+		12-06-21
Federal Home Loan Bank 0.600% Due 12-15-25	100.00	5,000,000	98.03	4,901,619	13,833	4,915,452	0.37	0.600	30,000	0.60	AA+		12-15-21
Federal Home Loan Bank 0.560% Due 12-30-25	99.97	4,998,750	98.12	4,906,190	11,744	4,917,935	0.37	0.560	28,000	0.57	AA+		12-30-21
Federal Home Loan Bank 0.550% Due 01-20-26	99.80	4,990,000	97.67	4,883,398	10,007	4,893,405	0.37	0.550	27,500	0.59	AA+		01-20-22
Federal Home Loan Bank 0.625% Due 01-22-26	100.00	10,000,000	98.28	9,827,654	22,396	9,850,050	0.75	0.625	62,500	0.62	AA+		01-22-22
Federal Home Loan Bank 0.550% Due 01-28-26	100.00	5,000,000	98.02	4,900,845	9,396	4,910,241	0.37	0.550	27,500	0.55	AA+		01-28-22
Federal Home Loan Bank 0.600% Due 01-28-26	100.00	5,000,000	98.18	4,908,763	10,250	4,919,013	0.37	0.600	30,000	0.60	AA+		01-28-22
Federal Home Loan Bank 0.580% Due 01-28-26	100.00	5,000,000	98.11	4,905,599	9,908	4,915,507	0.37	0.580	29,000	0.58	AA+		01-28-22
Federal Home Loan Bank 0.550% Due 02-12-26	100.00	5,000,000	97.60	4,879,964	8,326	4,888,290	0.37	0.550	27,500	0.55	AA+		02-12-22
Federal Home Loan Bank 0.650% Due 02-24-26	100.00	5,000,000	98.25	4,912,612	8,757	4,921,369	0.37	0.650	32,500	0.65	AA+		02-24-22
Federal Home Loan Bank 0.625% Due 02-24-26	100.00	5,000,000	98.17	4,908,605	8,420	4,917,025	0.37	0.625	31,250	0.62	AA+		02-24-22
Federal Home Loan Bank	100.00	5,000,000	98.17	4,908,605	8,420	4,917,025	0.37	0.625	31,250	0.62	AA+		02-24-22
Federal Home Loan Bank	100.00	5,000,000	98.10	4,904,768	7,733	4,912,502	0.37	0.580	29,000	0.58	AA+		02-25-22
Federal Home Loan Bank	100.00	5,000,000	98.82	4,940,815	9,562	4,950,378	0.38	0.850	42,500	0.85		_	12-10-21
	0.625% Due 02-24-26 Federal Home Loan Bank 0.580% Due 02-25-26	0.625% Due 02-24-26 Federal Home Loan Bank 100.00 0.580% Due 02-25-26 Federal Home Loan Bank 100.00	0.625% Due 02-24-26 5,000,000 Federal Home Loan Bank 100.00 5,000,000 0.580% Due 02-25-26 5,000,000 5,000,000 Federal Home Loan Bank 100.00 5,000,000	0.625% Due 02-24-26 Federal Home Loan Bank 100.00 5,000,000 98.10 0.580% Due 02-25-26 Federal Home Loan Bank 100.00 5,000,000 98.82	0.625% Due 02-24-26	0.625% Due 02-24-26 100.00 5,000,000 98.10 4,904,768 7,733 0.580% Due 02-25-26 7 7 7 7 7 Federal Home Loan Bank 100.00 5,000,000 98.82 4,940,815 9,562	0.625% Due 02-24-26 Federal Home Loan Bank 100.00 5,000,000 98.10 4,904,768 7,733 4,912,502 0.580% Due 02-25-26 Federal Home Loan Bank 100.00 5,000,000 98.82 4,940,815 9,562 4,950,378	0.625% Due 02-24-26 Federal Home Loan Bank 100.00 5,000,000 98.10 4,904,768 7,733 4,912,502 0.37 0.580% Due 02-25-26 Federal Home Loan Bank 100.00 5,000,000 98.82 4,940,815 9,562 4,950,378 0.38	0.625% Due 02-24-26 Federal Home Loan Bank 100.00 5,000,000 98.10 4,904,768 7,733 4,912,502 0.37 0.580 0.580% Due 02-25-26 Federal Home Loan Bank 100.00 5,000,000 98.82 4,940,815 9,562 4,950,378 0.38 0.850	0.625% Due 02-24-26 Federal Home Loan Bank 100.00 5,000,000 98.10 4,904,768 7,733 4,912,502 0.37 0.580 29,000 0.580% Due 02-25-26 - <	0.625% Due 02-24-26 Federal Home Loan Bank 100.00 5,000,000 98.10 4,904,768 7,733 4,912,502 0.37 0.580 29,000 0.58 0.580% Due 02-25-26 - <t< td=""><td>0.625% Due 02-24-26 Federal Home Loan Bank 100.00 5,000,000 98.10 4,904,768 7,733 4,912,502 0.37 0.580 29,000 0.58 AA+ 0.580% Due 02-25-26 Federal Home Loan Bank 100.00 5,000,000 98.82 4,940,815 9,562 4,950,378 0.38 0.850 42,500 0.85 AA+</td><td>0.625% Due 02-24-26 Federal Home Loan Bank 100.00 5,000,000 98.10 4,904,768 7,733 4,912,502 0.37 0.580 29,000 0.58 AA+ 0.580% Due 02-25-26 7 7 4,904,815 9,562 4,950,378 0.38 0.850 42,500 0.85 AA+</td></t<>	0.625% Due 02-24-26 Federal Home Loan Bank 100.00 5,000,000 98.10 4,904,768 7,733 4,912,502 0.37 0.580 29,000 0.58 AA+ 0.580% Due 02-25-26 Federal Home Loan Bank 100.00 5,000,000 98.82 4,940,815 9,562 4,950,378 0.38 0.850 42,500 0.85 AA+	0.625% Due 02-24-26 Federal Home Loan Bank 100.00 5,000,000 98.10 4,904,768 7,733 4,912,502 0.37 0.580 29,000 0.58 AA+ 0.580% Due 02-25-26 7 7 4,904,815 9,562 4,950,378 0.38 0.850 42,500 0.85 AA+

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. <u>Yield</u>	<u>S & P</u>	Bond Status	Call Put Date
5,000,000	3130aleh3	Federal Home Loan Bank 0.700% Due 03-16-26	100.00	5,000,000	98.35	4,917,620	7,292	4,924,911	0.37	0.700	35,000	0.70	AA+		03-16-22
5,000,000	3130almv3	Federal Home Loan Bank 1.000% Due 03-30-26	100.00	5,000,000	99.17	4,958,599	8,472	4,967,072	0.38	1.000	50,000	1.00	AA+		12-30-21
5,000,000	3130alxp4	Federal Home Loan Bank 1.200% Due 04-28-26	100.00	5,000,000	99.55	4,977,295	5,500	4,982,795	0.38	1.200	60,000	1.20	AA+		01-28-22
5,000,000	3130am2f8	Federal Home Loan Bank 1.125% Due 04-29-26	100.00	5,000,000	99.39	4,969,501	5,000	4,974,501	0.38	1.125	56,250	1.12	AA+		01-29-22
5,000,000	3130amcl4	Federal Home Loan Bank 1.020% Due 05-19-26	100.00	5,000,000	98.89	4,944,509	1,700	4,946,209	0.38	1.020	51,000	1.02	AA+		02-19-22
1,750,000	3130amcb6	Federal Home Loan Bank 1.000% Due 05-22-26	100.00	1,750,000	99.05	1,733,290	437	1,733,728	0.13	1.000	17,500	1.00	AA+		02-22-22
	3130amjc7	Federal Home Loan Bank 1.000% Due 05-26-26	100.00	5,000,000	99.03	4,951,571	694	4,952,266	0.38	1.000	50,000				02-26-22
	3130amjn3	Federal Home Loan Bank 1.030% Due 05-26-26	100.00	5,000,000	99.12	4,955,774	715	4,956,490	0.38	1.030	51,500		AA+		02-26-22
	3130ampt3	Federal Home Loan Bank 1.030% Due 06-23-26	100.00	3,000,000	99.05	2,971,544	13,562	2,985,106	0.23	1.030	30,900		AA+		12-23-21
, ,	3130anyn4	Federal Home Loan Bank 1.000% Due 09-30-26	100.00	5,000,000	98.71	4,935,692	8,472	4,944,164	0.38	1.000	50,000		AA+		12-30-21
5,000,000	3130aprp2	Federal Home Loan Bank 1.570% Due 11-23-26	100.00	5,000,000	99.97	4,998,430	1,744	5,000,175	0.38	1.570	78,500		AA+		12-23-21
				129,733,750		127,857,830	198,385	128,056,215	9.74		1,021,650	0.79			
	FIONAL MORTGAGE														
, ,	3136g4d75	Fannie Mae 0.600% Due 07-29-25	100.00	5,000,000	98.23	4,911,740	10,167	4,921,906	0.37	0.600	30,000		AA+		07-29-22
	3136g4g23	Fannie Mae 0.600% Due 07-29-25	100.00	5,000,000	98.23	4,911,740	10,167	4,921,906	0.37	0.600	30,000		AA+		07-29-22
	3136g4c76	Fannie Mae 0.700% Due 08-12-25	100.00	5,000,000	98.57	4,928,619	10,597	4,939,216	0.38	0.700	35,000	0.70			02-12-22
	3136g4c43	Fannie Mae 0.650% Due 08-14-25	100.00	5,000,000	98.40	4,919,924	9,660	4,929,584	0.37	0.650	32,500		AA+		02-14-22
	3136g4x40	Fannie Mae 0.600% Due 08-26-25	99.96	4,998,000	98.14	4,907,157	7,917	4,915,074	0.37	0.600	30,000		AA+		02-26-22
3,000,000	3136g43q4	Fannie Mae 0.600% Due 09-16-25	100.00	3,000,000	98.12	2,943,661	3,750	2,947,411	0.22	0.600	18,000		AA+		12-16-21
5,000,000	3135g06a6	Fannie Mae 0.580% Due 10-20-25	100.00	5,000,000	98.01	4,900,659	3,303	4,903,961	0.37	0.580	29,000	0.58	AA+		01-20-22
4,000,000	3136g45c3	Fannie Mae 0.540% Due 10-27-25	99.81	3,992,280	97.86	3,914,552	2,040	3,916,592	0.30	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	97.90	4,894,875	2,597	4,897,472	0.37	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	97.94	2,938,214	1,540	2,939,754	0.22	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	98.47	4,923,618	2,222	4,925,840	0.37	0.500	25,000	0.52	AA+		
5,000,000	3135ga4v0	Fannie Mae 0.625% Due 11-25-25	100.00	5,000,000	98.14	4,907,127	521	4,907,648	0.37	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	98.21	4,910,664	14,806	4,925,470	0.37	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	98.02	4,900,845	9,396	4,910,241	0.37	0.550	27,500	0.55	AA+		01-28-22
			-	64,985,280	-	63,813,394	88,681	63,902,075	4.86		386,650	0.60		_	

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
	ME LOAN MORTGA 3134gvrv2	AGE CORP. (FHLMC) Freddie Mac	100.00	3,000,000	99.29	2,978,794	250	2,979,044	0.23	0.750	22,500	0.75	AA+		02-27-22
5,000,000	5154gv1v2	0.750% Due 05-27-25	100.00	3,000,000	33.23	2,978,794	250	2,979,044	0.23	0.750	22,500	0.75	AA		02-27-22
5,000,000	3134gvb31	Freddie Mac	99.76	4,987,900	99.22	4,961,015	312	4,961,328	0.38	0.750	37,500	0.80	AA+		02-28-22
		0.750% Due 05-28-25													
5,000,000	3134gvz68	Freddie Mac	99.95	4,997,500	98.73	4,936,677	15,361	4,952,038	0.38	0.700	35,000	0.71	AA+		12-23-21
3 000 000	2124 multre	0.700% Due 06-23-25 Freddie Mac	100.00	3,000,000	98.34	2,950,242	5,677	2,955,919	0.22	0.625	18,750	0.62	AA+		02-12-22
3,000,000	3134gwkr6	0.625% Due 08-12-25	100.00	3,000,000	96.34	2,930,242	5,077	2,955,919	0.22	0.023	18,750	0.62	AA⊤		02-12-22
5.000.000	3134gwh82	Freddie Mac	100.00	5,000,000	98.25	4,912,724	7,205	4,919,929	0.37	0.625	31,250	0.62	AA+		12-08-21
-,,	<u>8</u>	0.625% Due 09-08-25		-,,		.,,,,	,,	., ,			,				
5,000,000	3134gwa55	Freddie Mac	100.00	5,000,000	98.81	4,940,519	7,403	4,947,922	0.38	0.650	32,500	0.65	AA+		12-09-21
		0.650% Due 09-09-25													
5,000,000	3134gwwt9	Freddie Mac	100.00	5,000,000	97.94	4,897,224	4,660	4,901,883	0.37	0.550	27,500	0.55	AA+		12-30-21
5 000 000	3134gwy26	0.550% Due 09-30-25 Freddie Mac	100.00	5,000,000	97.98	4,899,126	4,196	4,903,322	0.37	0.570	28,500	0.57	AA+		01-08-22
5,000,000	5154gwy20	0.570% Due 10-08-25	100.00	5,000,000	91.90	4,099,120	4,190	4,905,522	0.57	0.570	28,500	0.57	Λ <u>Λ</u> '		01-08-22
5,000,000	3134gwys9	Freddie Mac	100.00	5,000,000	97.92	4,896,165	3,833	4,899,998	0.37	0.600	30,000	0.60	AA+		01-15-22
	0,1	0.600% Due 10-15-25													
10,000,000	3134gxbm5	Freddie Mac	99.98	9,998,500	97.62	9,762,390	3,167	9,765,557	0.74	0.600	60,000	0.60	AA+		02-12-22
5 000 000	2124 6.1	0.600% Due 11-12-25	100.00	5 000 000	00.00	1010 164	14.000	4 000 400	0.25	0.005	21.250	0.60			10.15.01
5,000,000	3134gxfv1	Freddie Mac 0.625% Due 12-17-25	100.00	5,000,000	98.38	4,919,164	14,236	4,933,400	0.37	0.625	31,250	0.62	AA+		12-17-21
5 000 000	3134gxlf9	Freddie Mac	100.00	5,000,000	97.97	4,898,582	8,326	4,906,909	0.37	0.550	27,500	0.55	AA+		02-12-22
5,000,000	515 (gAll)	0.550% Due 02-12-26	100.00	5,000,000	21.21	1,050,502	0,520	1,900,909	0.57	0.000	27,500	0.55	1111		02 12 22
			_	60,983,900	_	59,952,622	74,626	60,027,249	4.57		382,250	0.63			
Not Classified	RICULTURAL MOR 1 31422xbt8	TGAGE CORP. Farmer Mac	100.00	3,000,000	99.12	2,973,491	9,567	2,983,058	0.23	0.700	21,000	0.70			12-17-21
5,000,000	514227010	0.700% Due 12-17-25	100.00	5,000,000	<i>))</i> .12	2,975,491	5,507	2,705,050	0.25	0.700	21,000	0.70			12-17-21
3,000,000	31422xbn1	Farmer Mac	100.00	3,000,000	98.15	2,944,416	5,520	2,949,936	0.22	0.690	20,700	0.69			02-25-22
		0.690% Due 02-25-26													
5,000,000	31422xpe6	Farmer Mac	100.00	5,000,000	99.65	4,982,377	1,444	4,983,821	0.38	1.300	65,000	1.30			11-23-22
		1.300% Due 11-23-26	-	11 000 000	-	10.000.202	16.521	10.016.015	0.02		10(700	0.07			
			_	11,000,000	-	10,900,283	16,531	10,916,815	0.83		106,700	0.97			
				11,000,000		10,900,283	16,531	10,916,815	0.83		106,700	0.97			
FEDERAL FAI Not Classified	RM CREDIT BANK - 1	FRMMT													
3,000,000	3133egt47	Federal Farm Credit Bank	100.31	3,009,180	100.04	3,001,161	28,977	3,030,138	0.23	2.010	60,300	1.95	AA+		
5,000,000	3133elc28	2.010% Due 12-08-21 Federal Farm Credit Bank	100.00	5,000,000	98.55	4,927,516	406	4,927,921	0.38	0.730	36,500	0.73	AA+		12-06-21
		0.730% Due 05-27-25													
5,000,000	3133el2s2	Federal Farm Credit Bank 0.670% Due 08-04-25	100.00	5,000,000	98.37	4,918,738	10,887	4,929,625	0.37	0.670	33,500	0.67	AA+		12-06-21
5,000,000	3133el4w1	Federal Farm Credit Bank 0.610% Due 08-25-25	99.92	4,996,250	98.04	4,901,955	8,133	4,910,088	0.37	0.610	30,500	0.63	AA+		12-06-21
5,000,000	3133embh4	Federal Farm Credit Bank 0.530% Due 09-29-25	100.00	5,000,000	97.66	4,882,750	4,564	4,887,314	0.37	0.530	26,500	0.53	AA+		12-06-21
5,000,000	3133emdz2	Federal Farm Credit Bank 0.520% Due 10-21-25	99.76	4,987,950	97.46	4,873,206	2,889	4,876,095	0.37	0.520	26,000	0.57	AA+		12-06-21
5,000,000	3133emfr8	Federal Farm Credit Bank 0.540% Due 11-03-25	99.94	4,997,000	97.41	4,870,452	2,100	4,872,552	0.37	0.540	27,000	0.55	AA+		11-03-22
5,000,000	3133emqx3	0.540% Due 11-05-25 Federal Farm Credit Bank 0.590% Due 02-17-26	100.00	5,000,000	97.75	4,887,658	8,522	4,896,180	0.37	0.590	29,500	0.59	36	9	12-06-21
		5157675 2 46 02 17 20			Page	16									

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	<u>S & P</u>	Bond Status	Call Put Date
5,000,000	3133emsk9	Federal Farm Credit Bank 0.840% Due 03-02-26	99.92	4,996,250	98.78	4,938,837	10,383	4,949,220	0.38	0.840	42,000	0.86	AA+		12-06-21
5,000,000	3133emsh6	Federal Farm Credit Bank 0.790% Due 03-03-26	100.00	5,000,000	98.63	4,931,680	9,656	4,941,336	0.38	0.790	39,500	0.79	AA+		03-03-22
5,000,000	3133emsu7	Federal Farm Credit Bank 0.800% Due 03-09-26	100.00	5,000,000	98.73	4,936,467	9,111	4,945,578	0.38	0.800	40,000	0.80	AA+		03-09-23
5,000,000	3133emuk6	Federal Farm Credit Bank 1.050% Due 03-25-26	100.00	5,000,000	99.26	4,963,219	9,625	4,972,844	0.38	1.050	52,500	1.05	AA+		03-25-22
5,000,000	3133emh21	Federal Farm Credit Bank 0.900% Due 06-15-26	100.00	5,000,000	98.73	4,936,611	20,750	4,957,361	0.38	0.900	45,000	0.90	AA+		06-15-22
5,000,000	3133emh54	Federal Farm Credit Bank 0.960% Due 06-15-26	100.00	5,000,000	98.84	4,942,101	22,133	4,964,235	0.38	0.960	48,000	0.96	AA+		12-06-21
3,000,000	3133eml67	Federal Farm Credit Bank 0.800% Due 06-22-26	100.00	3,000,000	98.46	2,953,889	10,600	2,964,489	0.22	0.800	24,000	0.80	AA+		06-22-23
5,000,000	3133emq62	Federal Farm Credit Bank 0.990% Due 07-13-26	100.00	5,000,000	98.86	4,942,879	18,975	4,961,854	0.38	0.990	49,500	0.99	AA+		01-13-22
5,000,000	3133em4s8	Federal Farm Credit Bank 0.870% Due 09-08-26	99.82	4,991,250	98.02	4,900,856	10,029	4,910,885	0.37	0.870	43,500	0.91	AA+		09-08-22
5,000,000	3133em6e7	Federal Farm Credit Bank 0.940% Due 09-28-26	100.00	5,000,000	98.42	4,920,951	8,225	4,929,176	0.37	0.940	47,000	0.94	AA+		09-28-22
3,000,000	3133endc1	Federal Farm Credit Bank 1.330% Due 11-03-26	100.00	3,000,000	99.49	2,984,646	3,103	2,987,750	0.23	1.330	39,900	1.33	AA+		11-03-22
			-	88,977,880		87,615,572	199,070	87,814,642	6.67		740,700	0.84			
				88,977,880		87,615,572	199,070	87,814,642	6.67		740,700	0.84			
MUNICIPAL B Not Classified															
800,000.00	430034aw8	Highland Calif Redev Agy Succe 2.250% Due 02-01-22	99.42	795,336	100.30	802,424	6,000	808,424	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	100.74	1,007,400	3,945	1,011,345	0.08	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	100.76	3,022,920	5,000	3,027,920	0.23	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	101.10	657,163	753	657,916	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	100.55	1,005,490	5,529	1,011,019	0.08	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	103.78	3,113,430	60,910	3,174,340	0.24	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	101.37	1,272,244	9,935	1,282,179	0.10	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	101.51	5,075,450	43,833	5,119,283	0.39	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	101.86	5,093,250	20,833	5,114,083	0.39	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	101.58	695,837	1,153	696,990	0.05	2.020	13,837	2.02	AA-		
1,750,000.00	13032uva3	California Health Facs Fing Auth Revenue 1.970% Due 06-01-23	100.00	1,750,000	102.04	1,785,787	17,237	1,803,025	0.14	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	101.17	1,011,690	6,154	1,017,844	0.08	1.477	14,770	1.48			
3,000,000.00	93974d5q7	Washington St 3.030% Due 08-01-23	99.66	2,989,770	104.05	3,121,590	30,300	3,151,890	0.24	3.030	90,900	3.11	AA+		
3,325,000.00	20772j3h3	Connecticut State 2.150% Due 08-15-23	99.57	3,310,669	102.53	3,409,222	21,049	3,430,271	0.26	2.150	71,487	2.26	^{A+} 370)	
					Dago	17									

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	<u>S & P</u>	Bond Status	Call Put Date
550,000.00	13077dkb7	California St Univ Rev 1.557% Due 11-01-23	100.00	550,000	101.78	559,806	714	560,520	0.04	1.557	8,563	1.56	AA-		
520,000.00	13080szk3	California Statewide Cmntys De 0.514% Due 02-01-24	100.00	520,000	99.37	516,734	891	517,625	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	102.47	5,123,600	21,322	5,144,922	0.39	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	102.11	2,042,180	6,353	2,048,533	0.16	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	100.04	250,107	93	250,200	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	98.91	1,483,710	245	1,483,955	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	102.59	2,564,725	25,250	2,589,975	0.20	2.020	50,500	2.02	AA-		
750,000.00	13032ux17	California Health Facs Fing Auth Revenue 0.752% Due 06-01-24	100.00	750,000	99.47	746,010	2,820	748,830	0.06	0.752	5,640	0.75	AA-		
1,000,000.00	365298y51	Griden Grove California Unified School District 1.966% Due 08-01-24	100.00	1,000,000	102.33	1,023,300	6,553	1,029,853	0.08	1.966	19,660	1.97	AA-		
850,000.00	13034al57	California Infrastructure & Ec 0.645% Due 10-01-24	100.00	850,000	99.06	842,027	914	842,941	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	98.86	1,136,867	541	1,137,408	0.09	0.565	6,497	0.57	AA		
750,000.00	13080szl1	California Statewide Cmntys De 0.732% Due 02-01-25	100.00	750,000	98.88	741,600	1,830	743,430	0.06	0.732	5,490	0.73	A+		
1,250,000.00	64990fa95	New York St Dorm Auth St Pers 1.062% Due 03-15-25	100.00	1,250,000	99.92	1,248,950	2,802	1,251,752	0.10	1.062	13,275	1.06	AA+		
1,650,000.00	64990fd43	New York St Dorm Auth St Pers 0.887% Due 03-15-25	100.00	1,650,000	99.35	1,639,308	6,423	1,645,731	0.12	0.887	14,635	0.89	AA+		
3,000,000.00	92812vb88	Virginia Housing Development Authority 2.056% Due 04-01-25	100.00	3,000,000	102.46	3,073,950	10,280	3,084,230	0.23	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	99.50	696,493	290	696,783	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	99.16	3,470,670	1,374	3,472,044	0.26	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	98.61	986,100	298	986,398	0.08	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	99.02	1,237,737	5,950	1,243,687	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	98.36	4,917,850	13,750	4,931,600	0.37	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	99.25	992,490	4,200	996,690	0.08	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	98.51	492,570	1,607	494,177	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	99.91	4,995,400	26,208	5,021,608	0.38	1.258	62,900	0.90	AA		
940,000.00	13034al65	California Infrastructure & Ec 0.765% Due 10-01-25	100.00	940,000	98.35	924,518	1,198	925,717	0.07	0.765	7,191	0.77	^{AAA} 371	L	

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. <u>Yield</u>	<u>S & P</u>	Bond Status	Call Put Date
4,000,000.00	13077dqd7	California St Univ Rev 0.862% Due 11-01-25	100.00	4,000,000	98.90	3,956,120	2,873	3,958,993	0.30	0.862	34,480	0.86	AA-		
1,865,000.00	880558nu1	Tennessee St Sch Bd Auth 0.627% Due 11-01-25	100.00	1,865,000	98.04	1,828,521	974	1,829,495	0.14	0.627	11,694	0.63	AA+		
5,000,000.00	64990fb29	New York St Dorm Auth St Pers 1.262% Due 03-15-26	100.00	5,000,000	99.71	4,985,600	13,321	4,998,921	0.38	1.262	63,100	1.26	AA+		
1,000,000.00	64990fd50	New York St Dorm Auth St Pers 1.187% Due 03-15-26	100.00	1,000,000	99.40	994,010	5,210	999,220	0.08	1.187	11,870		AA+		
1,000,000.00	697511fu2	Palomar Calif Cmnty College Di 1.031% Due 08-01-26	100.00	1,000,000	98.57	985,690	1,375	987,065	0.08	1.031	10,310	1.03	AA		
			_	85,486,021	_	85,530,542	398,294	85,928,836	6.51		1,464,168	1.60			
				85,486,021		85,530,542	398,294	85,928,836	6.51		1,464,168	1.60			
CORPORATE INDUSTRIAI															
5,000,000	24422erm3	John Deere Capital Corp 2.750% Due 03-15-22	101.89	5,094,300	100.72	5,035,968	29,028	5,064,996	0.38	2.750	137,500	2.30	А		
	88579ybh3	3M Company 2.000% Due 02-14-25	100.58	4,269,791	102.46	4,349,563	25,234	4,374,797	0.33	2.000	84,900	1.88			01-14-25
	438516cb0	Honeywell Intl Inc 1.350% Due 06-01-25	101.90	2,615,773	100.39	2,577,060	17,327	2,594,388	0.20	1.350	34,654	0.96			05-01-25
10,000,000	24422evk2	John Deere Capital Corp 0.700% Due 01-15-26	99.06	9,905,536	97.31	9,731,000	26,444	9,757,444	0.74	0.700	70,000	0.90	А		
				21,885,400		21,693,591	98,034	21,791,625	1.65		327,054	1.43			
COMMUNIC	ATION SERVICES														
3,000,000	254687fk7	Disney Walt Co 1.750% Due 08-30-24	99.11	2,973,300	101.55	3,046,386	13,562	3,059,948	0.23	1.750	52,500	1.95	BBB+		07-30-24
CONSUMER	DISCRETIONARY														
	023135aj5	Amazon Com Inc 2.500% Due 11-29-22	100.72	5,036,200	101.56	5,078,202	694	5,078,897	0.39	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	102.09	5,104,521	33,000	5,137,521	0.39	2.400	120,000	2.73	AA		01-22-23
	46849ltk7	Jackson National Life Global 2.650% Due 06-21-24	104.11	2,082,240	103.59	2,071,744	23,556	2,095,300	0.16	2.650	53,000	1.60			
	384802ae4	WW Grainger Inc 1.850% Due 02-15-25	103.11	5,155,700	101.91	5,095,483	27,236	5,122,719	0.39	1.850	92,500	1.17			01-15-25
	023135bq8	Amazon Com Inc 0.800% Due 06-03-25	101.16	5,057,900	98.51	4,925,510	19,778	4,945,287	0.38	0.800	40,000	0.53			05-03-25
	641062ar5	Nestle Holdings Inc 0.625% Due 01-15-26	99.41	1,839,122	97.08	1,795,908	4,368	1,800,277	0.14	0.625	11,562	0.75			12-15-25
	141781bn3	Cargill Inc 0.750% Due 02-02-26	99.68	4,984,150	97.31	4,865,529	12,396	4,877,925	0.37	0.750	37,500	0.82			01-02-26
	74460waa5	Public Storage 0.875% Due 02-15-26	100.27	5,013,300	97.62	4,881,227	12,882	4,894,109	0.37	0.875	43,750	0.82			01-15-26
5,000,000	023135bx3	Amazon Com Inc 1.000% Due 05-12-26	99.68	4,984,250	98.81	4,940,704	2,639	4,943,343	0.38	1.000	50,000	1.06	AA		04-12-26
				39,093,962		38,758,830	136,549	38,895,378	2.95		573,312	1.34			
CONSUMER		Harribert Ca	00.97	2 007 100	102.20	2.0/0.027	(5()	2 075 200	0.22	2 (25	70 750	2.00			02 01 22
	427866at5 440452ag5	Hershey Co 2.625% Due 05-01-23 Hormel Foods Corp	99.87 100.15	2,996,100 2,002,920	102.29 99.18	3,068,837 1,983,636	6,562 6,428	3,075,399 1,990,064	0.23 0.15	2.625 0.650	78,750 13,000	2.66 0.60			02-01-23 06-03-22
2,000,000	110752485	0.650% Due 06-03-24	100.15	2,002,720	<i>))</i> .10	1,705,050	0,720	1,220,004	0.15	0.050	15,000	0.00	372		00-05*22

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. <u>Yield</u>	<u>S & P</u>	Bond Status	Call Put Date
5,000,000	37331naj0	Georgia Pacific Corp 1.750% Due 09-30-25	104.38	5,219,150	100.67	5,033,728	14,826	5,048,554	0.38	1.750	87,500	0.82	A+		08-30-25
			_	10,218,170	_	10,086,201	27,817	10,114,017	0.77		179,250	1.34			
ENERGY															
5,000,000	822582av4	Shell International Fin Bv 2.250% Due 01-06-23	99.62	4,981,000	101.83	5,091,527	45,312	5,136,840	0.39	2.250	112,500	2.40	A+	с	12-22-21
FINANCIAL															
5,000,000	404280bf5	HSBC Holdings PLC 2.650% Due 01-05-22	99.79	4,989,400	100.21	5,010,347	53,736	5,064,083	0.38	2.650	132,500	2.70	А		
1,150,000	21688aaj1	Cooperatieve Rabobank UA/NY 2.750% Due 01-10-22	100.96	1,161,051	100.26	1,153,026	12,386	1,165,412	0.09	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	100.38	5,018,831	44,167	5,062,998	0.38	2.650	132,500	1.61	A-		
2,814,000	064159sh0	Bank Nova Scotia B C 2.000% Due 11-15-22	101.20	2,847,768	101.44	2,854,522	2,501	2,857,024	0.22	2.000	56,280	1.52	A-		
5,000,000	05253jaw1	Australia & New Zeala Bkg Grp NY	102.03	5,101,450	101.53	5,076,355	2,847	5,079,202	0.39	2.050	102,500	1.24	AA-		
7,000,000	63254abc1	2.050% Due 11-21-22 National Australia Bk/NY 1.875% Due 12-13-22	100.83	7,058,250	101.46	7,101,972	61,250	7,163,222	0.54	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	101.39	2,027,802	15,383	2,043,185	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	100.68	1,578,641	4,464	1,583,106	0.12	1.250	19,600	1.25	А		02-09-23
5,000,000	06747pml0	Barclays Bank Plc 3.000% Due 10-17-23	100.00	5,000,000	100.35	5,017,543	18,333	5,035,876	0.38	3.000	150,000	3.00	А		04-17-22
5,000,000	06406ral1	Bank New York Mellon Corp 2.100% Due 10-24-24	101.18	5,059,100	102.81	5,140,351	10,792	5,151,143	0.39	2.100	105,000	1.84	А		
5,000,000	78015k7c2	Royal Bank of Canada 2.250% Due 11-01-24	102.36	5,118,100	103.04	5,152,193	9,375	5,161,568	0.39	2.250	112,500	1.70	А		
2,500,000	64952wdl4	New York Life Global 2.000% Due 01-22-25	100.73	2,518,225	102.39	2,559,847	17,917	2,577,764	0.19	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	102.86	5,148,325	36,092	5,184,417	0.39	2.200	110,110	1.79	A-		
5,000,000	06747pkv0	Barclays Bank Plc 3.250% Due 04-08-25	100.00	5,000,000	102.06	5,102,813	23,924	5,126,737	0.39	3.250	162,500	3.25	А		04-08-23
4,000,000	06406ran7	Bank New York Mellon Corp 1.600% Due 04-24-25	102.41	4,096,520	101.03	4,041,372	6,578	4,047,950	0.31	1.600	64,000	1.10	А		03-24-25
3,000,000	78015k7h1	Royal Bank of Canada 1.150% Due 06-10-25	100.27	3,008,130	99.13	2,973,783	16,387	2,990,171	0.23	1.150	34,500	1.09	А		
5,000,000	064159vl7	Bank Nova Scotia B C 1.300% Due 06-11-25	100.96	5,048,100	99.72	4,985,986	30,694	5,016,681	0.38	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	97.30	2,918,922	13,167	2,932,088	0.22	1.000	30,000	1.00	A-		12-23-21
5,000,000	00138can8	AIG Global Funding 0.900% Due 09-22-25	99.82	4,991,000	97.69	4,884,739	8,625	4,893,364	0.37	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	98.12	4,906,200	2,000	4,908,200	0.37	0.800	40,000	0.74	А		
4,000,000	637639ae5	National Secs Clearing Corp 0.750% Due 12-07-25	100.34	4,013,460	97.74	3,909,453	14,500	3,923,953	0.30	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	94.76	4,738,124	18,219	4,756,343	0.36	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	95.99	4,799,471	6,778	4,806,249	0.37	0.800	40,000	0.80	A- 373	8	12-30-21

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. <u>Yield</u>	<u>S & P</u>	Bond Status	Call Put Date
3,000,000	89114qcp1	Toronto Dominion Bank 0.750% Due 01-06-26	99.85	2,995,590	97.20	2,916,131	9,062	2,925,193	0.22	0.750	22,500	0.78	А		
5,000,000	78016ezm2	Royal Bank of Canada 0.875% Due 01-20-26	100.00	5,000,000	97.39	4,869,646	15,920	4,885,566	0.37	0.875	43,750	0.87	А		
3,000,000	22533ad53	Credit Agricole Cib Sa 0.900% Due 01-21-26	100.00	3,000,000	97.16	2,914,903	9,750	2,924,653	0.22	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	97.92	4,895,929	13,194	4,909,123	0.37	1.000	50,000	1.00	A-		02-26-23
5,000,000	0641593u8	Bank Nova Scotia B C 1.050% Due 03-02-26	99.40	4,970,000	97.97	4,898,272	12,979	4,911,251	0.37	1.050	52,500	1.18	A-		
5,000,000	14913r2k2	Caterpillar Financial Services Corp 0.900% Due 03-02-26	99.00	4,950,000	97.78	4,889,076	11,125	4,900,201	0.37	0.900	45,000	1.11	А		
5,000,000	78016ezq3	Royal Bank of Canada 1.200% Due 04-27-26	100.56	5,028,000	98.51	4,925,283	5,667	4,930,950	0.38	1.200	60,000	1.08	А		
5,000,000	48128g3g3	JP Morgan Chase & Co 1.200% Due 04-30-26	100.00	5,000,000	97.92	4,896,092	5,167	4,901,259	0.37	1.200	60,000	1.20	A-		04-30-23
5,000,000	808513br5	Charles Schwab Corp 1.150% Due 05-13-26	99.74	4,986,950	98.88	4,944,198	2,875	4,947,073	0.38	1.150	57,500	1.20	А		04-13-26
5,000,000	40139lbd4	Guardian Life Global Funding 1.250% Due 05-13-26	99.98	4,999,050	98.97	4,948,636	3,125	4,951,761	0.38	1.250	62,500	1.25	AA+		
5,000,000	06048wl99	Bank of America Corporation 1.400% Due 05-14-26	100.00	5,000,000	98.07	4,903,507	3,306	4,906,813	0.37	1.400	70,000	1.40	A-		05-14-22
5,000,000	06048wm31	Bank of America Corporation 1.250% Due 05-28-26	100.00	5,000,000	95.74	4,787,200	521	4,787,721	0.36	1.250	62,500	1.25	A-		05-28-22
5,000,000	902674yh7	UBS Ag London Branch 1.250% Due 06-01-26	99.80	4,990,200	98.35	4,917,407	31,250	4,948,657	0.37	1.250	62,500	1.29	A+		
10,000,000	89114tzd7	Toronto Dominion Bank 1.200% Due 06-03-26	100.17	10,016,850	98.55	9,854,983	59,333	9,914,316	0.75	1.200	120,000	1.17	А		
5,000,000	89236tjk2	Toyota Motor Credit Corp 1.125% Due 06-18-26	99.80	4,990,050	98.17	4,908,512	25,469	4,933,981	0.37	1.125	56,250	1.17	A+		
5,000,000	06051gjd2	Bank of America Corp 1.319% Due 06-19-26	100.97	5,048,400	99.05	4,952,300	29,677	4,981,978	0.38	1.319	65,950	1.12	A-		06-19-25
5,000,000	78016ezt7	Royal Bank of Canada 1.150% Due 07-14-26	99.97	4,998,550	98.04	4,902,156	21,882	4,924,038	0.37	1.150	57,500	1.16	А		
3,000,000	06048wn63	Bank of America Corporation 1.150% Due 09-10-26	99.00	2,970,000	98.54	2,956,263	7,762	2,964,026	0.23	1.150	34,500	1.36	A-		09-10-22
			_	185,727,647	_	183,381,114	698,180	184,079,294	13.97		2,735,065	1.37			
HEALTHCAI	RE														
3,000,000	478160bn3	Johnson & Johnson 2.450% Due 12-05-21	98.38	2,951,400	100.02	3,000,478	35,933	3,036,411	0.23	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	100.90	3,026,854	3,133	3,029,987	0.23	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	100.82	3,024,590	2,800	3,027,390	0.23	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	98.80	4,940,071	333	4,940,404	0.38	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	97.41	3,896,309	5,500	3,901,809	0.30	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	97.41	4,870,303	10,104	4,880,407	0.37	0.750	37,500	0.80	A+		01-24-26
5,000,000	91324pec2	Unitedhealth Group Inc 1.150% Due 05-15-26	100.00	5,000,000	98.71	4,935,431	2,556	4,937,986	0.38	1.150	57,500	1.15	A+		04-15-26
			-	27,909,270	_	27,694,034	60,360	27,754,394	2.11		373,000	1.44			

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	<u>S & P</u>	Bond Status	Call Put Date
INFORMATI	ON TECHNOLOGY														
	459200jq5	IBM Corporation 2.500% Due 01-27-22	100.47	4,922,981	100.33	4,916,320	42,194	4,958,515	0.37	2.500	122,500	2.40	A-		
4,000,000	594918ba1	Microsoft Corp 2.375% Due 02-12-22	99.92	3,997,000	100.22	4,008,935	28,764	4,037,699	0.31	2.375	95,000	2.39	AAA	с	01-12-22
5,000,000	68389xbb0	Oracle Corp 2.500% Due 05-15-22	99.82	4,990,850	100.60	5,029,801	5,556	5,035,356	0.38	2.500	125,000	2.56	BBB+		03-15-22
	037833dc1	Apple Inc 2.100% Due 09-12-22	99.49	4,974,600	101.16	5,057,887	23,042	5,080,929	0.39	2.100	105,000		AA+		08-12-22
	037833dm9	Apple Inc 1.800% Due 09-11-24	99.50	4,975,150	102.33	5,116,314	20,000	5,136,314	0.39	1.800	90,000		AA+		08-11-24
	882508bh6	Texas Instruments Inc 1.375% Due 03-12-25	101.15	4,046,080	100.95	4,037,949	12,069	4,050,018	0.31	1.375	55,000	1.13			02-12-25
	037833dt4	Apple Inc 1.125% Due 05-11-25	101.06	5,052,940	99.77	4,988,738	3,125	4,991,863	0.38	1.125	56,250		AA+		04-11-25
5,000,000	037833eb2	Apple Inc 0.700% Due 02-08-26	99.96	4,998,040	97.66 -	4,882,813	10,986	4,893,799	0.37	0.700	35,000		AA+		01-08-26
				37,957,641		38,038,757	145,736	38,184,493	2.90		683,750	1.78			
TRANSPORT		Desire Ce	09.71	2 4 (2 914	100.22	2 500 505	12 255	2 512 7(0	0.10	2 125	52 010	2 (1	מממ		02 01 22
	097023bt1 911312bc9	Boeing Co 2.125% Due 03-01-22 United Parcel Service Inc	98.71 99.49	2,462,814 2,984,850	100.22 100.76	2,500,505 3,022,867	13,255 2,937	2,513,760 3,025,804	0.19 0.23	2.125 2.350	53,019 70,500	2.61 2.59	BBB-		02-01-22 04-16-22
	097023bn4	2.350% Due 05-16-22 Boeing Co	99.49 97.87	2,984,830	101.07	1,202,721	2,957	1,204,976	0.23	2.330	26,180		A BBB-		04-10-22
	097023bq7	2.200% Due 10-30-22 Boeing Co	97.59	4,879,500	100.88	5,044,193	43,229	5,087,423	0.38	1.875	93,750		BBB-		04-15-23
	911312bt2	1.875% Due 06-15-23 United Parcel Service Inc	100.93	4,037,080	103.06	4,122,307	22,000	4,144,307	0.31	2.200	88,000	2.00			08-01-24
1,000,000)113120t2	2.200% Due 09-01-24		15,528,921		15,892,594	83,676	15,976,269	1.21	2.200	331,449	2.00	11		00 01 21
			-	346,275,311	-	343,683,033	1,309,226	344,992,259	26.18		5,367,881	1.49			
SUPRANATIO Not Classified															
	459058dy6	International Bk Recon & Develop 1.625% Due 02-10-22	98.45	4,922,700	100.27	5,013,460	25,052	5,038,512	0.38	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	97.57	4,878,471	6,406	4,884,878	0.37	0.375	18,750	0.51	AAA		
5,000,000	459058j18	International Bk Recon & Develop 0.500% Due 10-28-25	99.89	4,994,350	97.68	4,884,134	2,292	4,886,426	0.37	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	97.59	4,879,633	8,583	4,888,217	0.37	0.600	30,000	0.60	AAA		02-18-22
			_	19,885,665	_	19,655,699	42,333	19,698,032	1.50		155,000	0.92			
				19,885,665		19,655,699	42,333	19,698,032	1.50		155,000	0.92			
VARIABLE RA	ATE SECURITIES														
	78012kl88	Royal Bank of Canada 0.640% Due 05-05-22	100.00	3,000,000	100.05	3,001,449	1,386	3,002,836	0.23	0.640	19,192	1.83	AA-		
4,600,000	78014rcy4	Royal Bank of Canada 1.000% Due 06-08-22	100.00	4,600,000	98.67	4,538,792	10,606	4,549,398	0.35	1.000	46,000	1.00	AA-		
5,000,000	89114qld8	Toronto Dominion Bank 0.556% Due 02-15-23	100.00	5,000,000	100.20	5,009,873	1,236	5,011,109	0.38	0.556	27,800	1.49			
													275	-	

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. <u>Yield</u>	<u>S & P</u>	Bond Status	Call Put Date
3,000,000	06746xan3	Barclays Bank Plc 1.256% Due 05-24-23	100.00	3,000,000	99.87	2,996,114	733	2,996,847	0.23	1.256	37,680	2.25	А		
3,000,000	06367w184	Bank of Montreal 1.100% Due 06-02-23	100.00	3,000,000	100.00	3,000,000	8,067	3,008,067	0.23	1.100	33,000	1.10			
3,000,000	06746xfe8	Barclays Bank Plc 1.514% Due 06-29-23	100.00	3,000,000	99.87	2,996,062	7,822	3,003,885	0.23	1.514	45,420	2.45	А		
3,000,000	06368ec59	Bank of Montreal 0.300% Due 12-29-23	99.55	2,986,500	98.85	2,965,392	1,550	2,966,942	0.23	0.300	9,000	0.56			12-29-21
5,000,000	78014rch1	Royal Bank of Canada 2.000% Due 02-27-25	100.00	5,000,000	100.05	5,002,254	26,111	5,028,365	0.38	2.000	100,000	2.05	А		02-27-22
5,000,000	3130akln4	Federal Home Loan Bank 0.250% Due 10-14-25	100.00	5,000,000	98.52	4,925,778	4,757	4,930,535	0.38	0.250	12,500	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	96.64	2,617,116	1,749	2,618,865	0.20	0.750	20,310	0.86	A-		01-30-22
5,000,000	06048wk41	Bank of America Corp 0.650% Due 11-25-25	99.85	4,992,500	96.33	4,816,298	542	4,816,840	0.37	0.650	32,500	0.83	A-		02-25-22
5,000,000	06048wk66	Bank of America Corp 0.650% Due 12-23-25	100.00	5,000,000	96.18	4,809,119	6,139	4,815,258	0.37	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	95.85	4,792,540	2,917	4,795,457	0.37	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	98.17	4,908,342	5,083	4,913,426	0.37	0.300	15,000	0.59	AA+		01-29-22
5,000,000	3130aljk1	Federal Home Loan Bank 0.300% Due 03-23-26	100.00	5,000,000	99.47	4,973,304	2,833	4,976,137	0.38	0.300	15,000	0.89	AA+		12-23-21
2,500,000	3130alrs5	Federal Home Loan Bank 0.375% Due 03-30-26	100.00	2,500,000	100.01	2,500,206	1,589	2,501,795	0.19	0.375	9,375	1.01	AA+		12-30-21
5,000,000	3130amej7	Federal Home Loan Bank 0.500% Due 05-26-26	100.00	5,000,000	99.44	4,972,172	347	4,972,519	0.38	0.500	25,000	1.00	AA+		05-26-22
5,000,000	3130anxc9	Federal Home Loan Bank 0.600% Due 09-29-26	100.00	5,000,000	98.67	4,933,669	5,167	4,938,836	0.38	0.600	30,000	1.14	AA+		12-29-21
5,000,000	459058kb8	International Bk Recon & Develop 0.700% Due 11-06-26	99.95	4,997,450	100.18	5,009,000	2,528	5,011,528	0.38	0.700	35,000	1.63	AAA		11-06-23
		0.70070 Due 11 00 20		79,754,346		78,767,483	91,160	78,858,643	6.00		575,277	1.18			
				79,754,346		78,767,483	91,160	78,858,643	6.00		575,277	1.18			
TOTAL PORT	FOLIO			1,322,979,703		1,313,004,791	2,612,689	1,315,617,480	100.00		11,727,871	0.90			

City of Sacramento PURCHASE AND SALE City Investment Pool A From 11-01-21 To 11-30-21

Sec

Settle	Туре	Security					Unit	
Date	Code	Symbol	Cusip	Quantity	Security	S & P	Price	Amount
SES								
	cpus	06742xys3	06742XVS3	5,000,000	Barclays Bank Plc	A1	100	4,992,397
	-1			-,,	0.230% Due 06-28-22			.,,,
11-05-21	cpus	17327bgt6	17327BGT6	5,000,000	Citigroup Global Mkts	A-1	100	4,991,567
					0.230% Due 07-27-22		-	
								9,983,964
11 01 01	1	4205171 7	12051 (D) (7	4 000 000	YY 11 Y 4 Y		100	1 000 000
11-01-21	cbus	438516bm/	438516BM/	4,000,000	2	А	100	4,000,000
11 01 21	mbuc	13077dfc1	13077DEC1	1 050 000 00		Δ.Δ.	100	1,050,000
11-01-21	mous	150774101	150770101	1,050,000.00			100	1,050,000
11-01-21	mbus	13077dhj4	13077DHJ4	905,000.00	California St Univ Rev	AA-	100	905,000
		J J		,	2.000% Due 11-01-21)
11-02-21	cpus	06742v4w8	06742V4W8	5,000,000	Barclays Bank Plc	A1	100	4,991,233
					0.240% Due 11-02-21			
11-10-21	cpus	05970rya7	05970RYA7	10,000,000		A1	100	9,983,581
11-12-21	cbus	2255012a8	22550L2A8	5,000,000		A+	100	5,000,000
					2.100% Due 11-12-21		-	25 020 814
	Date SES 11-02-21 11-05-21 11-01-21 11-01-21 11-01-21 11-01-21	Date Code SES 11-02-21 cpus 11-05-21 cpus 11-01-21 cbus 11-01-21 mbus 11-01-21 mbus 11-01-21 cpus 11-01-21 cpus 11-01-21 cpus 11-01-21 cpus 11-01-21 cpus 11-02-21 cpus 11-10-21 cpus	Date Code Symbol SES 11-02-21 cpus 06742xvs3 11-05-21 cpus 17327bgt6 11-01-21 cbus 438516bm7 11-01-21 mbus 13077dfc1 11-01-21 cpus 06742v4w8 11-02-21 cpus 06742v4w8 11-10-21 cpus 05970rya7	Date Code Symbol Cusip SES 11-02-21 cpus 06742xvs3 06742XVS3 11-05-21 cpus 17327bgt6 17327BGT6 11-01-21 cbus 438516bm7 438516BM7 11-01-21 mbus 13077dfc1 13077DFC1 11-01-21 mbus 13077dhj4 13077DHJ4 11-02-21 cpus 06742v4w8 06742v4W8 11-10-21 cpus 05970rya7 05970RYA7	Date Code Symbol Cusip Quantity SES 11-02-21 cpus 06742xvs3 06742XVS3 5,000,000 11-05-21 cpus 17327bgt6 17327BGT6 5,000,000 11-01-21 cbus 438516bm7 438516BM7 4,000,000 11-01-21 mbus 13077dfc1 13077DFC1 1,050,000.00 11-01-21 mbus 13077dhj4 13077DHJ4 905,000.00 11-02-21 cpus 06742v4w8 06742v4W8 5,000,000 11-10-21 cpus 05970rya7 05970RYA7 10,000,000	Date Code Symbol Cusip Quantity Security SES 11-02-21 cpus 06742xvs3 06742XVS3 5,000,000 Barclays Bank Plc 0.230% Due 06-28-22 11-05-21 cpus 17327bgt6 17327BGT6 5,000,000 Citigroup Global Mkts 0.230% Due 07-27-22 11-01-21 cbus 438516bm7 438516BM7 4,000,000 Honeywell Intl Inc 1.850% Due 11-01-21 11-01-21 mbus 13077dfc1 13077DFC1 1,050,000.00 California St Univ Rev 2.982% Due 11-01-21 11-01-21 mbus 13077dhj4 13077DHJ4 905,000.00 California St Univ Rev 2.000% Due 11-01-21 11-01-21 cpus 06742v4w8 06742v4w8 5,000,000 Barclays Bank Plc 11-02-21 cpus 06742v4w8 06742v4W8 5,000,000 Barclays Bank Plc 11-02-21 cpus 05970rya7 05970RYA7 10,000,000 Barclays Bank Plc 0.230% Due 11-02-21 11-10-21 2005970rya7 05970RYA7 10,000,000 Barclays Bantder SA	Date Code Symbol Cusip Quantity Security S & P SES 11-02-21 cpus 06742xvs3 06742XVS3 5,000,000 Barclays Bank Plc A1 0.230% Due 06-28-22 11-05-21 cpus 17327bgt6 17327BGT6 5,000,000 Citigroup Global Mkts A-1 11-01-21 cbus 438516bm7 438516BM7 4,000,000 Honeywell Intl Inc A 11-01-21 mbus 13077dfc1 13077DFC1 1,050,000.00 California St Univ Rev AA- 2.082% Due 11-01-21 11-01-21 mbus 13077dhj4 13077DHJ4 905,000.00 California St Univ Rev AA- 11-02-21 cpus 06742v4w8 06742v4W8 5,000,000 Barclays Bank Plc A1 11-02-21 cpus 06742v4w8 06742v4W8 5,000,000 Barclays Bank Plc A1 11-10-21 cpus 05970rya7 05970RYA7 10,000,000 Barclays Bank Plc A1 0.230% Due 11-10-21 A1 0.230% Due 11-10-21 A1<	Date Code Symbol Cusip Quantity Security S & P Price SES 11-02-21 cpus 06742xvs3 06742XVS3 5,000,000 Barclays Bank Plc A1 100 0.230% Due 06-28-22 11-05-21 cpus 17327bgt6 17327BGT6 5,000,000 Citigroup Global Mkts A-1 100 11-01-21 cbus 438516bm7 438516BM7 4,000,000 Honeywell Intl Inc A 100 11-01-21 mbus 13077dfc1 13077DFC1 1,050,000.00 California St Univ Rev AA- 100 2,982% Due 11-01-21 mbus 13077dhj4 13077DHJ4 905,000.00 California St Univ Rev AA- 100 11-02-21 cpus 06742v4w8 06742v4W8 5,000,000 Barclays Bank Plc A1 100 0.240% Due 11-01-21 11-01-21 4A- 100 2,982% Due 11-01-21 AA- 100 11-02-21 cpus 06742v4w8 06742v4W8 5,000,000 Barclays Bank Plc A1

25,929,814

Capitol Area Development Authority

CAPITOL AREA DEVELOPMENT AUTHORITY

MONTHLY REVIEW – NOVEMBER 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	20,846,072
Contributions	0
Withdrawals	0
Interest Earned	14,944
Ending Balance	20,861,016

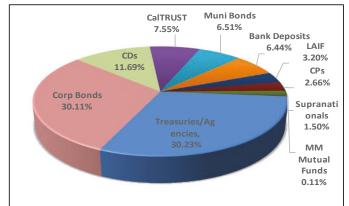
PERFORMANCE COMPARISON

City Pool A	0.87%
LAIF	0.20%
90 Day T-Bill	0.04%
Federal Funds	0.08%

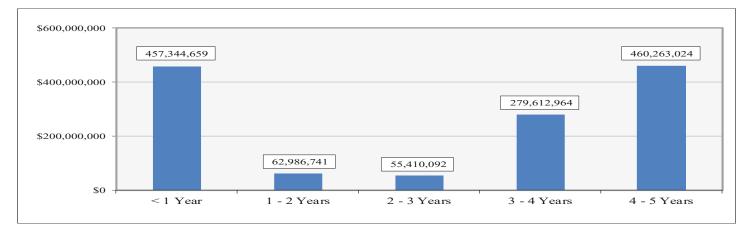
CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
<1 Year	457,344,659	34.77%
1 - 2 Years	62,986,741	4.79%
2 - 3 Years	55,410,092	4.21%
3 - 4 Years	279,612,964	21.25%
4 - 5 Years	460,263,024	34.98%
Total	1,315,617,480	100.00%

CITY POOL A PORTFOLIO COMPOSITION



Asset Type	Pct. Assets	YTM
Treasuries/Agencies	30.23%	0.69%
Corp Bonds	30.11%	1.45%
CDs	11.69%	0.62%
CalTRUST	7.55%	0.24%
Muni Bonds	6.51%	1.60%
Bank Deposits	6.44%	0.20%
LAIF	3.20%	0.20%
CPs	2.66%	0.22%
Supranationals	1.50%	0.92%
MM Mutual Funds	0.11%	0.01%



City of Sacramento CASH LEDGER Capitol Area Development Authority - Banking From 11-01-21 To 11-30-21

All Cash Accounts

Trade	Settle	Tran				
Date	Date	Code	Quantity	Security	Amount	Cash Balance
Pool A Inte	erest Receiva	able				
11-01-21				Beginning Balance		70,220.92
11-30-21	11-30-21	in		Pool A Cash	14,943.96	85,164.88
	Nov 2021	estimate	ed Pool A inte	rest		
					14,943.96	
11-30-21				Ending Balance		85,164.88
Pool A Cas	h					
11-01-21				Beginning Balance		20,775,850.96
11-30-21				Ending Balance		20,775,850.96

CAPITOL AREA DEVELOPMENT AUTHORITY – TAX EXEMPT

MONTHLY REVIEW – NOVEMBER 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	39,255
Contributions	0
Withdrawals	0
Interest Earned	28
Ending Balance	39,283

PERFORMANCE COMPARISON

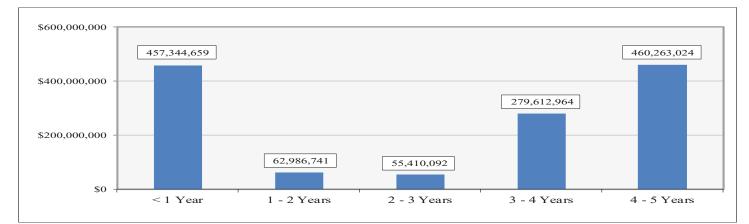
City Pool A	0.87%
LAIF	0.20%
90 Day T-Bill	0.04%
Federal Funds	0.08%

CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
<1 Year	457,344,659	34.77%
1 - 2 Years	62,986,741	4.79%
2 - 3 Years	55,410,092	4.21%
3 - 4 Years	279,612,964	21.25%
4 - 5 Years	460,263,024	34.98%
Total	1,315,617,480	100.00%

CalTRUST 6.51% 7.55% **Bank Deposits** 6.44% LAIF CDs 3.20% 11.69% CPs 2.66% Corp Bonds Supranati 30.11% onals 1.50% MM Mutual Funds 0.11%

Asset Type	Pct. Assets	YTM
Treasuries/Agencies	30.23%	0.69%
Corp Bonds	30.11%	1.45%
CDs	11.69%	0.62%
CalTRUST	7.55%	0.24%
Muni Bonds	6.51%	1.60%
Bank Deposits	6.44%	0.20%
LAIF	3.20%	0.20%
CPs	2.66%	0.22%
Supranationals	1.50%	0.92%
MM Mutual Funds	0.11%	0.01%



CITY POOL A PORTFOLIO COMPOSITION

City of Sacramento CASH LEDGER Capitol Area Development Authority - Tax Exempt From 11-01-21 To 11-30-21

All Cash Accounts

Trade	Settle	Tran				
Date	Date	Code	Quantity	Security	Amount	Cash Balance
Pool A Inte	erest Receiva	able				
11-01-21				Beginning Balance		132.23
11-30-21	11-30-21	in		Pool A Cash	28.14	160.37
	Nov 2021	l estimate	ed Pool A inte	erest		
					28.14	
11-30-21				Ending Balance		160.37
Pool A Cas	h					
11-01-21				Beginning Balance		39,122.76
11-30-21				Ending Balance		39,122.76

CAPITOL AREA DEVELOPMENT AUTHORITY – TAXABLE

MONTHLY REVIEW – NOVEMBER 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

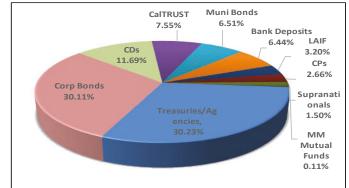
Beginning Balance	267,610
Contributions	0
Withdrawals	0
Interest Earned	192
Ending Balance	267,802

PERFORMANCE COMPARISON

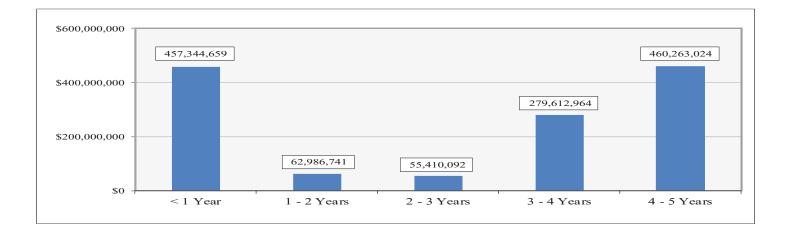
City Pool A	0.87%
LAIF	0.20%
90 Day T-Bill	0.04%
Federal Funds	0.08%

CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
<1 Year	457,344,659	34.77%
1 - 2 Years	62,986,741	4.79%
2 - 3 Years	55,410,092	4.21%
3 - 4 Years	279,612,964	21.25%
4 - 5 Years	460,263,024	34.98%
Total	1,315,617,480	100.00%



Asset Type	Pct. Assets	YTM
Treasuries/Agencies	30.23%	0.69%
Corp Bonds	30.11%	1.45%
CDs	11.69%	0.62%
CalTRUST	7.55%	0.24%
Muni Bonds	6.51%	1.60%
Bank Deposits	6.44%	0.20%
LAIF	3.20%	0.20%
CPs	2.66%	0.22%
Supranationals	1.50%	0.92%
MM Mutual Funds	0.11%	0.01%



CITY POOL A PORTFOLIO COMPOSITION

City of Sacramento CASH LEDGER Capitol Area Development Authority - Taxable From 11-01-21 To 11-30-21

All Cash Accounts

Trade	Settle	Tran				
Date	Date	Code	Quantity	Security	Amount	Cash Balance
Pool A Int	erest Receiv	able				
11-01-21				Beginning Balance		901.45
11-30-21	11-30-21	in		Pool A Cash	191.84	1,093.29
	Nov 2021	l estimate	ed Pool A inte	erest		
					191.84	
11-30-21				Ending Balance		1,093.29
Pool A Cas	sh					
11-01-21				Beginning Balance		266,708.51
11-30-21				Ending Balance		266,708.51

CAPITOL AREA DEVELOPMENT AUTHORITY – 2020 TAXABLE BOND PROCEEDS

MONTHLY REVIEW – NOVEMBER 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

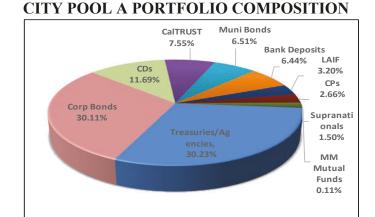
Beginning Balance	30,289,072
Contributions	0
Withdrawals	0
Interest Earned	21,713
Ending Balance	30,310,785

PERFORMANCE COMPARISON

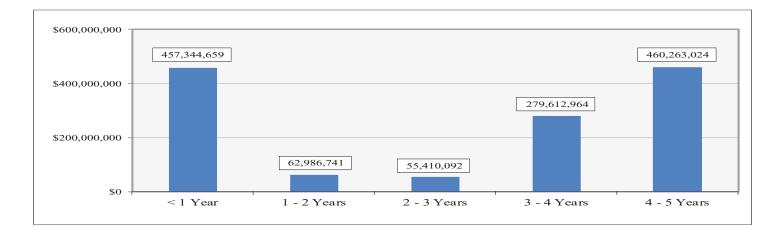
City Pool A	0.87%
LAIF	0.20%
90 Day T-Bill	0.04%
Federal Funds	0.08%

CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
<1 Year	457,344,659	34.77%
1 - 2 Years	62,986,741	4.79%
2 - 3 Years	55,410,092	4.21%
3 - 4 Years	279,612,964	21.25%
4 - 5 Years	460,263,024	34.98%
Total	1,315,617,480	100.00%



Asset Type	Pct. Assets	YTM
Treasuries/Agencies	30.23%	0.69%
Corp Bonds	30.11%	1.45%
CDs	11.69%	0.62%
CalTRUST	7.55%	0.24%
Muni Bonds	6.51%	1.60%
Bank Deposits	6.44%	0.20%
LAIF	3.20%	0.20%
CPs	2.66%	0.22%
Supranationals	1.50%	0.92%
MM Mutual Funds	0.11%	0.01%



City of Sacramento CASH LEDGER CADA 2020 Taxable Bond Proceeds From 11-01-21 To 11-30-21

All Cash Accounts

Trade	Settle	Tran				
Date	Date	Code	Quantity	Security	Amount	Cash Balance
Pool A Inte	erest Receiva	able				
11-01-21				Beginning Balance		102,031.72
11-30-21	11-30-21	in		Pool A Cash	21,713.38	123,745.10
Nov 2021 estimated Pool A interest						
					21,713.38	
11-30-21				Ending Balance		123,745.10
Pool A Cas	h					
11-01-21				Beginning Balance		30,187,040.48
11-30-21				Ending Balance		30,187,040.48