

### **Board of Directors**

Ann Bailey, Chair  
Bob Lagomarsino, Vice-Chair  
Emily Baime Michaels, Member  
Nick Avdis, Member  
Jose Bodipo-Memba, Member  
Tara Gandara, Board Secretary

### **CADA/CACDC Administration**

Wendy Saunders, Executive  
Director (CADA)/President  
(CACDC)  
Marc de la Vergne, Deputy  
Executive Director (CADA)/Vice  
President (CACDC)  
Noelle Mussen, Finance Director  
(CADA)/Chief Financial Officer  
(CACDC)  
Tom Kigar, Special Projects  
Director  
Todd Leon, Development Director

### **Legal Counsel**

Jeff Mitchell  
Kronick, Moskovitz, Tiedemann &  
Girard

Phone: (916) 322-2114  
Web: [www.cadanet.org](http://www.cadanet.org)

## **AGENDA REGULAR MEETING THE CAPITOL AREA DEVELOPMENT AUTHORITY AND THE CAPITOL AREA COMMUNITY DEVELOPMENT CORPORATION BOARD OF DIRECTORS**

**FRIDAY, AUGUST 19, 2022  
10:00 A.M.  
CADA ADMINISTRATIVE OFFICE  
1522 14<sup>TH</sup> STREET  
SACRAMENTO, CA 95814**



**The Board and Members of the Public are  
invited to participate via ZOOM or in  
person.**

### **To join via Zoom:**

**Go to:** <https://zoom.us/join>  
**Or join by phone:** (669) 900-9128 (Pacific Coast)  
Find your local number:  
<https://us02web.zoom.us/j/kcoHLfF55h>  
**Meeting ID:** 891 4079 5619  
**Request Password (prior to start of meeting):**  
[tgandara@cadanet.org](mailto:tgandara@cadanet.org)

- 1. Roll Call**
- 2. Approval of Board Meeting Minutes: June 24, 2022 [CADA], May 27, 2021 [CACDC], and December 18, 2020 [CACDC]**
- 3. Chair's Oral Report**
- 4. Executive Director/President's Oral Report**
- 5. [CADA] Annual Affirmation of Delegation of Investment Authority to the City Treasurer**

*Recommended Action:* Staff recommends the Board adopt a resolution delegating CADA's investment authority to the City Treasurer for one year.

Contact: Noelle Mussen, Finance Director

- 6. [CADA/CACDC] 805 R Street – Partnership MOU, Agreements and Financing**

*Recommended Action:* Staff recommends the CADA Board of Directors and the CACDC Board of Directors approve various agreements and allocate funds as necessary to enable, undertake and pay for various predevelopment tasks pertaining to the 805 R Street Project

Contact: Todd Leon, Development Director (CADA), Staff (CACDC)  
Wendy S. Saunders, Executive Director (CADA), President (CACDC)

**7. [CADA/CACDC] 16th and T Memorandum of Understanding Between CADA, CACDC, and Mutual Housing California**

*Recommended Action:* Staff recommends approval of a Memorandum of Understanding among CADA, CACDC and Mutual Housing California regarding the roles and responsibilities of the parties in undertaking a project at 2000 16th Street

Contact: Todd Leon, Development Director (CADA), Staff (CACDC)  
Wendy S. Saunders, Executive Director (CADA), President (CACDC)

**[CADA] CONSENT CALENDAR (ITEMS 8 & 9)**

**8. CADA Flex Plan and CalPERS Health Employer Contributions**

*Recommended Action:* Staff recommends that the Board adopt resolutions that:

1. Set the CADA Flex Plan Employer Contribution for the 2023 calendar year, and
2. Set the CADA CalPERS Medical Contribution for the 2023 calendar year

Contact: Jill Azevedo, Human Resources Manager

**9. 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

**10. [CADA] CLOSED SESSION**

**A. CONFERENCE WITH LABOR NEGOTIATOR (Pursuant to Government Code Section 54957.6 (a))**

Unrepresented Employee: Executive Director  
Agency Designated Representative: Ann Bailey

**11. Oral Staff Reports/Updates**

- A. Downtown Sacramento Partnership: See Agenda Item 4
- B. Downtown Sacramento Revitalization Corporation: See Agenda Item 4
- C. Midtown Association: See Agenda Item 4
- D. O Street Streetscape (7th – 17th Streets)
- E. Energy Conservation
- F. Other Neighborhood Improvements
- G. 10th Street Commercial
- H. 1322 O Street – Sonrisa
- I. 14th & N – The Cypress
- J. 1717 S Street – ARY Place

**12. Transmittals**

- A. Ombudsman Report: June/July 2022
- B. Apartment Status Report: June/July 2022
- C. Affordable Housing Report: June/July 2022
- D. Commercial Leases/Vacancies: June/July 2022
- E. CADA Neighborhood Incident Report: June/July 2022
- F. Contracts Log: June/July 2022
- G. City Treasurer Monthly Investment Report: See Item 5

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

**14. Adjournment**

**Approved for Transmittal:**

A handwritten signature in black ink that reads "Wendy Saunders". The signature is written in a cursive, flowing style.

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**Wendy S. Saunders**  
**Executive Director [CADA]/President [CACDC]**

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**

**June 24, 2022**

**ITEM 1 – ROLL CALL**

Chair Bailey called the Board Meeting of the CADA Board of Directors to order at 10:01 a.m. at 1522 14<sup>th</sup> Street, Sacramento, CA 95814 and via public video conference.

Present: Avdis, Bodipo-Memba, Lagomarsino, Bailey

Absent: Baime Michaels

**ITEM 4 – APPROVAL OF MINUTES: May 20, 2022**

Member Lagomarsino moved approval of the May 20, 2022 CADA Board Meeting minutes. Member Bodipo-Memba seconded the motion.

AYES: Avdis, Bodipo-Memba, Lagomarsino, Bailey

NOES: None

**ITEM 5 – CHAIR’S ORAL REPORT**

No report.

**ITEM 6 –EXECUTIVE DIRECTOR’S ORAL REPORT**

Wendy Saunders reported that CADA was awarded the opportunity to develop 805 R Street with Mutual Housing. Ms. Saunders noted that the first step is to sign a lease option agreement with DGS. Ms. Saunders has advised that she has asked Mutual Housing to join us at the meeting so that the Board can meet the principals and review the project.

Chair Bailey mentioned that CADA should schedule a presentation on the Capitol Renovation. Ms. Saunders agreed, and noted that another presentation that CADA would like to follow up on is the project at Jefferson School.

Baime Michaels joined the meeting at 10:05 a.m.

**ITEM 2 – CYPRESS – AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT (14TH & N PROJECT, FORMERLY SITE 21)**

*Recommended Action:* Staff recommends that the Board adopt a resolution approving an Amendment to the Disposition and Development Agreement for Cypress with West Broadway 2019 Investments LLC.

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

Sara Lebastchi with D&S Development reported on the amendment details.

Member Lagomarsino inquired to Ms. Lebastchi as to how confident she is that all will be done before July 8th. Ms. Lebastchi replied that all entities on board are confident. The main comment from the lender is that they would not pull any debt prior to being vertical, but the lender wants to make sure that if there was debt brought



on after they went vertical, they would need that debt paid out. Ms. Lebastchi stated that the current lag time for responses from the city is about a month.

Member Lagomarsino asked if this would normally go to development and construction. Member Avdis confirmed that it would normally go to development and construction, but did not due to the timeline.

No public comments.

Member Avdis moved approval of Resolution 22-16 attached hereto and incorporated herein. Member Baime Michaels seconded the motion.

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

No board comments.

No public comments.

### **ITEM 3 — FY 2022-2023 GENERAL OPERATIONS BUDGET AND CAPITAL INVESTMENT PROGRAM BUDGET**

*Recommended Action:* Adopt resolutions approving the FY 2022-2023 General Operations Budget, Capital Investment Program Budget and Designated Reserves, and affirming the Executive Director's budget authority

Contact: Noelle Mussen, Finance Director

Chair Bailey left the meeting at 10:27 a.m. Vice Chair Lagomarsino took over the duties of the Chair.

No board comments.

No public comments.

Member Baime Michaels moved approval of Resolutions 22-17 through 22-23 attached hereto and incorporated herein. Member Bodipo-Memba seconded the motion.

AYES: Avdis, Baime Michaels, Bodipo-Memba, Lagomarsino  
NOES: None

### **ITEM 7 — FIVE-YEAR CAPITAL IMPROVEMENTS PROGRAM (CIP) NEEDS ASSESSMENT**

*Recommended Action:* For review and information only.

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

Member Baime Michaels commented she was impressed with the creativity regarding storage and spaces. Vice Chair Lagomarsino commented that the basis for all the decisions to maintain and improve the properties are good decisions.

No public comments.

### **ITEM 8 — FY 22-23 MARKET-RATE APARTMENT RENT SCHEDULE**

*Recommended Action:* By resolution, approve the following items for implementation in FY 22-23:

1. FY 22-23 Proposed Market-rate Rent Schedule
2. Rent increase limit for continuing market-rate residents
3. Lease term premiums for new and continuing residents

Contact: Tama Harville, Leasing Services Manager

Ms. Saunders commented that CADA only raises rents once a year as per statute, and CADA remains an affordable option for renters. Vice-Chair Lagomarsino noted that even though CADA is behind the market, CADA is doing the right thing.

No public comments.

Member Avdis moved approval of Resolution 22-24 attached hereto and incorporated herein. Member Baime Michaels seconded the motion.

AYES: Avdis, Baime Michaels, Bodipo-Memba, Lagomarsino  
NOES: None

**ITEM 9 — AGREEMENT BETWEEN THE STATE OF CALIFORNIA DEPARTMENT OF GENERAL SERVICES, THE STATE OF CALIFORNIA NATURAL RESOURCES AGENCY, AND THE CAPITOL AREA DEVELOPMENT AUTHORITY RELATED TO CNRA OUTDOOR TEMPORARY ART PROGRAM**

*Recommended Action:* Staff recommends that the Board adopt a resolution authorizing the Executive Director to execute an agreement between the State of California's Department of General Services (DGS), the State of California Natural Resources Agency (CNRA) and the Capitol Area Development Authority related to CNRA Outdoor Temporary Art Program.

Contact: Karen Ulep, Marketing & Creative Services Manager

INSERT BOARD COMMENTS/QUESTIONS HERE

No public comments.

Member Bodipo-Memba moved approval of Resolution 22-25 attached hereto and incorporated herein. Member Baime Michaels seconded the motion.

AYES: Avdis, Baime Michaels, Bodipo-Memba, Lagomarsino  
NOES: None

**ITEM 10 — REJECTION OF BIDS AND SHORT-TERM EXTENSION OF CONTRACT WITH REPUBLIC SERVICE, INC.**

*Recommended Action:* Staff recommends the Board take the following actions:

1. Adopt a resolution to reject all bids received for the "Fiscal Year 2022-2023 FY Waste Removal – Various Locations" project, and
2. Adopt a resolution authorizing the Executive Director to enter into a First Amendment to the contract with Republic Services, Inc. to extend the contract by up to 120 days.

Contact: Marc de la Verge, Deputy Executive Director  
Merri Stutes, Resident Services Manager

Member Avdis asked about the additional changes needed. Mr. de la Vergne went over various situations that CADA would need to know the answers to.

Steve Bruce Owner/Partner of the low bidder, Atlas Disposal, wanted to know why CADA did not contact the two qualifying bidders to inquire about their questions, and then make their determination based on their responses. CADA's counsel, Jeff Mitchell, explained that the form of bid packet that was used was a construction-based bid packet, and we have to live by the terms of the bid packet. The terms state that CADA must select the lowest responsive responsible bidder, which is not appropriate structure for a services contract as it does not allow us to consider the quality of service. We are bound by our own documents which only allows us to either award the bid to the lowest responsive responsible bidder, or reject all bids. To undertake

negotiations or discussions at this point would potentially raise an issue of violating the terms of our own bid process. Member Avdis agreed that, while it is an unfortunate circumstance, it does seem like the best move is to throw out the bids.

Member Avdis moved approval of Resolution 22-26 attached hereto and incorporated herein. Member Baime Michaels seconded the motion.

AYES: Avdis, Baime Michaels, Bodipo-Memba, Lagomarsino  
NOES: None

#### **CONSENT CALENDAR - ITEM 11 — ITEM 14**

**ITEM 11 – FY 2022- 2023 NETWORK ADMINISTRATION CONTRACT**

**ITEM 12 – FY 2022- 2023 SECURITY PATROL SERVICE CONTRACT**

**ITEM 13 – WORKERS’ COMPENSATION INSURANCE POLICY**

**ITEM 14 – AUTHORIZATION OF TELECONFERENCE MEETINGS OF CADA LEGISLATIVE BODIES  
PURSUANT TO THE RALPH M. BROWN ACT**

Vice Chair Lagomarsino asked if there were any Board members who desired Items 11 through 14 to be taken off the Consent Calendar. None wished to do so.

Member Avdis moved approval of Resolution 21-27 (Item 11), Resolution 21-28 (Item 12), Resolution 21-29 (Item 13) and Resolution 21-30 (Item 14) attached hereto and incorporated herein. Member Bodipo-Memba seconded the motion.

AYES: Avdis, Baime Michaels, Bodipo-Memba, Lagomarsino  
NOES: None

#### **ITEM 15 - ORAL STAFF REPORTS/UPDATES**

- A. Downtown Sacramento Partnership: No meeting.
- B. Downtown Sacramento Revitalization Corporation: Ms. Saunders reported that the refinance of the Hyatt Centric Hotel continues to be a struggle. Despite this, the restaurant is pretty and very good.
- C. Midtown Association: Ms. Saunders reported that they released that statistics for last quarter and crime is up.
- D. O Street Streetscape (7<sup>th</sup> – 17<sup>th</sup> Streets): Mr. de la Vergne reported that the architecture team completed 50% of the drawings a couple of months ago, and moved into 90% drawings a couple of weeks ago. The drawings were submitted to Sacramento RT as well as the Department of General Services for their review and comments. The team will begin soliciting a bid from a contractor in order to gauge where our budget is relative to the current market costs. We could go into value engineering based on what we learn from the bid in addition to any changes requested by the Department of General Services and Sacramento RT as they may need to be reflected in the design.
- E. Energy Conservation: Mr. de la Vergne reported that an engineer has evaluated the Dean at 1400 N Street and provided a cost estimate to replace the boiler heating system, which would be well over \$1,000,000. Plan B is to replace the old electric boiler with a reconditioned gas boiler. This will be much more efficient and will be a vast improvement in regards to the carbon footprint. Evaluation of another six inefficient buildings will begin soon.
- F. Other Neighborhood Improvements: Mr. de la Vergne reported the following:
  - CADA is in the middle of a major remodel of the courtyard of the Dean located at 1400 N Street. The design is expected to remain in good shape after 50 years.
  - The alfresco dining program was approved by city council at their Tuesday meeting. The Midtown Association is closely involved in the discussions of how that should unfold. There are now specific guidelines in place where property owners can look to for guidance on the design and construction of outdoor seating. We will be meeting with city staff next week to discuss the Karma Brew frontage on 16th Street and the existing seating on P Street.

G. 10th Street Commercial: Ms. Funston reported the following:

- We have our hardscape construction start date set to July 11th, and are scheduled for completion in three months.
- We have finalized the floral design, for the perforated metal panels, regarding the lunch counters that will go along 10th Street. Amenities subject to a revocable permit, including the lunch counters, will be installed separately following B&M's construction work.

H. 1322 O Street - Sonrisa: Ms. Funston reported the following:

- In construction news, we have been completing rough-ins and exterior finishes. The next major step will be starting interior finishes.
- To date we have submitted thirteen draw requests to Chase Bank, totaling \$7,000,000 or 50% of the \$14,700,000 construction contract with Tricorp. We have completed twelve months of the nineteen-month construction period, representing 63% completion construction time. The current estimated completion date is January 9, 2023.
- We have been experiencing construction costs increases, which is happening with projects across the board largely because of supply chain issues. We plan to apply for additional bond cap by early August for an additional \$500,000 in hard costs and to ensure we are in conformance with all tax credits rules, namely the 50% test. There is so much demand on CDLAC for additional bond cap right now, that they are creating a streamlined over the counter process this round for projects just like ours.
- Similar to the figures reported by Tama, regulated tax credit rents in Sacramento increased by more than \$100 per unit, which does not help offset construction costs, but it will provide more cushion for the perm loan and would create more proceeds to pay the developer fee and thus having to defer less.
- We have been finalizing the Management Plan to define our ongoing operational structure.
- We are exploring nonprofit partners for providing community services in the ground-floor space. The main idea on the table is partnering with a nonprofit on job training programs.

I. 14<sup>th</sup> & N – The Cypress: See Agenda Item 2

J. 1717 S Street– ARY Place: Mr. Leon reported that construction continues and is expected to be completed between December and February. Working hard to lease out the commercial spaces on the ground floor. We are very close to obtaining signatures on LOI's for three of the spaces.

#### **ITEM 11 – TRANSMITTALS**

Received as transmitted.

#### **ITEM 12 – OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD REGARDING MATTERS NOT ON THE AGENDA**

None.

#### **ITEM 13 – ADJOURNMENT**

The meeting adjourned at 11:17 a.m.

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Tara Gandara  
Secretary to the Board of Directors

**MINUTES  
OF  
SPECIAL BOARD MEETING**

**BOARD OF DIRECTORS  
CAPITOL AREA DEVELOPMENT AUTHORITY  
CAPITOL AREA COMMUNITY DEVELOPMENT CORPORATION**

**May 27, 2021**

**ITEM 1 – ROLL CALL**

Chair Bailey called the Special Board Meeting of the CADA Board of Directors and the CACDC to order at 10:02 a.m. at 1522 14<sup>th</sup> Street, Sacramento, CA 95814 and via public video conference.

Present: Avdis, Baime Michaels, Lagomarsino, Winston, Bailey

Absent: Baime Michaels

**ITEM 2 – APPROVAL OF MINUTES: May 14, 2021 [CADA/CACDC]**

Member Avdis moved approval of the May 14, 2021 CADA and CACDC Board Meeting minutes. Member Winston seconded the motion.

AYES: Avdis, Lagomarsino, Winston, Bailey

NOES: None

**ITEM 3 – CHAIR’S ORAL REPORT**

No Report.

**ITEM 4 - EXECUTIVE DIRECTOR’S ORAL REPORT**

No Report.

Member Lagomarsino recused himself from the meeting at 10:03 am due to a conflict with Item 5.

**ITEM 5 — [CADA/CACDC] VARIOUS ACTIONS TO CLOSE ON FINANCING FOR THE 1322 O STREET AFFORDABLE HOUSING PROJECT**

*Recommended Action:* Approve various agreements and authorize any and all actions necessary to close on financing for 1322 O Street as a 58-unit affordable project:

**[CADA]**

Adopt a resolution authorizing the Executive Director to:

1. Execute a Gap Financing Loan Agreement and Promissory Note with 1322 O St Investors LP in an amount not to exceed \$1.5 million.
2. Pre-approve a potential increase in the Gap Financing Loan amount by \$2.5 million, for a total not to exceed \$4 million and an amendment to the current loan docs to reflect the increase.
3. Execute a contract with Krazan & Associates.
4. Authorize issuance of a \$100,000 Letter of Credit to the City.
5. Authorize execution of a Guaranty by CADA for the obligations of the General Partners under the terms of the Amended and Restated Agreement of Limited Partnership ("Amended LPA") of 1322 O St Investors LP (the "Partnership").
6. Take any and all actions on behalf of CADA to close on financing for the Project, including execution of all necessary documents and project loans.

**[CACDC]**

Adopt a resolution authorizing the President to:

1. Execute the Amended LPA.
2. Execute the Guaranteed Max Price Contract ("GMP Contract") with Tricorp Group, Inc., as the Managing General Partner of the Partnership.
3. Take any and all actions on behalf of the Partnership to close on financing for the Project, including execution of all necessary documents and project loans.

Contacts: Renée Funston, Development Manager [CADA]  
Todd Leon, Development Director [CADA]  
Wendy Saunders, Executive Director [CADA], President [CACDC]

Member Avdis acknowledged his appreciation for the amount of work that has gone in to this project and stated that he is excited for and supports its closing.

Member Winston also thanked the staff for all of their work on this project in such a short time frame and also expressed his excitement for the project.

Chair Bailey asked what would happen to the limited partnership and, specifically CADA and the CACDC, should Mr. Yousefi pass away or withdraw. Amara Harrell answered that the agreement allows for the remaining limited partner to choose a new partner in such an event.

No public comments.

Member Avidis moved approval both of Resolution 21-11 [CADA], and Resolution 21-01 [CACDC] attached hereto and incorporated herein. Member Winston seconded the motions.

AYES: Avdis, Winston, Bailey  
NOES: None

Member Lagomarsino rejoined the meeting at 10:40 am.

**ITEM 6 — [CACDC] STATE OF CALIFORNIA R STREET WAREHOUSE SITE REQUEST FOR QUALIFICATIONS**

*Recommended Action:* Adopt a resolution approving the following actions:

1. Authorize the CACDC President to respond to the State of California's Request for Qualifications and subsequent Request for Proposals in partnership with CFY Development to develop affordable housing on the State's former R Street Warehouse located at 805 R Street
2. Authorize the CACDC President to enter into a Memorandum of Understanding between the CACDC and CFY Development regarding the roles and responsibilities of the parties in undertaking a project at 805 R Street.

Contacts: Todd Leon, Development Director [CADA]  
Wendy Saunders, Executive Director [CADA], President [CACDC]

Members Lagomarsino and Avdis expressed their support of taking on a third affordable housing project, especially given the Governor's directive and the need for more affordable housing.

Member Winston asked if there will be a difference in approach to this application given the change-over of leadership at DGS that could help CADA's likelihood of success. Ms. Saunders replied that staff must respond to this application in a more disciplined way with regard to the State's requirements and particular requests, which they hadn't done on past projects. Mr. Leon stated that CADA is uniquely qualified for this particular project and

is able to bring some financial resources and soft money that other applicants may not be able to provide, in addition to the agency's unique outlook and experience with R Street. Ms. Saunders let the Board know that that this particular project has a very lengthy process.

Member Lagomarsino stated that, given the agency's expertise in this area, CADA should be sure to claim expertise in this area in a way other developers cannot.

No public comments.

Member Lagomarsino moved approval of Resolution 21-02 [CACDC] attached hereto and incorporated herein. Member Winston seconded the motion.

AYES: Avdis, Lagomarsino, Winston, Bailey

NOES: None

#### **ITEM 7 – OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD REGARDING MATTERS NOT ON THE AGENDA**

None.

#### **ITEM 8 – ADJOURNMENT**

The meeting adjourned at 10:55 am

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Jill Azevedo  
Acting Secretary to the Board of Directors

**MINUTES  
OF  
REGULAR BOARD MEETING**

**BOARD OF DIRECTORS  
CAPITOL AREA DEVELOPMENT AUTHORITY  
AND CAPITOL AREA DEVELOPMENT CORPORATION**

**DECEMBER 18, 2020**

**ITEM 1 – ROLL CALL**

Chair Bailey called the Board Meeting of the CADA and CACDC Board of Directors to order at 10:05 a.m. at 1522 14<sup>th</sup> Street, Sacramento, CA 95814 and via public video conference.

Present: Avidis, Lagomarsino, Winston, Bailey  
Absent: None

**ITEM 2 – APPROVAL OF MINUTES: October 16, 2020 Meeting [CADA] and October 2, 2020 [CACDC]**

Member Avidis moved approval of the October 16, 2020 CADA and October 2, 2020 CACDC Board Meeting minutes. Member Lagomarsino seconded the motion.

AYES: Avidis, Lagomarsino, Winston, Bailey  
NOES: None

**ITEM 3 – CHAIR’S ORAL REPORT**

Chair Bailey swore in new board member Emily Baime Michaels and administered the Oath of Office.

**ITEM 4 – ELECTION OF VICE CHAIR**

*Recommended Action:* Accept nomination. Close nominations. Election.

Chair Bailey nominated Member Lagomarsino to continue serving as Vice Chair.

Member Winston seconded the nomination.

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

**ITEM 5 – [CADA] 2021 BOARD COMMITTEE APPOINTMENTS**

*Recommended Action:* By motion, express concurrence with the proposed 2021 Board Committee appointments.

Chair Bailey proposed that the committee assignments remain as currently established with Emily Baime Michaels joining the Neighborhood & Development Committee.

Member Lagomarsino seconded the motion.

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



## **ITEM 6 - EXECUTIVE DIRECTOR'S ORAL REPORT**

Wendy Saunders reported the following: CADA received notice yesterday that we are being awarded \$10 million in TOD funding by HCD! Staff expect it will take about 6 months to put the HCD agreement together as well as the tax credit investor and loan commitments, but we should be in construction in mid-2021.

No changes in operation since we last met. Our revenues are still running at approximately 94% and we continue to grant rent waivers to our commercial tenants.

Since we last met CADA has begun remediation at 1717 S Street and with just one surprise that Todd Leon will talk about, it's going well and is on schedule

On December 3 staff closed on our Tax Allocation Bond and had an excellent result. The agency's average coupon rate is 3.4% and our "all-in" rate, which includes the cost of issuance, is 3.88%

Ms. Saunders reported that both of the PBIDs she sits on - Midtown Association and DSP – have been consumed with both helping small businesses, especially restaurants, deal with the changing pandemic rules of operation. They are also playing a very important liaison role and conduit for information between law enforcement and the business community with ongoing weekend daytime protests that sometimes threaten violence at night. Fremont Park seems to be a popular place for starting marches on the Capitol, and Midtown has been very good about alerting us in advance.

Ms. Saunders further reported that she is serving on a finance committee with DSRC as they respond to various loan restructuring requests related to the Hyatt Centric hotel project – which is the former Marshall Hotel.

Finally, Ms. Saunders stated that staff member Renee Funston is the Philanthropy Chair of the ULI Young Leaders Group (YLG). This year, YLG is raising money for their annual non-profit, [Green Tech](#) by incentivizing features in the ULI Yearbook to celebrate #WhyULI is the leading real estate and urban development organization.

The Yearbook will include headshots of local ULI members and we would love our board members to be part of the CADA yearbook page, which means that we will need to take a new headshot. Ms. Saunders informed the Board that if they would like to be included, to please let her know and staff will set up a head shot.

## **ITEM 7 — [CADA] Audited Financial Reports – Fiscal Year 2019/2020**

*Recommended Action:* Adopt resolutions accepting and releasing financial reports audited by Cohn Reznick LLP.

Contact: Noelle Mussen, Finance Director

The Operations Committee did not meet.

No public comments.

Member Avdis moved approval of Resolutions 20-30, 20-31, 20-32, and 20-33 attached hereto and incorporated herein. Member Winston seconded the motion.

AYES: Avdis, Baime Michaels, Lagomarsino, Winston, Bailey

NOES: None

## **CONSENT CALENDAR – [CADA] ITEM 8 — ITEM 9**

### **ITEM 8 – EMPLOYEE HANDBOOK**

### **ITEM 9 – 2021 BOARD MEETING AND COMMITTEE MEETINGS SCHEDULE**

Chair Bailey asked if there were any Board members who desired Items 8 through 9 to be taken off the Consent Calendar. None wished to do so.

Member Lagomarsino moved approval of amendment to Resolutions 20-34, 20-35, and 20-36 attached hereto and incorporated herein. Member Avdis seconded the motion.

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

The Operations Committee did not meet.

No public comments.

**ITEM 10 –[CADA] FY 2020/2021 MID-YEAR BUDGE REVISIONS OF THE GENERAL OPERATIONS BUDGET AND CAPITO INVESTMENT PROGRAM BUDGETS, INCLUDING ASSESSMENT OF FUND BALANCES**

*Recommended Action:* Adopt resolution approving mid-year revisions to the General Operations Budget and Capital Investment Program Budgets.

Contact: Noelle Mussen, Finance Director [CADA]

Member Avdis acknowledged the relief being provided for business owners on R St and other CADA commercial tenants, wanted to underscore his strong support for CADA continuing to provide this assistance and wanted to thank staff for their efforts. Member Baime Michaels echoed those statements, saying that even small amounts can make a huge difference to the businesses.

The Operations Committee did not meet.

No public comments.

Member Lagomarsino moved approval of Resolution 20-37 attached hereto and incorporated herein. Member Avdis seconded the motion.

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

Member Lagomarsino recused himself from Item 11 at 10:29am

**ITEM 11 -[CADA] 1322 O STREET – AUTHORIZATION TO AMEND CONTRACT WITH CIVIL ENGINEER FOR 1322 O STREET AFFORDABLE HOUSING PROJECT**

*Recommended Action:* Adopt resolution approving authorization to amend the contract with civil engineer for the 1322 O Street Affordable Housing Project

Contact: Renee Funston, Development Manager [CADA]  
Tom Kigar, Director of Special Projects [CADA]  
Wendy S. Saunders, Executive Director [CADA]

The Development & Construction Committee did not meet.

No public comments.

Member Avdis moved approval of Resolution 20-38 attached hereto and incorporated herein. Member Winston seconded the motion.

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

Member Lagomarsino rejoined the meeting at 10:32am

## **ITEM 12 - [CADA] FIVE-YEAR CAPITAL IMPROVEMENTS PROGRAM (CIP) MIDYEAR REPORT**

*Recommended Action:* Review and Comment.

Contact: Frank Czajka, Construction Manager [CADA]

Member Avdis asked whether staff considers sustainability upgrades, such as phasing out gas when planning budgets and scopes for capital improvement projects. Mr. Czajka replied that staff does take such things into consideration, for example, the current electrical rewiring and transformer project at the Dean will help reduce energy consumption. Mr. Czajka also stated that staff uses upgraded fittings when doing any plumbing repair work, in order to save and conserve water. Marc de la Vergne also reminded the Board that he continues to work with the WeGoWise program which helps the agency track our energy consumption. Through utilizing this program, staff have identified six buildings that currently use large amounts of gas and water. Because of this, staff is working to get a proposal for an energy audit, which DGS is eager to review. Staff is hoping to move away from gas as much as possible. Mr. de la Vergne further stated that, in regard to the current project at The Dean staff will be reviewing the extent to which we can transition away from gas to electric.

Member Avdis then stated that the Board often gives kudos to the Development team, but he wanted to acknowledge the day-to-day work of the Maintenance staff, saying that they are the backbone of CADA being able to provide habitable housing and he is thankful for their hard work.

Marc de la Vergne also added that COVID, CADA has limited the scope of Maintenance to emergency projects or work that can be done in common areas, basements, outside, etc. in an effort to protect staff and residents, which has reduced the agency's capacity to attend to smaller maintenance issues.

Winston stated that he appreciates staff's efforts towards energy efficiency. He noted the current efforts taken in Bay Area/San Jose to achieve carbon neutrality and stated that he would love to see CADA working on some timeframes to work towards carbon neutrality, like maybe 2030, which acknowledging that older buildings like those in CADA's portfolio are more challenging and time consuming. He also thanked Maintenance for their tremendous efforts in the midst of the current health emergency.

Member Lagomarsino wanted to acknowledge work CADA has done over the years and the acknowledgement it has received with regard to addressing energy consumption, such as using more water and energy efficient fixtures, and stating that the WeGoWise tool really enhances the agency's ability to track things and identify buildings that are the biggest consumers of gas and water. Member Lagomarsino asked if staff have, in the course of the Dean project, looked into what would be involved in transitioning that building from gas to electric. Mr. de la Vergne answered that staff haven't looked at that specifically yet, but are currently looking to reduce the need for gas consumption to heat that building through utilization of mini splits to heat and air condition more efficiently. Mr. de la Vergne also pointed out that the 1322 O plan included induction cooktops, which could possibly make sense in current CADA units; however, the challenge is making sure that residents have the correct types of pots for those cooktops as they can be expensive. Mr. de la Vergne also said that staff will hopefully be working with Partner Energy, and will be looking at the entirety of the six buildings identified with WeGoWise to see what can be done to lower their carbon footprint. These efforts are anticipated to entail a huge budget, but once staff has that information about the initial six buildings, we can extrapolate how to achieve this for other buildings and what costs would be involved. Mr. de la Vergne said he hopes to have a consultant contract in the next month once we hear from SMUD on current scope, and that SMUD indicated to him that they would be very interested in partnering with CADA on these project, and are hopeful that CADA could then serve as a model to other multi-family property owners.

The Operations Committee did not meet.

No public comments.

### **ITEM 13 – [CADA/CACDC] EXTENSION OF ADMINISTRATIVE SERVICES AGREEMENT**

Recommended Action: Adopt a resolution approving extension of the Administrative Services Agreement between CADA and CACDC.  
Contact: Wendy S. Saunders, Executive Director (CADA), President (CACDC)

The Development & Construction Committee did not meet.

No public comments.

Member **Lagomarsino** moved approval of CADA Resolution 20-39 and CACDC Resolution 20-05 attached hereto and incorporated herein. Member **Avdís** seconded the motion.

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

Chair Bailey requested Item 15 Oral Reports be presented before moving on to Item 14 - Closed Session.

Chair Bailey called for a 10 minute break at 11:10am. The meeting resumed at 11:20am.

### **ITEM 14— CLOSED SESSION**

#### **A. CONFERENCE WITH REAL ESTATE NEGOTIATOR (Pursuant to Government Code Section 54957.6 (a))**

Property: 006-0223-021

Under negotiation: Price and terms of sale

Party to the negotiations: D&S Development

Chair Bailey reported that the Board discussed the item as listed on the agenda and no action was taken.

### **ITEM 15 – ORAL STAFF REPORTS/UPDATES**

A. Downtown Sacramento Partnership: Reported on in Agenda Item 6.

B. Downtown Sacramento Revitalization Corporation: Reported on in Agenda Item 6.

C. Midtown Association: Reported on in Agenda Item 6.

D. O Street Streetscape (7<sup>th</sup> – 17<sup>th</sup> Streets): Renee Funston reported that staff has been working on implementing the Envision O St. plan and are currently focusing on 9<sup>th</sup> & O Streets. Miradae is currently under contract for landscape architectural services. Staff met with them yesterday to discuss the Site Analysis Package and a potential plant palette, considering best practices for ensuring the plants will be successful, in addition to work on walkways, benches, and art additions. For the 10<sup>th</sup> and P St Commercial, Ms. Funston reported that staff held a Neighborhood Development Committee meeting earlier this week for review and comment on the preliminary design. Staff is finalizing 90% Construction Documents and the improvements will include repaving sidewalks, undergrounding downspouts, a bulb-out at 10<sup>th</sup> & P St, parking pay machine towers, lunch counters with custom perforated panels, seating, umbrella shades, bike racks, a mural extension, a Capitol Box Art Project wrap on the utility box, and climate-appropriate landscaping.

- E. Other Neighborhood Improvements: Renee Funston reported that CADA was awarded an SGC grant a few years ago to reduce storm water run-off and add landscaping to 16<sup>th</sup> & N St and on the 16<sup>th</sup> St side of Fremont Park. Staff is reviewing bids and working to get City approval to re-landscape these areas this winter.
- F. Site 21 – (Southwest corner of 14<sup>th</sup> and N Streets): No Report
- H. CADA Courtyard Site (1322 O Street): Reported on in Item 11
- I. R Street PBID: Todd Leon reported that the R Street PBID continues helping to support business on R St with outdoor dining efforts, which will resume when that is once again allowed. The have also reached out for financial support for needed financial assistance and items like heaters to support those efforts
- J. R Street Affordable Housing (1717 S Street): Todd Leon reported that remediation is well under way, and the project hasn't hit any Class 1 soil to this point, which is very fortunate. Mr. Leon reported that there was one snag – the crew found a hydraulic lift pipe that still had oil inside, some of which, around 20 gallons, spilled onto the soil when the pipe was removed. Mr. Leon stated that it is not uncommon to find such things on site that previously had automotive uses, such as this one had. Crews continue to be cautious in case there are more in the site. Mr. Leon said that staff is currently working with contractors and the Water Board regarding how to handle this issue appropriately, but the project is still on schedule for foundation and grading work to start in early February, which project completion being around two years after that time.

#### **ITEM 16 – TRANSMITTALS**

Received as transmitted.

#### **ITEM 17 – OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD REGARDING MATTERS NOT ON THE AGENDA**

None.

#### **ITEM 18 – ADJOURNMENT**

The meeting adjourned at 12:03 am

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Jill Azevedo  
Acting Secretary to the Board of Directors

## **RESOLUTION NO. 22 - 16**

June 24, 2022

Adopted by the Capitol Area Development Authority

### **RESOLUTION APPROVING THE AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) FOR CYPRESS (SOUTHWEST CORNER OF 14<sup>th</sup> 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**, on January 14, 2022, the CADA Board approved the Design Development Documents for a 96-unit rental and condominium project that is substantively consistent the previously approved Preliminary Schematic Design; and

**WHEREAS**, on February 2, 2022, CADA and Developer entered into the Development and Disposition Agreement (DDA); and

**WHEREAS**, Developer has presented Construction Documents for a 96-unit rental and condominium project that is substantively consistent the previously approved Design Development Documents; and

**WHEREAS**, Developer has requested that Authority close on the funding for the Project by July 8, 2022, prior to receiving any permits for the Project, and Authority agrees to allow an early closing upon certain requirements and conditions as set forth herein; and


**WHEREAS**, Developer's lender will be providing construction loan documents to Developer for construction of the Project, which are likely to include a promissory note and deed of trust, and which may also include a subordination agreement between the construction lender and CADA; and

**WHEREAS**, Developer and Authority now desire to amend the DDA to provide changes to the property transfer conditions and changes to the Schedule of Performance, in an Amendment to Disposition and Development Agreement, attached hereto and incorporated here as Attachment 1.


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

1. Approves the Amendment to the Disposition and Development Agreement between CADA and with West Broadway 2019 Investments LLC (D&S Development), and authorizes and directs the Executive Director to execute the DDA Amendment.

2. Authorizes the Executive Director to do any and all things, and take any and all actions that may be necessary or advisable, in her discretion, in order to complete the transactions described herein.

  
Bob Lagomarsino, Vice-Chair

ATTEST:

  
Tara Gandara  
Secretary to the Board of Directors

## RESOLUTION NO. 22 - 17

Adopted by the Capitol Area Development Authority

June 24, 2022

### RESOLUTION ADOPTING THE FY 2022-2023 GENERAL OPERATIONS AND CAPITAL INVESTMENT PROGRAM BUDGETS

**WHEREAS**, the Fiscal Year 2022-2023 General Operations and Capital Investment Program Budgets have been prepared in accordance with business development goals set forth in the Authority's Annual Business Plan for FY 2022-2023; and

**WHEREAS**, the Fiscal Year 2022-2023 General Operations Budget of \$19,820,627 including projected Designated Reserves \$8,267,609, and the Capital Investment Program Major Construction Budget of \$2,066,359 and Capital Investment Program Development Project Budget of \$150,000 have been presented to the Board of Directors; and


**WHEREAS**, the Authority has established policy authorizing the Executive Director to submit applications for project funding without first receiving specific Board approval so long as costs incurred during the application process do not exceed budget, the Board has not precluded the submittal of an application for a particular project, and the award of such funding is not accepted without Board approval; and

**WHEREAS**, the Authority's General Operations Budget policy requires that the threshold for transfers between major expense categories shall be established no less than once a year as part of the annual operating budget preparation process.


**NOW THEREFORE BE IT RESOLVED**, by the Capitol Area Development Authority that the Fiscal Year 2022-2023 General Operations and Capital Investment Program Budgets, including Designated Reserves, presented at the June 24, 2022, meeting of the Board of Directors are hereby adopted by the Board of Directors; and

**THEREFORE BE IT FURTHER RESOLVED**, by the Capitol Area Development Authority that the Executive Director is authorized to submit applications for project funding without first receiving specific Board approval so long as costs incurred during the application process do not exceed budget, the Board has not precluded the submittal of an application for a particular project, and the award of such funding is not accepted without Board approval; and

**THEREFORE BE IT FURTHER RESOLVED**, by the Capitol Area Development Authority that the threshold for transfers between major expense categories which the Executive Director may make without prior approval by the Board shall be limited to a cumulative of seven percent (7%) of a major expense category's annual operating budget.

  
Bob Lagomarsino, Vice-Chair

ATTEST:

  
Tara Gandara  
Secretary to the Board of Directors



**RESOLUTION NO. 22 - 18**

Adopted by the Capitol Area Development Authority

June 24, 2022

**RESOLUTION ADOPTING REVISIONS TO THE  
FISCAL YEAR (FY) 2007-2008 CAPITAL INVESTMENT PROGRAM BUDGET**

**WHEREAS**, the FY 2007-2008 Capital Investment Program Budget is prepared in accordance with the business development goals set forth in the Authority's Annual Business Plan; and

**WHEREAS**, the FY 2007-2008 Capital Investment Program Budget was adopted and subsequently revised at certain Board Meetings; and

**WHEREAS**, the revisions presented for adoption at this meeting of the Board of Directors have been reviewed and are recommended for approval.

**THEREFORE BE IT RESOLVED**, by the Board of Directors of the Capitol Area Development Authority that the revisions presented for adoption at this meeting of the Board of Directors increasing the FY 2007-2008 Capital Investment Program Development Projects Budget by \$132,550 is hereby adopted.



Bob Lagomarsino, Vice-Chair

ATTEST:



Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 22 - 19**

Adopted by the Capitol Area Development Authority

June 24, 2022

**RESOLUTION ADOPTING REVISIONS TO THE  
FISCAL YEAR (FY) 2008-2009 CAPITAL INVESTMENT PROGRAM BUDGET**

**WHEREAS,** the FY 2008-2009 Capital Investment Program Budget is prepared in accordance with the business development goals set forth in the Authority's Annual Business Plan; and

**WHEREAS,** the FY 2008-2009 Capital Investment Program Budget was adopted and subsequently revised at certain Board Meetings; and

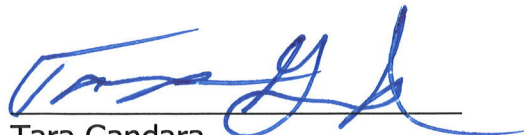
**WHEREAS,** the revisions presented for adoption at this meeting of the Board of Directors have been reviewed and are recommended for approval.

**THEREFORE BE IT RESOLVED,** by the Board of Directors of the Capitol Area Development Authority that the revisions presented for adoption at this meeting of the Board of Directors increasing the FY 2008-2009 Capital Investment Program Development Projects Budget by \$1,152,000 is hereby adopted.



Bob Lagomarsino, Vice-Chair

ATTEST:



Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 22 – 20**

Adopted by the Capitol Area Development Authority

June 24, 2022


**RESOLUTION ADOPTING REVISIONS TO THE  
FISCAL YEAR (FY) 2018-2019 CAPITAL INVESTMENT PROGRAM BUDGET**

**WHEREAS,** the FY 2018-2019 Capital Investment Program Budget is prepared in accordance with the business development goals set forth in the Authority's Annual Business Plan; and

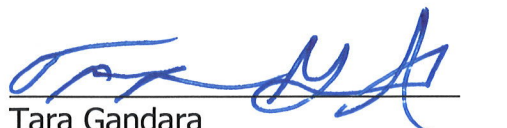
**WHEREAS,** the FY 2018-2019 Capital Investment Program Budget was adopted and subsequently revised at certain Board Meetings; and

**WHEREAS,** the revisions presented for adoption at this meeting of the Board of Directors have been reviewed and are recommended for approval.

**THEREFORE BE IT RESOLVED,** by the Board of Directors of the Capitol Area Development Authority that the revisions presented for adoption at this meeting of the Board of Directors increasing the FY 2018-2019 Capital Investment Program Development Projects Budget by \$975,000 is hereby adopted.

  
Bob Lagomarsino, Vice-Chair

ATTEST:

  
Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 22 - 21**

Adopted by the Capitol Area Development Authority

June 24, 2022

**RESOLUTION ADOPTING REVISIONS TO THE  
FISCAL YEAR (FY) 2019-2020 CAPITAL INVESTMENT PROGRAM BUDGET**

**WHEREAS**, the FY 2019-2020 Capital Investment Program Budget is prepared in accordance with the business development goals set forth in the Authority's Annual Business Plan; and

**WHEREAS**, the FY 2019-2020 Capital Investment Program Budget was adopted and subsequently revised at certain Board Meetings; and

**WHEREAS**, the revisions presented for adoption at this meeting of the Board of Directors have been reviewed and are recommended for approval.

**THEREFORE BE IT RESOLVED**, by the Board of Directors of the Capitol Area Development Authority that the revisions presented for adoption at this meeting of the Board of Directors increasing the FY 2019-2020 Capital Investment Program Development Projects Budget by \$300,000 is hereby adopted.



Bob Lagomarsino, Vice-Chair

ATTEST:



Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 22 – 22**

Adopted by the Capitol Area Development Authority

June 24, 2022

**RESOLUTION ADOPTING REVISIONS TO THE  
FISCAL YEAR (FY) 2020-2021 CAPITAL INVESTMENT PROGRAM BUDGET**

**WHEREAS,** the FY 2020-2021 Capital Investment Program Budget is prepared in accordance with the business development goals set forth in the Authority's Annual Business Plan; and

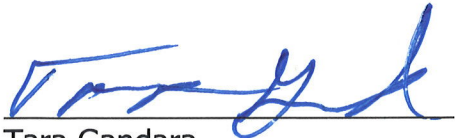
**WHEREAS,** the FY 2020-2021 Capital Investment Program Budget was adopted and subsequently revised at certain Board Meetings; and

**WHEREAS,** the revisions presented for adoption at this meeting of the Board of Directors have been reviewed and are recommended for approval.

**THEREFORE BE IT RESOLVED,** by the Board of Directors of the Capitol Area Development Authority that the revisions presented for adoption at this meeting of the Board of Directors increasing the FY 2020-2021 Capital Investment Program Development Projects Budget by \$1 million is hereby adopted.

  
Bob Lagomarsino, Vice-Chair

ATTEST:

  
Tara Gandara  
Secretary to the Board of Directors



**RESOLUTION NO. 22 - 23**

Adopted by the Capitol Area Development Authority

June 24, 2022

**RESOLUTION ADOPTING REVISIONS TO THE  
FISCAL YEAR (FY) 2019-2020 CAPITAL INVESTMENT PROGRAM MAJOR  
CONSTRUCTION BUDGET**

**WHEREAS,** the FY 2019-2020 Capital Investment Program Budget is prepared in accordance with the business development goals set forth in the Authority's Annual Business Plan; and

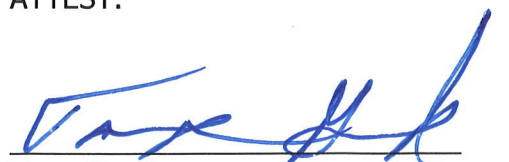
**WHEREAS,** the FY 2019-2020 Capital Investment Program Budget was adopted and subsequently revised at certain Board Meetings; and

**WHEREAS,** the revisions presented for adoption at this meeting of the Board of Directors have been reviewed and are recommended for approval.

**THEREFORE BE IT RESOLVED,** by the Board of Directors of the Capitol Area Development Authority that the revisions presented for adoption at this meeting of the Board of Directors decrease the FY 2019-2020 Capital Investment Program Major Construction by \$689,047 and close out this budget is hereby adopted.

  
Bob Lagomarsino, Vice-Chair

ATTEST:

  
Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 22 – 24**

Adopted by the Capitol Area Development Authority

June 24, 2022

**RESOLUTION APPROVING THE NOT-TO-EXCEED  
MARKET-RATE APARTMENT RENT SCHEDULE AND RENT INCREASE/LEASE  
METHODOLOGY FOR CONTINUING MARKET-RATE RESIDENTS  
IN FISCAL YEAR 2022-23**

**WHEREAS,** Government Code 8193 sets forth requirements with regard to the establishment of market-rate rents for the apartments that are leased by the Authority from the Department of General Services; and

**WHEREAS,** at the June 24, 2022 meeting of the Board of Directors, staff presented and recommended approval of the FY 22-23 Market-rate Rent Schedule for these apartments to be in effect for Fiscal Year 2022-23; and

**WHEREAS,** at the June 24, 2022 meeting of the Board of Directors, staff further recommended a continuing market-rate residents' rent increase/lease methodology for Fiscal Year 2022-23; and

**WHEREAS,** these staff recommendations are consistent with the requirements of Government Code 8193.

**BE IT THEREFORE RESOLVED BY THE BOARD OF DIRECTORS,** that the not-to exceed market-rate apartment rent schedule and the continuing market-rate residents rent increase/lease methodology presented in the staff report at the June 24, 2022, meeting are hereby approved.



Bob Lagomarsino, Vice-Chair

ATTEST:



Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 22 – 25**

Adopted by the Capitol Area Development Authority

June 24, 2022

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT BETWEEN THE STATE OF CALIFORNIA'S DEPARTMENT OF GENERAL SERVICES, THE STATE OF CALIFORNIA NATURAL RESOURCES AGENCY AND THE CAPITOL AREA DEVELOPMENT AUTHORITY RELATED TO CNRA OUTDOOR TEMPORARY ART PROGRAM**

**WHEREAS**, O Street between 7<sup>th</sup> and 8<sup>th</sup> Streets is within the CADA geographic boundary; and

**WHEREAS**, the California Natural Resources Agency (CNRA) Plaza has been designated as a public art location within the new Natural Resources Headquarters Building; and

**WHEREAS**, the programming of the CNRA Plaza, located at 715 P Street, as a space for temporary art installations will benefit CADA residents and the downtown neighborhood, which is consistent with CADA's strategic plan; and

**WHEREAS**, the State (DGS & CNRA) and CADA have drafted an agreement under which CADA will accept responsibility for programming the CNRA Plaza temporary art program for a minimum of four years with three installations per year, and Board approval is needed so the Executive Director can execute the agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors that:

The Executive Director is hereby authorized to execute an agreement between the State of California's Department of General Services, the State of California Natural Resources Agency and the Capitol Area Development Authority related to the CNRA Outdoor Temporary Art Program.



Bob Lagomarsino, Vice-Chair

ATTEST:



Tara Gandara  
Secretary to the Board of Directors



**RESOLUTION NO. 22 – 26**

Adopted by the Capitol Area Development Authority

June 24, 2022

**RESOLUTION AUTHORIZING THE REJECTION OF TRASH-HAULING BIDS AND  
THE SHORT-TERM EXTENSION OF THE CONTRACT WITH REPUBLIC  
SERVICES, INC.**

**WHEREAS**, in June 2017, CADA and Republic Services, Inc. entered into a contract under which Republic agreed to provide trash-hauling services; and

**WHEREAS**, on May 25, 2022 CADA issued a request for bids for "Fiscal Year 2022-2023 FY Waste Removal - Various Locations" and two vendors, Republic Services and Atlas, returned bids by the June 8 due date; and


**WHEREAS**, staff reviewed the bids and determined they were fully responsive to CADA's requests for bids; and

**WHEREAS**, in reviewing the bids, staff was not satisfied with the information available to it in the bid responses for a number of reasons including potential service or operational issues the bid package did not address; and


**WHEREAS**, staff has concluded that it is in the best interests of CADA to issue a new request for bid that captures more information about potential bidders so that staff can complete a more comprehensive service evaluation.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors that:

All bids received in response to the request for bids for "Fiscal Year 2022-2023 FY Waste Removal - Various Locations" are hereby rejected; and the Executive Director is hereby authorized to enter into a First Amendment to the contract with Republic Services, Inc. to extend the contract by up to 120 days.

  
Bob Lagomarsino, Vice-Chair

ATTEST:

  
Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 22 - 27**

Adopted by the Capitol Area Development Authority

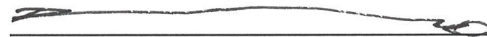
June 24, 2022

**RESOLUTION AWARDING A NETWORK ADMINISTRATION CONSULTING CONTRACT  
TO NETWORK DESIGN ASSOCIATES**

**BE IT RESOLVED** by the Capitol Area Development Authority:

That the Executive Director is hereby authorized to award, on behalf of the Authority, a consulting contract for one (1) year to Network Design Associates to provide network administration services.

The total compensation payable under the contract shall not exceed One Hundred and Six Thousand Dollars (\$106,000).



Bob Lagomarsino, Vice-Chair

ATTEST:



Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 22 – 28**

Adopted by the Capitol Area Development Authority

June 24, 2022

**RESOLUTION AWARDING A  
SECURITY PATROL SERVICE CONTRACT  
TO LYONS SECURITY SERVICE, INC.**

**BE IT RESOLVED** by the Capitol Area Development Authority that:

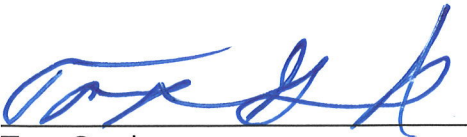
The Executive Director is hereby authorized on behalf of the Authority to enter into a Security Patrol Service Contract for one (1) year with Lyons Security Services, Inc. with the option to extend the contract for four (4) one (1) year extensions.

The total compensation payable under the first year of the contract shall not exceed One Hundred Sixty-Four and Eight Hundred Dollars (\$164,800). Rate increases provided for under the contract shall not exceed 5% per year.



Bob Lagomarsino, Vice-Chair

ATTEST:



Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 22 - 29**

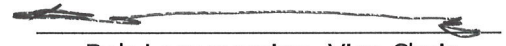
Adopted by the Capitol Area Development Authority

June 24, 2022

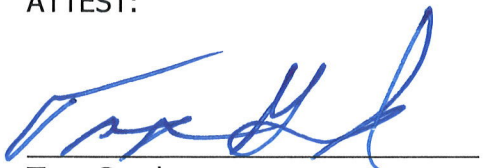
**RESOLUTION AUTHORIZING RENEWAL OF  
WORKERS' COMPENSATION POLICY  
WITH THE STATE COMPENSATION INSURANCE FUND**

**BE IT RESOLVED** by the Capitol Area Development Authority:

That the Executive Director is hereby authorized to renew the worker's compensation policy with the Berkshire Hathaway Homestate Companies for the period July 1, 2022 through June 30, 2023.

  
Bob Lagomarsino, Vice-Chair

ATTEST:

  
Tara Gandara  
Secretary to the Board of Directors

## RESOLUTION NO. 22 – 30

### 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**, the Capitol Area Development Authority ("CADA") is committed to preserving and nurturing public access and participation at meetings of CADA legislative bodies; and

**WHEREAS**, all meetings of 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 30<sup>th</sup> 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 June 24, 2022, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:



Bob Lagomarsino, Vice-Chair

ATTEST:



Tara Gandara  
Secretary to the Board of Directors





August 12, 2022

**TO:** CADA Board of Directors

**SUBJECT:** **August 19, 2022, Board Meeting**  
**AGENDA ITEM 5**

**ANNUAL AFFIRMATION OF DELEGATION OF INVESTMENT AUTHORITY  
TO THE CITY TREASURER**

**CONTACT:** Noelle Mussen, Finance Director

**RECOMMENDED ACTION:**

Staff recommends the Board adopt a resolution delegating CADA's investment authority to the City Treasurer for one year.

**BACKGROUND**

At the May 1999 Board Meeting, the Board adopted Resolution No. 99-13 which establishes the procedure to be followed to ensure compliance with the requirements of California Government Code Chapter 749, Statutes of 1996 and Chapter 783, Statutes of 1995. This procedure calls for the Board Secretary to include the annual affirmation of the delegation of CADA's investment authority to the City Treasurer as a standing agenda item for each August Board meeting. August was selected as the month to annually affirm this delegation because the investment activity report for the period ending June 30<sup>th</sup> (the end of CADA's fiscal year) would be available to the Board for its review.

An Investment Officer from the City of Sacramento will provide a presentation on the City's investment practices at the Board meeting.

**POLICY ISSUES**

Section 10(b) of CADA's Joint Powers Agreement designates that the City Treasurer shall serve as CADA's Treasurer. In accordance with that direction, the City Treasurer has performed these services since CADA's creation in July 1978.

Under State legislation enacted in 1995/1996, actions required of a Treasurer and the governing board it serves are as follows:

*Governing Board -*

- Shall annually consider the Treasurer's investment policies and any proposed change or revision.
- Shall annually delegate authority to the Treasurer to invest or reinvest agency funds and to sell or exchange securities purchased for a period of one year. Said responsibility shall continue until revoked or a one-year period expires.



*Treasurer -*

- Shall submit a monthly/quarterly investment report of transactions to the Governing Board.

Each August, after review of the City Treasurer's investment policies and any proposed changes and revisions, the CADA Board reaffirms the delegation of investment authority to the City Treasurer until it is revoked or a one-year period expires. Because the one-year period of investment authority awarded at last year's August meeting will expire on August 31, 2022, action at the August 19, 2022 meeting is required.

The resolution proposed for action at this meeting also requires the City Treasurer to provide CADA evidence of City Council approval of any investment deviations from California Government Code Sections 53600.5 and 53601 prior to the purchase of such investments. Attached for Board information are the current Investment Policy of the City of Sacramento and the Allowable Investments for Local Agencies (**Attachments 1 & 3**). The current Investment Policy was adopted and approved by the City Council at its July 21<sup>st</sup> meeting. Staff was informed by the City Treasurer's Office that there were no changes to this policy. The Treasurer's Office has also advised that there have been no investment deviations from the above-referenced sections of the California Government Code or changes to the City's investment policy.

### **FISCAL IMPACT**

Schedule permitting, CADA's Finance Director attends each quarterly Investment Committee meeting held by the City Treasurer. At these meetings the activity for the various investment pools managed by the Treasurer is reviewed. CADA's participation in the City Treasurer's investments is limited to City Investment Pool A. As noted in the Investment Activity Report for the period ending June 30, 2022 (**Attachment 2**), Pool A's market value was \$1,548,082,168. CADA's participation in this fund includes \$20,977,346 of General Operation investment; \$39,502 of Tax-Exempt bond proceeds; \$269,295 of 2016 Taxable bond proceeds; and \$30,479,812 of 2020 Taxable bond proceeds for a total of ~.0334% of the pool.

Monthly Investment Activity Reports for Pool A are transmitted to the Board as part of each Board package. Interest earnings are credited to CADA's account on a monthly basis. For the procurement of the City Treasurer's services, the City bills CADA a nominal fee of 2% of the average quarterly balance each quarter.

### **STRATEGIC PLAN**

By ensuring that CADA's invested funds are prudently managed consistent with a Board-adopted investment policy, the proposed action addresses CADA's Strategic Plan Goal to "maintain fiscal responsibility."

### **ENVIRONMENTAL REVIEW**

Not applicable.

### **CONTRACT AWARD CONSIDERATIONS**

Not applicable.

Attachments:

1. City of Sacramento Investment Policy
2. June 2022 Investment Activity Report
3. Allowable Investments for Local Agencies

**RESOLUTION NO. 2022-0199**

Adopted by the Sacramento City Council

June 21, 2022

**Resolution Approving the Investment Policy Governing the Investment of City's Pooled Treasury Funds and Delegating Investment Authority to the City Treasurer****BACKGROUND**

- A. Sound investment practices are facilitated by the preparation of written governing policy statements. Such policies should cover all substantive aspects of the investment of funds. The City Treasurer has prepared a comprehensive Investment Policy document pursuant to which the City, acting through his office, will manage and conduct investment of the City's pooled treasury funds. The Investment Policy is attached hereto as Exhibit A.
- B. In furtherance of the prudent management of the City's treasury pools, the Investment Policy is in compliance with State law provisions establishing investment objectives and setting forth permissible investment of public funds not required for immediate expenditure.
- C. Section 73 of the Sacramento City Charter vests the City Treasurer with authority to deposit and invest funds of the City treasury, subject to the annual delegation of investment authority from the City Council to the City Treasurer pursuant to state law.
- D. The delegation of investment authority and responsibility from the City Council to the City Treasurer will allow the City Treasurer and his staff to continue the prudent investment of the City's pooled treasury funds and the effective and efficient support of the City's efforts to meet its cash flow needs.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The Investment Policy submitted by the City Treasurer, attached hereto as Exhibit A, is hereby approved.
- Section 2. The City Council, pursuant to Government Code section 53607, delegates to the City Treasurer for a period of twelve (12) months the authority to invest the City's pooled treasury funds in accordance with the Investment Policy.
- Section 3. Exhibit A is part of this resolution.

**Table of Contents:**

Exhibit A - City of Sacramento Investment Policy

Adopted by the City of Sacramento City Council on June 21, 2022, by the following vote:

Ayes: Members Ashby, Guerra, Harris, Jennings, Loloee, Schenirer, Valenzuela, and Vang

Noes: None

Abstain: None

Absent: Mayor Steinberg

Attest:  07/12/2022  
\_\_\_\_\_  
Mindy Cuppy, City Clerk

*The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.*

## **Exhibit A**

# **CITY OF SACRAMENTO INVESTMENT POLICY**

The purpose of this document is to set forth the investment and operational policies for the management of the public funds of the City of Sacramento. These policies are designed to ensure the prudent management of public funds under management by the Sacramento City Treasurer.

Although the Sacramento City Charter generally provides the City Treasurer with the authority to deposit and invest funds in the City Treasury, undertaking of the investment activities by the City Treasurer is subject to the annual delegation of investment authority from the City Council as the body being primarily responsible for the investment of City funds. Accordingly, these policies are applicable to the management of City treasury funds as that task may be delegated to the City Treasurer.

A copy of this policy statement will be provided to all investment brokers and dealers and others in related fields doing business with the City of Sacramento, and will be provided to other interested parties on request. In addition, this policy statement will be posted to the City Treasurer's page of the City's internet website.

An entity retained to provide investment-related services to the City of Sacramento shall not render services unless and until it confirms, in writing, that it has received and reviewed this policy statement, and is prepared to implement its terms, as applicable to the services to be provided by the entity.

### **I. Governing Authority; Scope**

Section 73 of the Sacramento City Charter vests the City Treasurer with authority to deposit and invest funds of the City treasury, subject to the annual delegation of investment authority from the City Council to the City Treasurer pursuant to Government Code section 53607. These policies shall apply to the City Treasurer's investment of City treasury funds.

The City Treasurer investment program for all treasury funds shall be operated in conformance with applicable federal, state, and other legal requirements. This policy statement is intended to conform to Government Code sections 53600, et seq, and interpretation of these policies shall be consistent with those statutes.

### **II. Objectives**

#### **A. Primary Objectives**

The primary objectives of investment activities, in order of priority, are safety, liquidity, and yield:

##### *1. Safety*

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective is to mitigate credit risk and interest rate risk.

- (a) Credit Risk. Credit risk is the risk of loss due to the failure of the security issuer or backer. The City will minimize credit risk by:
  - (i) Limiting investments to the types of securities listed in Section VI of this Investment Policy
  - (ii) Re-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with Section IV.
  - (iii) Diversifying the investment portfolio so that the impact of potential losses from anyone type of security or from any one individual issuer will be minimized.
- (b) Interest Rate Risk. Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates. The City will minimize interest rate risk by:
  - (i) Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
  - (ii) Investing operating funds primarily in shorter-term securities, money market mutual funds, the Local Agency Investment Fund ("LAIF") managed by the State of California, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

## 2. *Liquidity*

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or LAIF which offer same day liquidity for short-term funds.

The staff of the City Treasurer's Office shall (i) monitor the City's budget formation and approval process and (ii) actively engage with City staff to assess and manage cash flow needs of the City.

## 3. *Yield*

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the low level of risk being assumed.

Securities shall generally be held until maturity with the following exceptions:

- (a) A security with declining value may be sold early to minimize loss of principal.

- (b) A security swap would improve the quality, yield, or target duration in the portfolio.
- (c) Liquidity needs of the portfolio require that the security be sold.
- (d) Where the sale of the security to realize capital gains is advisable in the judgment of the investment officers.

## B. Other Objectives

### 1. Pooling of Funds

Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds proportionately based on their respective participation and in accordance with generally accepted accounting principles. The pooling of funds shall have no effect on the legal character of the pooled funds, i.e. funds whose use is restricted by law shall remain restricted and cannot be used as part of the City's general fund.

### 2. Local Considerations/Community Investments

Where possible, as a secondary objective, funds may be invested for the betterment of the local economy. The City Treasurer may accept a proposal from an "eligible local community institution" that provides for a reduced rate of interest provided that such institution documents the use of deposited funds for local community development projects. To qualify as an "eligible local community institution", the following criteria must be met:

- An eligible local community institution is defined as being headquartered in counties in and around Sacramento, including but not limited to Placer, El Dorado, Sutter, and Yolo.
- To be recognized as an eligible local community institution the entity must have had a 5 star "Superior" Rating from either Bauer Financial or IDC Financial Publishing for the past 4 consecutive quarters. Eligible institutions must submit their quarterly ratings to the City Treasurer's office and maintain their 5-star rating continuously. If an eligible local community institution drops below the required 5-star rating, they will have 1 quarter to cure the deficiency. If in the following quarter the institution does not re-achieve a 5-star rating with the same independent rating company, the City may withdraw funds allocated to that institution
- Institutions who receive deposits from the City as part of a local community investment not eligible for FDIC insurance must be secured by collateral of 110% as described in California Government Code Section 53651 and 53652.
- Institutions who receive deposits from the City as part of a local community investment must commit to invest 50% of the deposits in the local community, within the City of Sacramento City limits

- Institutions must provide a detailed semi-annual report to the City Treasurer's Office that shows evidence that the institution is meeting the 50% local community investment mandate on the City's deposits. If an institution cannot provide evidence that it has met the 50% local community investment criteria, the City may withdraw its deposits from the institution.
- As a matter of prudence, the amount the City Treasurer may invest in eligible local community institutions will be limited to 3.5% of the institution's total assets, as determined by the quarterly independent financial reports. If, during the course of an investment with an eligible local institution, the City exceeds the maximum 3.5% deposit level, the City may withdraw any funds in excess of the limit to cure the deficiency.
- The city may place deposits with eligible local community institutions up to a total of 10% of the total in the City's portfolio. If this amount is exceeded the City may withdraw funds from any institution to reduce the total community investment back below the maximum.

Although an eligible local community institution may meet all of the above stated criteria, it is not a guarantee that the City will maintain deposits. The City Treasurer retains the right to make deposit and withdrawal decisions based on the Primary Objectives of the Investment Policy stated above.

### *3. Favored Investments*

Investments are encouraged in entities that have demonstrated significant commitment and cooperation (a) with foreclosure prevention efforts, including, without limitation, temporary moratoriums on foreclosures, renegotiation of the principle mortgage balances to reflect current values, and other good faith negotiations with homeowners in regard to delinquent mortgages, and/or (b) in offering free or low-cost banking services to low- and moderate-income residents who are part of the traditionally "unbanked" or "under-banked" population. The City Treasurer may take into consideration the level of effort an entity expends in either the foreclosure relief or community banking areas, or both, when considering competing investments. If the City Treasurer is satisfied with the record of an entity in regard to such efforts, then the Treasurer's investment staff may invest in the securities of the entity, provided that the investment is otherwise consistent with the requirements of this Investment Policy statement.

## **III. Standards of Care**

### *A. Prudence*

In accordance with Government Code section 53600.3, the standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures developed by the City Treasurer and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided extraordinary deviations from expectations are reported by subordinate investment officers to the City Treasurer in a prompt fashion and that the sale of securities is carried out in accordance with the terms of this policy.

Pursuant to the "prudent person" standard, investment officers shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Funds shall be managed not for speculation where the sole goal of a transaction is to increase principal balances, but for investment intended to earn a reasonable rate of return on invested funds, considering the probable safety of their capital as well as the probable income to be derived. Despite that investment transactions are undertaken with care pursuant to the "prudent person" standard, it is recognized that invested funds are subject to the vagrancies of the markets beyond the control of the investment officers.

#### *B. Ethics and Conflicts of Interest*

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and investment officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

Investment officers shall file State Fair Political Practices Commission's Statement of Economic Interests and make the disclosures required by the City's conflict of interest policies.

#### *C. Delegation of Authority*

Authority to manage the City treasury investment program is granted to the City Treasurer pursuant to Sacramento City Charter section number 73, unless the Charter specifically indicates otherwise, subject to annual delegation of investment authority by the City Council pursuant to Government Code section 53607. Pursuant to the City Charter, the City Treasurer also is authorized to appoint deputies and employees, as prescribed by Council resolution, to implement the investment program. The City Treasurer and those employees appointed by the Treasurer to perform investment activities pursuant to these policies shall be referred to herein collectively as "investment officers."

Investment officers shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy ("Investment Procedures Manual"). Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures manual. The investment officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate their activities.

### **IV. Authorized Financial Institutions, Depositories, and Broker/Dealers**

#### *A. Selection*



Financial institutions and depositories involved in implementing the City Treasurer's investment activities are selected on a competitive basis in order to obtain high quality services by reliable, reputable and stable entities. The competitive process may be formal or informal, as determined by the City Treasurer in his or her discretion, with the objective of obtaining the quality of services necessary to serve the best interests of the City and relevant stakeholders, with services performed at competitive fees and rates. Such processes may occur from time to time by the City Treasurer's Office whether at the time the City Treasurer contracts for the general banking services or otherwise. The firm or firms providing investment-related services may or may not be, at the discretion of the City Treasurer, the same firm providing general banking services. Among the factors that the City Treasurer may consider in obtaining such services are (i) minimum qualifications pertaining to capacity, satisfaction of requirements to conduct required business, i.e. licenses, permits, registrations, certifications, etc.; (ii) capitalization; (iii) insurance and bonding; (iv) safekeeping and custodial experience; (v) status in good standing; (vi) ability and capacity of the firm to provide a full range of services as may be required by the City Treasurer; (vii) extent of the value added by an entity over the services provided by firms then-providing investment-related services to the City Treasurer's Office; and (viii) other attributes as may be determined by the City Treasurer from time to time. The City Treasurer may determine the number and nature of firms to be retained to provide investment-related services based upon the volume of existing and projected investment work. Those firms that are selected to execute transactions on behalf of the City shall do so in a good faith manner and in the best interests of the City, and shall disclose to and advise the investment officers of material facts that bear upon the pricing of a given transaction order given by investment officers. All financial institutions executing investment transactions shall satisfy the requirements of Government Code section 53601.5. All depositories shall satisfy the institutional qualifications and security requirements described in Government Code sections 53648 et seq.

#### *B. Performance Review*

All financial institutions and depositories shall maintain the qualifications and attributes deemed appropriate by the City Treasurer, including, but not limited to those enumerated in subsection A above, and shall perform their duties in a satisfactory manner. The City Treasurer, at his or her discretion, shall conduct periodic performance reviews to ensure the institutions and depositories are providing services in the best interests of the City.

### **V. Safekeeping and Custody**

#### *A. Delivery vs. Payment*

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

#### *B. Safekeeping*

Securities will be held by an independent third-party custodian selected by the City Treasurer. The inventory and value of cash and securities held by the custodian will be reconciled on a daily basis. The custodial institution shall annually provide a copy of their most recent report on internal controls in accordance with Statement on Standards for Attestation Engagements No. 18, or SSAE 18.

#### *C. Internal Controls, Investment Procedures Manual*

The City Treasurer is responsible for establishing and maintaining an internal control structure designed to guide the activities of the investment officers to ensure that the assets of the City are protected from loss, theft or misuse. Details of the internal controls system shall be documented in the Investment Procedures Manual and shall be reviewed and updated annually, as needed. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal controls structure shall address the following points:

1. Prevention of collusion
2. Separation of transaction authority from accounting and recordkeeping
3. Custodial safekeeping
4. Avoidance of physical delivery securities
5. Clear delegation of authority to subordinate staff members
6. Written confirmation of transactions for investments and wire transfers
7. Development of a wire transfer agreement with the lead bank and third-party custodian

Accordingly, the City Treasurer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures or alternatively, compliance should be assured through the City annual independent audit.

## **VI. Suitable and Authorized Investments**

### *A. Investment Types*

Allowable investments of funds not required for the immediate use by the City are limited to those described in Government Code sections 16429.1 (Local Agency Investment Fund), 53601 (investment of surplus), 53601.8 (certificates of deposit), 53635 (purchase of commercial paper by pools) and 53638 (bank deposits), as such statutes may be amended or renumbered from time to time. These allowable investments, and their permitted amounts and attributes, are set forth in a summary prepared and updated from time to time by the California Debt and Investment Advisory Commission ("CDIAC") entitled, "Allowable Investment Instruments Per State Government Code, Applicable To All Local Agencies," included CDIAC's "Local Agency Investment Guidelines" publication that may be located at <http://www.treasurer.ca.gov/cdiac/LAIG/guideline.pdf>

### *B. Extended Maturities*

The investment officers will observe the maximum maturity term of five years on various of the allowable investments. However, where a particular investment is found by the investment officers to be advantageous and consistent with these policies, but for a nominal exceedance of a 5-year maximum

maturity caused by effect of the security's issuance and maturity dates, or the settlement date of the transaction, or both, they are authorized to invest in the following obligations with remaining maturities of five (5) years, plus not more than thirty (30) calendar days: U.S. Treasury obligations, obligations of California or other states, California local agency obligations, U.S. Agency obligations and medium-term notes. The City Treasurer will provide notice to the City Council of such investments within periodic investment reports made to the Council. See, Section VIII.A. Pursuant to Government Code section 53601, investment officers shall not make investments in instruments with maturities longer than five (5) years, plus thirty (30) calendar days, without prior approval of the City Council.

### *C. Securities Lending*

The investment officers at their discretion may engage in securities lending activities pursuant to securities lending agreements (as defined in Government Code section 53601(j)(5)(D)) provided that the following are satisfied:

1. Securities lending transactions are to be governed by agreements entered into by the City Treasurer and the agent or agents the City Treasurer engages to perform such transactions provided that such agreements
  - (a) comply with the requirements of Government Code section 53601(j), and
  - (b) require the payment of cash collateral equal to or greater than 102% of the market value of the loaned security at the time of the loan.
2. The securities lending agreements may allow for the use of cash collateral for the reinvestment in securities that
  - (a) comply with the requirements of Government Code section 53601(j)(3)(D), and
  - (b) are securities whose direct investment is authorized by Government Code section 53601 and these policies,
  - (c) provided that nothing herein shall preclude the City Treasurer from entering into securities lending agreements that reduces the scope of investments made with cash collateral to something less than that allowed under subsections (a) and (b) above.

## **VII. Investment Parameters**

### *A. Diversification*

The City shall diversify its investment portfolio. To minimize risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or type of securities, all cash and cash equivalent assets in all City funds shall be diversified by maturity, issuer, and class of security. Diversification strategies shall be determined and revised on an ongoing basis by the investment officers for all funds covered by these investment policies. In establishing specific diversification strategies, these investment policies shall apply. The investment officers shall emphasize that portfolio maturities will be staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected shall provide for

stability of income and reasonable liquidity.

*B. Cash Management Funds*

1. Liquidity shall be assured through practices ensuring that the payroll dates and dates of large disbursements are covered through maturing investments or marketable U.S. Treasury bills.
2. Positions in securities having potential default risk shall be limited in size pursuant to the maximum limits set forth in Government Code section 53601. Such securities include the following: Commercial paper; negotiable certificates of deposit, and Banker's Acceptances.
3. Risks of market price volatility shall be controlled through maturity diversification.
4. Liquidity risk: Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as LAIF, money market funds, overnight repurchase agreements, and/or marketable securities that can be sold to raise cash in one day's notice, to ensure that appropriate liquidity is maintained to meet ongoing obligations.

*C. Competitive Bids*

The investment officers shall obtain competitive bids from at least two brokers or financial institutions on all purchases and sales of investment instruments executed on the secondary market for consideration in excess of \$15 million per purchase transaction.

**VIII. Reporting**

*A. Investment Reports*

The City Treasurer shall present to the City Council, the City Manager and the City's internal auditor monthly investment reports that include the transactions as required by Government Code section 53607.

*B. Marking to Market*

For purposes of preparation of the investment reports, the market value of the portfolio shall be calculated. In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

*C. Performance Standards*

The investment portfolio will be managed in accordance with the parameters specified within this statement of policies. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks

shall be reflective of the actual securities being purchased and risks undertaken.

## **IX. Policy Considerations**

### *A. Exemption*

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy, provided that the City Treasurer may take steps he or she deems appropriate to address non-compliant investments in the best interest of the City and pool participants. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

### *B. Amendments*

This policy shall be reviewed annually by the investment officers. Any change must be approved by the City Treasurer, followed by review and consideration by the City Council pursuant to Section X of these policies.

## **X. City Council Consideration of Investment Policy**

This policy shall be reviewed and considered by the City Council on an annual basis pursuant to Government Code section 53646(a)(2).

## **XI. Miscellaneous**

### *A. Statutory References*

All statutory references cited in these policies shall refer to the statute as it may be amended or renumbered from time to time.



# Investment Report June 2022



John Colville, City Treasurer

*Office of the City Treasurer - City of Sacramento*

City of  
**SACRAMENTO**  
Office of the City Treasurer

Historic City Hall

915 I Street, 3rd Floor

Sacramento, CA 95814

916-808-5168

## **Quarterly Investment Committee Meeting**

Thursday, July 28, 2022

10:00AM-11:00AM

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# INVESTMENT COMMITTEE MEETING

July 28, 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)  
Peter Coyl and Johnny Ea (Sacramento Public Library Authority- SPLA)  
Kimberli S. Burns (The Natomas Basin Conservancy – TNBC)  
Mike Testa, Daniel Santucci (Visit Sacramento)  
City Treasurer's Office Staff

Please read: **April 28, 2022 Minutes of Meeting**

## Agenda

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

## Additional Information

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

This report has been reviewed and approved by:

**John Colville** Digitally signed by John Colville  
Date: 2022.07.19 15:44:34  
-07'00'

City Treasurer



**TO:** Investment Committee Members  
**FROM:** Patrick Zalasky  
**RE:** Minutes of Quarterly Investment Meeting held via Zoom on April 28, 2022

**Attendees Present:** Stacy Hussey, Shirley Tupaz, Katy Nguyen, Jason Bader, Osvaldo Lopez, Mirthala Santizo, Emily Combs, Johnny Ea, Peter Coyl, John Colville, 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 \$187 million in excess cash for the next 6-months and an approximate \$275 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 December 2022.

**2) Performance of the Pools**

Investment staff updated the attendees on the performance of Pool A during the third quarter of fiscal year 2021/2022. The earned interest yield of Pool A for January, February, and March was 0.83%, 0.91% and 0.89%, respectively. All monthly Pool A yields exceed the 0.37% yield earned by the State Treasurer's Local Agency Investment Fund (LAIF) and the 0.37% yield earned by the Medium-Term Fund managed by the Investment Trust of California (CalTRUST).

Pool A performance compared favorably to the yields realized by the investment pools of various California Cities (See, Pool A -- Relative Performance), which reflects publicly available information as of January 25, 2022.

The Yield Curve continued to move off historic lows across all maturities. The curve steepened on the short end, as yields on Treasuries with maturities between 6-months and 2-years crossed over the 1.00% and 2.00% thresholds, respectively. This move will help investment staff add yield to Pool A, as the majority of buying in the pool is focused on issues that have a maturity between 6-months and one year. Investments in cash and other liquid investments (which include much of the liability matching) made up 37% of the pool on 3/31/22 and should grow as yields become better in issues with shorter maturities. Yields in the 5-30 year window flattened out around 2.50%, with yields on 2-year issues and 10-year issues briefly inverting. A longer inversion has historically been indicative of a looming recession.

Investment staff has been adapted to the movements of the yield curve but targeting investments with maturities falling mostly between 6-months and 3-years. Staff continues to base the structure of Pool A on effectively meeting the liquidity needs for the City and all other pool participants, while using high quality names to add yield to the pool when opportunities present themselves. 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. This awareness is used 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**

Inflation has become the main driver of fixed income yields. The Consumer Price Index, which is the measure of the year-over-year change in prices for domestic goods, was 8.54% in March, which is the highest it has been since 1982. The Federal Reserve Board laid out a plan to combat inflation by raising short-term interest rates while also halting its purchases of corporate credit. They raised the Federal Funds Rate 0.25% in March, with expectations being that it will be increased another 0.50% at their meeting in May. Should the May increase happen, the rate will be around 1.00%, which is still much lower than the expected level of inflation. Even with unemployment at historically low levels, the economy is in a fragile state. The labor participation rate, which measures how many Americans of working age are actively working or searching for work, is at an historically low level. Counterintuitively, there are a record number of job openings available, that should be drawing workers back to the labor market. In a normal economy, these jobs would be drawing workers back to the labor force. The fact that those jobs remain open and workers on the sidelines is perturbing to many economists and is making policy decisions very challenging. With midterm elections scheduled for November and polling indicating that Republicans will take back control of the House of Representatives (and possibly control of the Senate), there is little chance that Congress will be able to pass legislation related to the economy. It is debatable whether legislation is necessary, as economists on both sides of the aisle are acknowledging that the massive stimulus packages passed for pandemic relief have contributed in at least a small way to the rise in inflation.

As stated above, The Federal Reserve increased the Federal Funds Rate with plans to continue doing so until inflation is brought under control. In his public remarks in March, Fed Chair Jerome Powell acknowledged that rising inflation is a major concern, but he cautions against drastic changes to interest rates. Should increases come too quickly, he stated there was a fear the economy could fall into a deep recession, as rising interest rates typically stymie investment and consumption. As consumption is a very important factor in keeping the American economy healthy, taking drastic measures that could discourage consumers may not be the best idea. It is widely expected that The Fed will increase rates in May and again in July, both times by 0.50%. Should inflation still be above 6.00%, further rate hikes will be implemented in the latter half of 2022. The FOMC Dot Plot, which is a survey of where Fed governors believe the Federal Funds Rate will be at different points in time, shows that the rate is expected to be somewhere between 1.75% and 2.50% at the end of 2022. If the Federal Funds Rate reaches those levels, yields on Treasuries with maturities between three months and five years should steadily increase throughout the next few months. As of this writing, the yield on 5-year Treasuries is just below 2.90%, after being over 3.00% early in May.

Global economies are also struggling, as supply chain issues are still causing problems worldwide. Russia's invasion of Ukraine has also helped push up food and energy prices, particularly in Europe. It is very likely we are heading for a global recession; it is just a matter of how much economies will contract and how long until we begin to see solid and steady global growth again. The fragility of global markets, particularly with a huge reliance on Russia for energy and China for manufacturing has led to speculation that the United States and its European allies will begin to push for companies to move their operations back to domestic soil. The stability afforded to having manufacturing and operations on friendly soil may be enough to offset the loss of cheap labor and materials. With that being said, U.S. markets are still the strongest and most stable, particularly in times of global crisis. Even with the uncertainty we face in our domestic economy, foreign investors still see our markets as the best for their investments and our economy as the strongest and most reliable.

**4) Other business:** None

**Next Meeting:** The next quarterly meeting is scheduled for **Thursday, July 28, 2022, at 10:00 a.m.** via Zoom.



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## Screen Printed to Page [1 of 2]

US Treasury Actives Curve Actions 98 Chart Export Settings Graph Curves							
X-Axis Tenor Y-Axis Mid YTM Currency None PCS BGN							
Specific 05/31/22 06/30/22 Relative Last 1D 1W Modify							
Values and Members Values Members Constituents							
I25 Mid YTM US Treasury Actives Curve 06/30/22				I25 Mid YTM US Treasury Actives Curve 05/31/22		I25 Mid YTM (Change) 06/30/22-05/31/22	
Tenor	Description	Price	Yield	Description	Price	Yield	Yield
11)	1MB 0 07/26/22 Govt	1.005	1.020	B 0 06/28/22 Govt	0.710	0.720	29.9
12)	2MB 0 08/23/22 Govt	1.459	1.482	B 0 07/26/22 Govt	0.824	0.836	64.6
13)	3MB 0 09/29/22 Govt	1.638	1.667	B 0 08/25/22 Govt	1.041	1.058	60.9
14)	6MB 0 12/29/22 Govt	2.423	2.486	B 0 11/25/22 Govt	1.534	1.567	92.0
15)	1YB 0 06/15/23 Govt	2.685	2.777	B 0 05/18/23 Govt	2.009	2.067	71.0
16)	2YT 3 06/30/24 Govt	100-02 <sup>3</sup> / <sub>4</sub>	2.957	T 2 3 05/31/24 Govt	99-28 <sup>3</sup> / <sub>4</sub>	2.559	39.9
17)	3YT 2 3 06/15/25 Govt	99-19 <sup>3</sup> / <sub>4</sub>	3.011	T 2 3 05/15/25 Govt	100-02 <sup>3</sup> / <sub>4</sub>	2.726	28.5
18)	5YT 3 3 06/30/27 Govt	100-31	3.040	T 2 3 05/31/27 Govt	99-03 <sup>3</sup> / <sub>4</sub>	2.820	22.0
19)	7YT 3 3 06/30/29 Govt	101-03 <sup>3</sup> / <sub>4</sub>	3.071	T 2 3 05/31/29 Govt	99-07 <sup>3</sup> / <sub>4</sub>	2.873	19.9
20)	10YT 2 3 05/15/32 Govt	98-25 <sup>3</sup> / <sub>4</sub>	3.016	Same	100-07 <sup>3</sup> / <sub>4</sub>	2.847	16.9
21)	20YT 3 3 05/15/42 Govt	97-10 <sup>3</sup> / <sub>4</sub>	3.437	Same	99-29	3.256	18.1
22)	30YT 2 3 05/15/52 Govt	94-01 <sup>3</sup> / <sub>4</sub>	3.185	Same	96-20 <sup>3</sup> / <sub>4</sub>	3.047	13.8

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**CITY OF SACRAMENTO - INVESTMENT POOL A**  
**6-MONTH CASH FLOW ANALYSIS**  
**July 1, 2022 - December 31, 2022**

*In millions*

Cash Balances:	
CalTRUST	144.764
Fidelity Fund	2.398
Five Star Bank Community Fund	40.022
JP Morgan Chase	4.859
LAIF	46.800
River City Bank Community Fund	25.012
Less: Required bank balance by policy	(0.500)
<b><i>Cash available at beginning of period:</i></b>	<b>263.355</b>
Projected net cash flow:	
July-22	(29.541)
August-22	13.414
September-22	9.095
October-22	12.129
November-22	(1.150)
December-22	85.857
<b><i>Net cash flow during period:</i></b>	<b>89.804</b>
<b><i>Cash in excess of policy: <sub>1</sub></i></b>	<b>353.159</b>
Cash Balances of non-City and/or Pool A Participants:	
SCERS Cash:	
Fixed Bonds	(1.052)
Large Cap Growth	(0.621)
International	(0.025)
Equity Income	(0.038)
Retirement Trust Operating Fund	(6.382)
Ann Land/Bertha Henschel Endowment Fund	(0.002)
Ethel Hart Mutual Endowment Fund	(0.333)
George H. Clark Memorial Scholarship Fund	(0.016)
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)	(52.573)
Reclamation District No. 1000	(2.184)
SPLA Hurst Trust	(0.355)
Gifts to Share	(0.707)
Visit Sacramento	(9.388)
Other Misc Non-City Funds (CARES Act, ARP, CalEPA, City/County Office-Water Planning, etc)	(57.455)
<b><i>Total cash balances of non-City and/or Pool A participants: <sub>2</sub></i></b>	<b>(191.828)</b>
<b><i>Excess or (Shortfall) if all Pool A participants withdraw all funds within 6 months: <sub>3</sub></i></b>	<b>161.331</b>

<sub>1</sub>The City will be able to meet its cash flow needs for the next six months, with \$353 mm to cover on going expenditures

<sub>2</sub> Non-City and/or Pool A participants have \$192 mm invested in Pool A

<sub>3</sub> If all non-City and/or Pool A participants withdraw the entire \$192 mm within the next twelve months, the City will have \$161 mm to cover on going expenditures

**CITY OF SACRAMENTO - INVESTMENT POOL A**  
**12-MONTH CASH FLOW ANALYSIS**  
**July 1, 2022 - June 30, 2023**

*In millions*

Cash Balances:	
CalTRUST	144.764
Fidelity Fund	2.398
Five Star Bank Community Fund	40.022
JP Morgan Chase	4.859
LAIF	46.800
River City Bank Community Fund	25.012
Less: Required bank balance by policy	(0.500)
<b><i>Cash available at beginning of period:</i></b>	<b>263.355</b>
Projected net cash flow:	
July-22	(29.541)
August-22	13.414
September-22	9.095
October-22	12.129
November-22	(1.150)
December-22	85.857
January-23	78.430
February-23	(1.175)
March-23	(13.452)
April-23	39.006
May-23	45.154
June-23	(9.418)
<b><i>Net cash flow during period:</i></b>	<b>228.349</b>
<b><i>Cash in excess of policy: <sub>1</sub></i></b>	<b>491.704</b>
Cash Balances of non-City and/or Pool A Participants:	
SCERS Cash:	
Fixed Bonds	(1.052)
Large Cap Growth	(0.621)
International	(0.025)
Equity Income	(0.038)
Retirement Trust Operating Fund	(6.382)
Ann Land/Bertha Henschel Endowment Fund	(0.002)
Ethel Hart Mutual Endowment Fund	(0.333)
George H. Clark Memorial Scholarship Fund	(0.016)
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)	(52.573)
Reclamation District No. 1000	(2.184)
SPLA Hurst Trust	(0.355)
Gifts to Share	(0.707)
Visit Sacramento	(9.388)
Other Misc Non-City Funds (CARES Act, ARP, CalEPA, City/County Office-Water Planning, etc)	(57.455)
<b><i>Total cash balances of non-City and/or Pool A participants: <sub>2</sub></i></b>	<b>(191.828)</b>
<b><i>Excess or (Shortfall) if all Pool A participants withdraw all funds within 12 months: <sub>3</sub></i></b>	<b>299.876</b>

<sub>1</sub> The City will be able to meet its cash flow needs for the next twelve months, with \$492 mm to cover on going expenditures

<sub>2</sub> Non-City and/or Pool A participants have \$192 mm invested in Pool A

<sub>3</sub> If all non-City and/or Pool A participants withdraw the entire \$192 mm within the next twelve months, the City will have \$300 mm to cover on going expenditures

# **City of Sacramento**

## **Investment**

### **Pool A**

# CITY OF SACRAMENTO INVESTMENT POOL A

## MONTHLY REVIEW – JUNE 2022

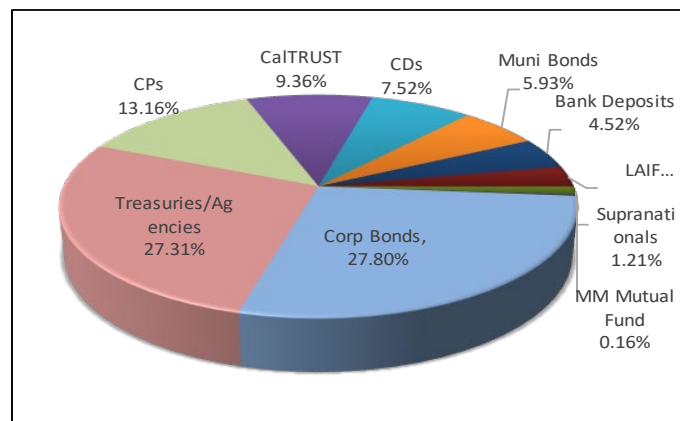
### STRATEGY

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	1,498,648,588
Month's Yield or RoR	1.15%
Weighted Average Maturity (Yrs)	2.54
Weighted Average Duration (Yrs)	2.45
Ending Book Value	1,617,586,554
Ending Market Value	1,548,082,168
Percent of Market to Book Value	95.70%
Month's Investment Earnings	1,468,722
Fiscal YTD Investment Earnings	13,847,352

### PORTFOLIO COMPOSITION



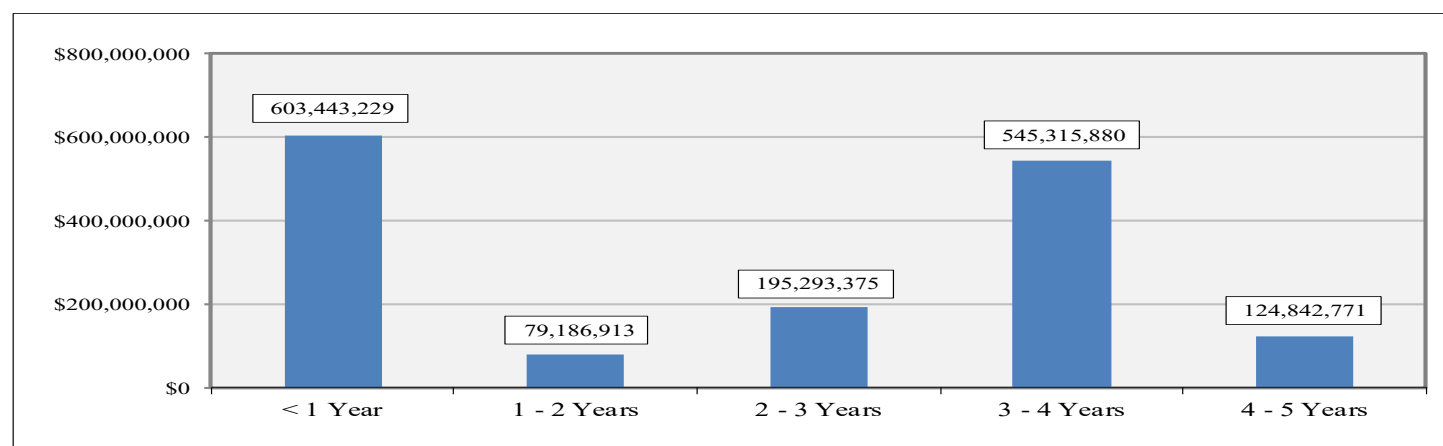
### External Third-Party Investment Manager

CalTRUST	144,763,884
LAIF	46,800,000

Asset Type	Pct. Assets	YTM
Corp Bonds	27.80%	1.70%
Treasuries/Agencies	27.31%	0.92%
CPs	13.16%	1.23%
CalTRUST	9.36%	1.09%
CDs	7.52%	2.63%
Muni Bonds	5.93%	1.76%
Bank Deposits	4.52%	0.63%
LAIF	3.03%	0.86%
Supranationals	1.21%	0.98%
MM Mutual Fund	0.16%	0.53%

### MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	603,443,229	38.97%
1 - 2 Years	79,186,913	5.12%
2 - 3 Years	195,293,375	12.62%
3 - 4 Years	545,315,880	35.23%
4 - 5 Years	124,842,771	8.06%
Total	1,548,082,168	100.00%

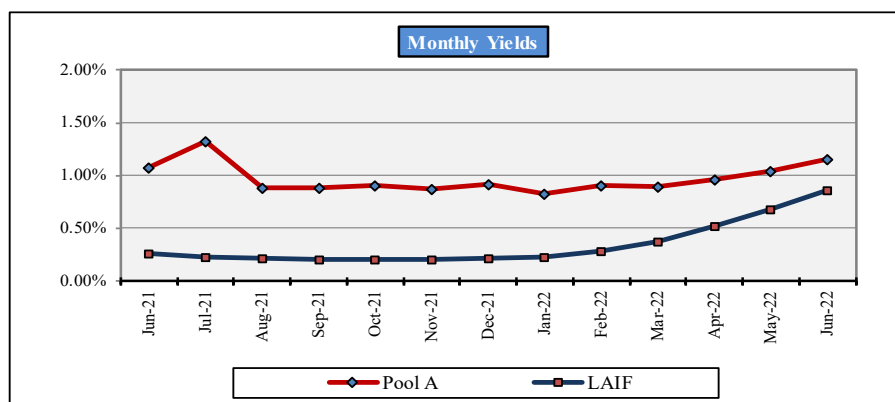




## INTEREST RATE ENVIRONMENT

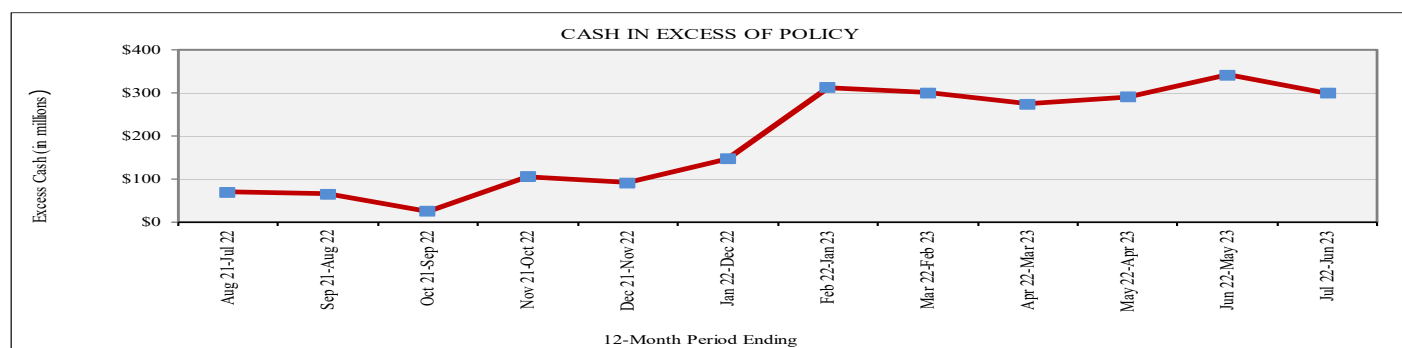
Inflation remained the major focus of the American economy in June, as The Federal Reserve Board acted as expected and raised the Federal Funds Rate 75 basis points (0.75%), the largest rate hike since the early 1980s. The rate hike was in response to a May CPI rate of 8.6% and is very likely just the beginning of a series of rate increases that will be implemented over the next 12-18 months. Americans are definitely feeling the pinch, even as real wages increased by nearly 5%. In more economically placid times, an increase like that would be celebrated. Currently, though, it lags price increases by nearly 4%. Unemployment held at 3.6% and over 372,000 jobs were added nationally in June. This, along with the fact that there are still millions of job openings across the country, indicates that many Americans who completely removed themselves from the job market in 2020 are finally returning to work. This is a good sign for the economy, especially if those millions of open jobs start getting filled. Consumers are not projecting a positive attitude, as the University of Michigan Consumer Sentiment Index dropped to 50.0 in June, which is nearing all-times lows for the survey. The number could go even lower, since, as of this writing, quarterly GDP numbers have not been released. Should the word “recession” start making its way across the mainstream media and newfeeds of social media, the psyche of consumers will no doubt be depressed even further. Yields on Treasuries spiked in response to the Fed’s action, before leveling out and slowly dropping over the second half of the month. The 5-year Treasury began the month at 2.83%, briefly jumped to nearly 3.60%, then gradually fell to a level of 3.04% at the end of June. The Yield Curve continued to flatten, as yields on short-term issues increased faster than those with longer maturities. Historically, recession follows an inversion of the curve. There have been a few brief instances of 2-year yields exceeding those of 10-year yields (the traditional sign of impending recession) over the last couple of months. At the end of June, both yields were practically equal at 3.00%. Market conditions will be monitored regularly by the investment team and strategy will be focused on maintaining a portfolio built with high level names that will remain stable no matter what global markets do over the next couple of years. It will continue to focus its bond buying around finding high quality issues that balance both duration and yield in the portfolio, thereby balancing risk and return as the markets react to the activities of the Fed, the adjustments to the markets caused by the policies adopted by the Federal government and its foreign peers, and the reactions of consumers to the news that comes out each day.

Monthly Yields		
Month	Pool A	LAIF
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%
Dec-21	0.92%	0.21%
Jan-22	0.83%	0.23%
Feb-22	0.91%	0.28%
Mar-22	0.89%	0.37%
Apr-22	0.96%	0.52%
May-22	1.04%	0.68%
Jun-22	1.15%	0.86%
FYTD	0.97%	0.35%



## CASH IN EXCESS OF POLICY (IN MILLIONS)

12 Months Cash Flow	Aug 21-Jul 22	Sep 21-Aug 22	Oct 21-Sep 22	Nov 21-Oct 22	Dec 21-Nov 22	Jan 22-Dec 22	Feb 22-Jan 23	Mar 22-Feb 23	Apr 22-Mar 23	May 22-Apr 23	Jun 22-May 23	Jul 22-Jun 23
Excess Cash	\$ 70	\$ 66	\$ 26	\$ 106	\$ 92	\$ 147	\$ 313	\$ 301	\$ 275	\$ 291	\$ 342	\$ 300



City of Sacramento  
**PORTFOLIO APPRAISAL**  
*City Investment Pool A*  
 June 30, 2022

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
<b>CASH AND EQUIVALENTS</b>															
	caltrust-bff	Caltrust BlackRock FedFund		27,991,729		27,991,729		27,991,729	1.81	1.010	282,716	1.01			
	caltrust-lf	Caltrust Liquidity Fund		27,246,905		27,246,905		27,246,905	1.76	1.130	307,890	1.13			
	caltrust-mt	Caltrust Medium-Term		57,078,641		57,078,641		57,078,641	3.69	1.140	650,697	1.14			
	caltrust-st	Caltrust Short-Term		32,446,609		32,446,609		32,446,609	2.10	1.020	330,955	1.02			
	fidfund	Fidelity Fund		2,398,259		2,398,259		2,398,259	0.16	0.530	12,711	0.53			
	fivestar	Five Star Bank Community Fund		40,021,587		40,021,587		40,021,587	2.59	0.690	276,149	0.69			
	cashjpm	JP Morgan Chase Cash		4,858,900		4,858,900		4,858,900	0.31	0.230	11,175	0.23			
	laifa	Local Agency Investment Fund, Pool A		46,800,000		46,800,000		46,800,000	3.03	0.861	402,948	0.86			
	miscintrec	Misc Interest Receivable		70,443		70,443		70,443	0.00	0.530	373	0.53			
	rivercity	River City Bank Community Fund		25,012,441		25,012,441		25,012,441	1.62	0.610	152,576	0.61			
				263,925,515		263,925,515		263,925,515	17.09		2,428,191	0.92			
<b>NON-NEGOTIABLE CERTIFICATES OF DEPOSIT</b>															
30,000,000	3420042541902	Safe Credit Union CD 2.974% Due 06-24-25	100.00	30,000,000	100.00	30,000,000	17,111	30,017,111	1.94	2.974	892,200	2.99			
<b>CERTIFICATES OF DEPOSIT</b>															
10,000,000	53947cl48	LLoyds Bank Corp Mkts/NY 0.230% Due 07-12-22	100.00	10,000,000	99.95	9,995,420	22,808	10,018,229	0.65	0.230	23,000	0.23	A1		
10,000,000	89114wgl3	Toronto Dominion Bank NY 0.170% Due 07-27-22	100.00	10,000,000	99.89	9,988,845	13,317	10,002,162	0.65	0.170	17,000	0.17	A1+		
7,000,000	55380tve7	MUFG Bank Ltd New York 0.220% Due 08-09-22	100.00	7,000,000	99.83	6,987,809	14,074	7,001,882	0.45	0.220	15,400	0.22	A1		
5,000,000	02587cgb0	American Express 2.400% Due 09-06-22	100.00	5,000,000	100.11	5,005,516	38,466	5,043,982	0.32	2.400	120,000	2.40			
5,000,000	63873qth7	Natixis NY 1.830% Due 12-13-22	100.00	5,000,000	99.51	4,975,415	18,554	4,993,969	0.32	1.830	91,500	1.83	A1		
10,000,000	53947cq92	LLoyds Bank Corp Mkts/NY 2.500% Due 02-07-23	100.00	10,000,000	99.59	9,959,224	26,389	9,985,613	0.64	2.500	250,000	2.50	A1		
10,000,000	22549l2z7	Credit Suisse New York 0.540% Due 11-20-23	100.00	10,000,000	98.76	9,876,200	33,150	9,909,350	0.64	0.540	54,000	0.54	A1		
10,000,000	22549l5r2	Credit Suisse New York 0.490% Due 12-04-23	100.00	10,000,000	98.61	9,861,400	28,447	9,889,847	0.64	0.490	49,000	0.49	A1		
5,000,000	90348j3m0	US Bank CD 3.000% Due 11-25-24	100.00	5,000,000	99.21	4,960,749	2,466	4,963,214	0.32	3.000	150,000	3.02			
6,000,000	90348jb66	US Bank CD 0.600% Due 01-27-26	100.00	6,000,000	90.69	5,441,238	395	5,441,633	0.35	0.600	36,000	0.60	A1		07-27-22
5,000,000	05600xcf5	BMO Harris Bank 0.750% Due 02-26-26	100.00	5,000,000	91.07	4,553,650	12,842	4,566,492	0.29	0.750	37,500	0.75			08-26-22
5,000,000	90348jm72	UBS Bank CD 0.850% Due 06-16-26	100.00	5,000,000	90.75	4,537,274	1,747	4,539,020	0.29	0.850	42,500	0.85			12-16-22
				88,000,000		86,142,739	212,654	86,355,394	5.58		885,900	1.01			
<b>COMMERCIAL PAPER</b>															
10,000,000	89119bgs9	Toronto Dominion Bank 0.230% Due 07-26-22	99.83	9,982,750	99.88	9,988,134	0	9,988,134	0.65	0.230	23,000	0.23	A1+		
10,000,000	06742xe94	Barclays Bank Plc 0.490% Due 07-27-22	99.76	9,976,044	99.87	9,987,070	0	9,987,070	0.65	0.490	49,000	0.49	A1		
5,000,000	17327bgt6	Citigroup Global Mkts 0.230% Due 07-27-22	99.83	4,991,567	99.87	4,993,284	0	4,993,284	0.32	0.230	11,500	0.23	A1		
10,000,000	62479mgt4	MUFG Bank Ltd/NY 0.360% Due 07-27-22	99.80	9,979,900	99.87	9,987,287	0	9,987,287	0.65	0.360	36,000	0.36	A1		
10,000,000	63873kgt8	Natixis NY 0.310% Due 07-27-22	99.79	9,978,982	99.87	9,987,325	0	9,987,325	0.65	0.310	31,000	0.33	A1		

City of Sacramento  
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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
10,000,000	83369cgt5	Societe Generale 0.355% Due 07-27-22	99.79	9,979,306	99.88	9,987,625	0	9,987,625	0.65	0.355	35,500	0.33	A1		
5,000,000	89119bh90	Toronto Dominion Bank 0.570% Due 08-09-22	99.70	4,985,037	99.81	4,990,372	0	4,990,372	0.32	0.570	28,500	0.57	A1+		
10,000,000	63873khp5	Natixis NY 0.570% Due 08-23-22	99.68	9,968,175	99.69	9,968,710	0	9,968,710	0.65	0.570	57,000	0.57	A1		
5,000,000	2254ebhv6	Credit Suisse NY 0.850% Due 08-29-22	99.58	4,978,986	99.67	4,983,667	0	4,983,667	0.32	0.850	42,500	0.87	A1		
5,000,000	17327bj71	Citigroup Global Mkts 0.580% Due 09-07-22	99.65	4,982,681	99.59	4,979,348	0	4,979,348	0.32	0.580	29,000	0.59	A1		
5,000,000	2254ebjm4	Credit Suisse NY 0.610% Due 09-21-22	99.61	4,980,429	99.49	4,974,316	0	4,974,316	0.32	0.610	30,500	0.62	A1		
10,000,000	83369cjm7	Societe Generale 0.440% Due 09-21-22	99.68	9,967,611	99.51	9,950,707	0	9,950,707	0.64	0.440	44,000	0.45	A1		
5,000,000	2254ebk34	Credit Suisse NY 0.530% Due 10-03-22	99.60	4,980,199	99.39	4,969,297	0	4,969,297	0.32	0.530	26,500	0.54	A1		
10,000,000	62479mkj1	MUFG Bank Ltd/NY 0.630% Due 10-18-22	99.55	9,955,200	99.29	9,929,325	0	9,929,325	0.64	0.630	63,000	0.64	A1		
10,000,000	21687bl17	Cooperatieve Rabobank NY 1.110% Due 11-01-22	99.25	9,925,383	99.19	9,919,297	0	9,919,297	0.64	1.110	111,000	1.14	A1		
10,000,000	05970ulf3	Banco Santander SA 1.270% Due 11-15-22	99.11	9,911,453	98.98	9,897,535	0	9,897,535	0.64	1.270	127,000	1.31	A1		
10,000,000	05970ulu0	Banco Santander SA 1.860% Due 11-28-22	98.86	9,885,817	98.84	9,883,772	0	9,883,772	0.64	1.860	186,000	1.91	A1		
10,000,000	45685rlu9	Ing US Funding LLC 1.690% Due 11-28-22	98.85	9,885,456	98.83	9,882,975	0	9,882,975	0.64	1.690	169,000	1.74	A-1		
10,000,000	22533umt7	Credit Agricole Corp 2.030% Due 12-27-22	98.71	9,871,433	98.52	9,852,500	0	9,852,500	0.64	2.030	203,000	2.09	A1		
5,000,000	4497w1mt0	ING (US) Funding LLC 2.670% Due 12-27-22	98.66	4,933,250	98.50	4,925,250	0	4,925,250	0.32	2.670	133,500	2.75	A1		
5,000,000	2254ebmu2	Credit Suisse NY 2.280% Due 12-28-22	98.59	4,929,700	98.46	4,922,949	0	4,922,949	0.32	2.280	114,000	2.35	A1		
10,000,000	22533una7	Credit Agricole Corp 2.230% Due 01-10-23	98.53	9,852,572	98.37	9,836,986	0	9,836,986	0.64	2.230	223,000	2.30	A1		
10,000,000	05970unq7	Banco Santander SA 2.330% Due 01-24-23	98.38	9,838,194	98.20	9,819,849	0	9,819,849	0.64	2.330	233,000	2.41	A1		
10,000,000	83369cq72	Societe Generale 3.170% Due 03-07-23	97.78	9,778,100	97.78	9,778,333	0	9,778,333	0.63	3.170	317,000	3.27	A-1		
5,000,000	4497w1q82	ING (US) Funding LLC 3.070% Due 03-08-23	97.86	4,892,976	97.71	4,885,446	0	4,885,446	0.32	3.070	153,500	3.17	A-1		
				203,391,201		203,281,359	0	203,281,359	13.16		2,477,000	1.23			
<b>GOVT AGENCY DISCOUNT PAPER</b>															
5,000,000	459053b29	International Bk Recon & Develop 1.100% Due 08-08-22	99.75	4,987,472	99.87	4,993,526	0	4,993,526	0.32	1.100	55,000	1.10	AAA		
<b>U.S. GOVERNMENT BONDS</b>															
5,000,000	91282cbh3	U.S. Treasury Note 0.375% Due 01-31-26	98.83	4,941,406	90.93	4,546,484	7,821	4,554,306	0.29	0.375	18,750	0.62	AA+		
15,000,000	91282cbq3	U.S. Treasury Note 0.500% Due 02-28-26	98.75	14,812,891	91.14	13,671,680	25,068	13,696,748	0.89	0.500	75,000	0.75	AA+		
				19,754,297		18,218,164	32,889	18,251,053	1.18		93,750	0.72			
<b>FEDERAL HOME LOAN BANK</b>															
5,000,000	3130ajla5	Federal Home Loan Bank 0.750% Due 05-19-25	100.00	5,000,000	93.75	4,687,469	4,375	4,691,844	0.30	0.750	37,500	0.75	AA+		07-06-22

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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
5,000,000	3130ak6h4	Federal Home Loan Bank 0.500% Due 09-22-25	99.90	4,995,000	91.89	4,594,386	6,875	4,601,261	0.30	0.500	25,000	0.52	AA+		07-06-22
5,000,000	3130akjw7	Federal Home Loan Bank 0.600% Due 12-15-25	100.00	5,000,000	91.62	4,580,976	1,333	4,582,309	0.30	0.600	30,000	0.60	AA+		07-06-22
5,000,000	3130akje7	Federal Home Loan Bank 0.560% Due 12-30-25	99.97	4,998,750	92.22	4,610,813	78	4,610,891	0.30	0.560	28,000	0.57	AA+		07-06-22
5,000,000	3130akn85	Federal Home Loan Bank 0.550% Due 01-20-26	99.80	4,990,000	91.25	4,562,308	12,299	4,574,607	0.30	0.550	27,500	0.59	AA+		07-20-22
10,000,000	3130akq74	Federal Home Loan Bank 0.625% Due 01-22-26	100.00	10,000,000	91.36	9,135,781	27,604	9,163,386	0.59	0.625	62,500	0.62	AA+		07-22-22
5,000,000	3130akng7	Federal Home Loan Bank 0.550% Due 01-28-26	100.00	5,000,000	91.10	4,554,993	11,687	4,566,680	0.29	0.550	27,500	0.55	AA+		07-28-22
5,000,000	3130akpc4	Federal Home Loan Bank 0.600% Due 01-28-26	100.00	5,000,000	92.17	4,608,382	12,750	4,621,132	0.30	0.600	30,000	0.60	AA+		07-28-22
5,000,000	3130akpq3	Federal Home Loan Bank 0.580% Due 01-28-26	100.00	5,000,000	92.10	4,605,106	12,325	4,617,431	0.30	0.580	29,000	0.58	AA+		07-28-22
5,000,000	3130akvr4	Federal Home Loan Bank 0.550% Due 02-12-26	100.00	5,000,000	91.14	4,557,037	10,618	4,567,655	0.29	0.550	27,500	0.55	AA+		08-12-22
5,000,000	3130al5x8	Federal Home Loan Bank 0.650% Due 02-24-26	100.00	5,000,000	90.97	4,548,281	11,465	4,559,746	0.29	0.650	32,500	0.65	AA+		08-24-22
5,000,000	3130al6j8	Federal Home Loan Bank 0.625% Due 02-24-26	100.00	5,000,000	92.09	4,604,371	11,024	4,615,396	0.30	0.625	31,250	0.62	AA+		08-24-22
5,000,000	3130al7m0	Federal Home Loan Bank 0.625% Due 02-24-26	100.00	5,000,000	92.09	4,604,371	11,024	4,615,396	0.30	0.625	31,250	0.62	AA+		08-24-22
5,000,000	3130alae4	Federal Home Loan Bank 0.580% Due 02-25-26	100.00	5,000,000	90.88	4,543,902	10,150	4,554,052	0.29	0.580	29,000	0.58	AA+		02-25-23
5,000,000	3130algs7	Federal Home Loan Bank 0.850% Due 03-10-26	100.00	5,000,000	92.59	4,629,293	13,104	4,642,397	0.30	0.850	42,500	0.85	AA+		09-10-22
5,000,000	3130aleh3	Federal Home Loan Bank 0.700% Due 03-16-26	100.00	5,000,000	92.22	4,611,098	10,208	4,621,306	0.30	0.700	35,000	0.70	AA+		09-16-22
5,000,000	3130almv3	Federal Home Loan Bank 1.000% Due 03-30-26	100.00	5,000,000	93.14	4,657,211	12,639	4,669,850	0.30	1.000	50,000	1.00	AA+		06-30-22
5,000,000	3130alxp4	Federal Home Loan Bank 1.200% Due 04-28-26	100.00	5,000,000	93.65	4,682,638	10,500	4,693,138	0.30	1.200	60,000	1.20	AA+		07-28-22
5,000,000	3130am2f8	Federal Home Loan Bank 1.125% Due 04-29-26	100.00	5,000,000	93.40	4,670,057	9,687	4,679,745	0.30	1.125	56,250	1.12	AA+		07-29-22
5,000,000	3130amcl4	Federal Home Loan Bank 1.020% Due 05-19-26	100.00	5,000,000	92.38	4,619,064	5,950	4,625,014	0.30	1.020	51,000	1.02	AA+		08-19-22
1,750,000	3130amcb6	Federal Home Loan Bank 1.000% Due 05-22-26	100.00	1,750,000	92.87	1,625,167	1,896	1,627,063	0.11	1.000	17,500	1.00	AA+		08-22-22
5,000,000	3130amjc7	Federal Home Loan Bank 1.000% Due 05-26-26	100.00	5,000,000	92.84	4,642,201	4,861	4,647,062	0.30	1.000	50,000	1.00	AA+		08-26-22
5,000,000	3130amjn3	Federal Home Loan Bank 1.030% Due 05-26-26	100.00	5,000,000	92.95	4,647,287	5,007	4,652,294	0.30	1.030	51,500	1.03	AA+		08-26-22
3,000,000	3130ampt3	Federal Home Loan Bank 1.030% Due 06-23-26	100.00	3,000,000	92.80	2,784,086	687	2,784,772	0.18	1.030	30,900	1.03	AA+		09-23-22
5,000,000	3130anyan4	Federal Home Loan Bank 1.000% Due 09-30-26	100.00	5,000,000	92.18	4,609,096	12,639	4,621,735	0.30	1.000	50,000	1.00	AA+		06-30-22
5,000,000	3130aprp2	Federal Home Loan Bank 1.570% Due 11-23-26	100.00	5,000,000	94.48	4,723,827	8,286	4,732,113	0.31	1.570	78,500	1.57	AA+		07-23-22
5,000,000	3130ash44	Federal Home Loan Bank 4.700% Due 06-30-27	100.00	5,000,000	100.51	5,025,545	653	5,026,198	0.33	4.700	235,000	4.70	AA+		09-30-22
				134,733,750		124,724,750	239,726	124,964,476	8.07		1,256,650	0.95			

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FEDERAL NATIONAL MORTGAGE ASSN. (FNMA)															
5,000,000	3136g4d75	Fannie Mae 0.600% Due 07-29-25	100.00	5,000,000	92.79	4,639,503	12,667	4,652,169	0.30	0.600	30,000	0.60	AA+		07-29-22
5,000,000	3136g4g23	Fannie Mae 0.600% Due 07-29-25	100.00	5,000,000	92.80	4,639,887	12,667	4,652,553	0.30	0.600	30,000	0.60	AA+		07-29-22
5,000,000	3136g4c76	Fannie Mae 0.700% Due 08-12-25	100.00	5,000,000	93.01	4,650,696	13,514	4,664,210	0.30	0.700	35,000	0.70	AA+		08-12-22
5,000,000	3136g4c43	Fannie Mae 0.650% Due 08-14-25	100.00	5,000,000	92.86	4,643,175	12,368	4,655,543	0.30	0.650	32,500	0.65	AA+		08-14-22
5,000,000	3136g4x40	Fannie Mae 0.600% Due 08-26-25	99.96	4,998,000	92.62	4,631,208	10,417	4,641,625	0.30	0.600	30,000	0.61	AA+		08-26-22
3,000,000	3136g43q4	Fannie Mae 0.600% Due 09-16-25	100.00	3,000,000	92.49	2,774,768	5,250	2,780,018	0.18	0.600	18,000	0.60	AA+		09-16-22
5,000,000	3135g06a6	Fannie Mae 0.580% Due 10-20-25	100.00	5,000,000	92.21	4,610,674	5,719	4,616,393	0.30	0.580	29,000	0.58	AA+		07-20-22
4,000,000	3136g45c3	Fannie Mae 0.540% Due 10-27-25	99.81	3,992,280	92.02	3,680,990	3,840	3,684,830	0.24	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	91.10	4,555,088	4,889	4,559,977	0.29	0.550	27,500	0.55	AA+		07-27-22
3,000,000	3136g46s7	Fannie Mae 0.560% Due 10-28-25	100.00	3,000,000	92.08	2,762,425	2,940	2,765,365	0.18	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	91.88	4,593,962	4,306	4,598,268	0.30	0.500	25,000	0.52	AA+		
5,000,000	3135ga4v0	Fannie Mae 0.625% Due 11-25-25	100.00	5,000,000	92.12	4,606,154	3,125	4,609,279	0.30	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	92.06	4,603,144	1,264	4,604,408	0.30	0.650	32,500	0.65	AA+		09-17-22
5,000,000	3135g06r9	Fannie Mae 0.550% Due 01-28-26	100.00	5,000,000	91.49	4,574,361	11,687	4,586,048	0.30	0.550	27,500	0.55	AA+		07-28-22
				64,985,280		59,966,035	104,652	60,070,688	3.88		386,650	0.60			
FEDERAL HOME LOAN MORTGAGE CORP. (FHLMC)															
5,000,000	3134gxuw2	Freddie Mac 3.000% Due 06-14-24	100.00	5,000,000	99.65	4,982,265	7,083	4,989,349	0.32	3.000	150,000	3.00	AA+		07-14-22
5,000,000	3134gxmh4	Freddie Mac 2.050% Due 03-24-25	100.00	5,000,000	97.37	4,868,691	27,618	4,896,309	0.32	2.050	102,500	2.05	AA+		09-24-22
5,000,000	3134gxrs5	Freddie Mac 3.100% Due 04-29-25	100.00	5,000,000	99.40	4,970,154	26,694	4,996,849	0.32	3.100	155,000	3.10	AA+		07-29-22
3,000,000	3134gvrvt	Freddie Mac 0.750% Due 05-27-25	100.00	3,000,000	93.00	2,789,967	2,125	2,792,092	0.18	0.750	22,500	0.75	AA+		08-27-22
5,000,000	3134gvb31	Freddie Mac 0.750% Due 05-28-25	99.76	4,987,900	93.17	4,658,537	3,437	4,661,974	0.30	0.750	37,500	0.80	AA+		08-28-22
5,000,000	3134gvz68	Freddie Mac 0.700% Due 06-23-25	99.95	4,997,500	92.68	4,633,981	778	4,634,758	0.30	0.700	35,000	0.71	AA+		09-23-22
3,000,000	3134gwkr6	Freddie Mac 0.625% Due 08-12-25	100.00	3,000,000	92.87	2,786,001	7,240	2,793,241	0.18	0.625	18,750	0.62	AA+		08-12-22
5,000,000	3134gwh82	Freddie Mac 0.625% Due 09-08-25	100.00	5,000,000	92.71	4,635,261	9,809	4,645,070	0.30	0.625	31,250	0.62	AA+		09-08-22
5,000,000	3134gwa55	Freddie Mac 0.650% Due 09-09-25	100.00	5,000,000	92.78	4,638,759	10,111	4,648,870	0.30	0.650	32,500	0.65	AA+		09-09-22
5,000,000	3134gwwt9	Freddie Mac 0.550% Due 09-30-25	100.00	5,000,000	91.94	4,597,030	6,951	4,603,981	0.30	0.550	27,500	0.55	AA+		06-30-22
5,000,000	3134gwy26	Freddie Mac 0.570% Due 10-08-25	100.00	5,000,000	91.91	4,595,733	6,571	4,602,303	0.30	0.570	28,500	0.57	AA+		07-08-22
5,000,000	3134gwys9	Freddie Mac 0.600% Due 10-15-25	100.00	5,000,000	91.76	4,587,941	6,333	4,594,275	0.30	0.600	30,000	0.60	AA+		07-15-22

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10,000,000	3134gxbm5	Freddie Mac 0.600% Due 11-12-25	99.98	9,998,500	91.67	9,166,914	8,167	9,175,080	0.59	0.600	60,000	0.60	AA+		08-12-22
5,000,000	3134gxfv1	Freddie Mac 0.625% Due 12-17-25	100.00	5,000,000	91.58	4,579,157	1,215	4,580,372	0.30	0.625	31,250	0.62	AA+		09-17-22
5,000,000	3134gxlf9	Freddie Mac 0.550% Due 02-12-26	100.00	5,000,000	91.91	4,595,638	10,618	4,606,256	0.30	0.550	27,500	0.55	AA+		08-12-22
				75,983,900		71,086,028	134,751	71,220,779	4.60		789,750	1.07			
FEDERAL AGRICULTURAL MORTGAGE CORP.															
Not Classified															
5,000,000	31422xux8	Farmer Mac 1.380% Due 07-28-23	100.00	5,000,000	98.38	4,919,187	23,575	4,942,762	0.32	1.380	69,000	1.38			
3,000,000	31422xbt8	Farmer Mac 0.700% Due 12-17-25	100.00	3,000,000	92.78	2,783,497	817	2,784,314	0.18	0.700	21,000	0.70			
3,000,000	31422xbn1	Farmer Mac 0.690% Due 02-25-26	100.00	3,000,000	92.04	2,761,270	7,245	2,768,515	0.18	0.690	20,700	0.69			08-25-22
5,000,000	31422xpe6	Farmer Mac 1.300% Due 11-23-26	100.00	5,000,000	93.14	4,656,760	6,861	4,663,621	0.30	1.300	65,000	1.30			11-23-22
				16,000,000		15,120,714	38,498	15,159,212	0.98		175,700	1.10			
				16,000,000		15,120,714	38,498	15,159,212	0.98		175,700	1.10			
FEDERAL FARM CREDIT BANK - FRMMT															
Not Classified															
5,000,000	3133enne6	Federal Farm Credit Bank 1.230% Due 02-09-24	100.00	5,000,000	97.26	4,862,971	24,258	4,887,229	0.31	1.230	61,500	1.23	AA+		07-06-22
5,000,000	3133elc28	Federal Farm Credit Bank 0.730% Due 05-27-25	100.00	5,000,000	93.16	4,657,794	3,447	4,661,242	0.30	0.730	36,500	0.73	AA+		07-06-22
5,000,000	3133el2s2	Federal Farm Credit Bank 0.670% Due 08-04-25	100.00	5,000,000	92.73	4,636,691	13,679	4,650,371	0.30	0.670	33,500	0.67	AA+		07-06-22
5,000,000	3133el4w1	Federal Farm Credit Bank 0.610% Due 08-25-25	99.92	4,996,250	92.34	4,617,158	10,675	4,627,833	0.30	0.610	30,500	0.63	AA+		07-06-22
5,000,000	3133embh4	Federal Farm Credit Bank 0.530% Due 09-29-25	100.00	5,000,000	91.88	4,594,084	6,772	4,600,857	0.30	0.530	26,500	0.53	AA+		07-06-22
5,000,000	3133enuz1	Federal Farm Credit Bank 3.090% Due 10-20-25	100.00	5,000,000	99.03	4,951,297	30,471	4,981,768	0.32	3.090	154,500	3.09	AA+		07-20-22
5,000,000	3133emd22	Federal Farm Credit Bank 0.520% Due 10-21-25	99.76	4,987,950	91.59	4,579,328	5,056	4,584,383	0.30	0.520	26,000	0.57	AA+		07-06-22
5,000,000	3133emfr8	Federal Farm Credit Bank 0.540% Due 11-03-25	99.94	4,997,000	91.21	4,560,486	4,350	4,564,836	0.30	0.540	27,000	0.55	AA+		11-03-22
5,000,000	3133emqx3	Federal Farm Credit Bank 0.590% Due 02-17-26	100.00	5,000,000	90.63	4,531,640	10,981	4,542,620	0.29	0.590	29,500	0.59	AA+		07-06-22
5,000,000	3133emsk9	Federal Farm Credit Bank 0.840% Due 03-02-26	99.92	4,996,250	92.09	4,604,302	13,883	4,618,186	0.30	0.840	42,000	0.86	AA+		07-06-22
5,000,000	3133emsh6	Federal Farm Credit Bank 0.790% Due 03-03-26	100.00	5,000,000	92.59	4,629,572	12,947	4,642,519	0.30	0.790	39,500	0.79	AA+		07-06-22
5,000,000	3133emsu7	Federal Farm Credit Bank 0.800% Due 03-09-26	100.00	5,000,000	92.59	4,629,502	12,444	4,641,947	0.30	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	93.33	4,666,298	14,000	4,680,298	0.30	1.050	52,500	1.05	AA+		07-06-22
5,000,000	3133emh21	Federal Farm Credit Bank 0.900% Due 06-15-26	100.00	5,000,000	92.09	4,604,518	2,000	4,606,518	0.30	0.900	45,000	0.90	AA+		07-06-22
5,000,000	3133emh54	Federal Farm Credit Bank 0.960% Due 06-15-26	100.00	5,000,000	92.60	4,629,865	2,133	4,631,998	0.30	0.960	48,000	0.96	AA+		07-06-22
3,000,000	3133eml67	Federal Farm Credit Bank 0.800% Due 06-22-26	100.00	3,000,000	92.00	2,759,993	600	2,760,593	0.18	0.800	24,000	0.80	AA+		06-22-23

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*City Investment Pool A*  
June 30, 2022

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
3,000,000	3133enzf0	Federal Farm Credit Bank 4.400% Due 06-22-26	100.00	3,000,000	100.33	3,009,850	3,300	3,013,150	0.19	4.400	132,000	4.40	AA+		09-22-22
5,000,000	3133emq62	Federal Farm Credit Bank 0.990% Due 07-13-26	100.00	5,000,000	92.55	4,627,663	23,100	4,650,763	0.30	0.990	49,500	0.99	AA+		07-06-22
5,000,000	3133em4s8	Federal Farm Credit Bank 0.870% Due 09-08-26	99.82	4,991,250	90.89	4,544,413	13,654	4,558,068	0.29	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	90.61	4,530,410	12,142	4,542,552	0.29	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	92.84	2,785,174	6,428	2,791,603	0.18	1.330	39,900	1.33	AA+		11-03-22
3,000,000	3133enjv3	Federal Farm Credit Bank 1.390% Due 12-29-26	100.00	3,000,000	92.92	2,787,512	232	2,787,743	0.18	1.390	41,700	1.39	AA+		12-29-22
5,000,000	3133envv9	Federal Farm Credit Bank 3.630% Due 05-03-27	100.00	5,000,000	99.30	4,964,969	29,242	4,994,210	0.32	3.630	181,500	3.63	AA+		08-03-22
				106,968,700		99,765,492	255,795	100,021,287	6.46		1,251,600	1.20			
				106,968,700		99,765,492	255,795	100,021,287	6.46		1,251,600	1.20			
MUNICIPAL BONDS															
Not Classified															
1,000,000.00	13017haj5	California Earthquake Auth Rev 1.327% Due 07-01-22	100.00	1,000,000	100.00	1,000,000	6,635	1,006,635	0.06	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	100.29	3,008,730	76,137	3,084,867	0.19	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	100.03	1,255,439	12,419	1,267,859	0.08	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	100.03	5,001,700	54,792	5,056,492	0.32	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	100.13	5,006,650	31,250	5,037,900	0.32	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	99.88	684,164	2,306	686,470	0.04	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	98.91	1,730,960	2,873	1,733,833	0.11	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	98.12	981,240	7,385	988,625	0.06	1.477	14,770	1.48			
3,000,000.00	93974d5q7	Washington St 3.030% Due 08-01-23	99.66	2,989,770	99.93	2,997,930	37,875	3,035,805	0.19	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	99.15	3,296,837	27,006	3,323,844	0.21	2.150	71,487	2.26	A+		
550,000.00	13077dkb7	California St Univ Rev 1.557% Due 11-01-23	100.00	550,000	97.81	537,982	1,427	539,410	0.03	1.557	8,563	1.56	AA-		
520,000.00	13080szk3	California Statewide Cmmtys De 0.514% Due 02-01-24	100.00	520,000	95.16	494,822	1,114	495,935	0.03	0.514	2,673	0.51	A+		
2,970,000.00	92778v1h9	Virginia College Bldg Auth Va 2.910% Due 02-01-24	100.00	2,970,000	99.45	2,953,576	7,202	2,960,778	0.19	2.910	86,427	2.91	AA+		
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	97.97	4,898,450	29,739	4,928,189	0.32	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	97.62	1,952,420	9,530	1,961,950	0.13	1.906	38,120	1.91	AA+		
250,000.00	91412hf12	University Calif Revenue Bonds 0.833% Due 05-15-24	100.00	250,000	95.43	238,572	266	238,839	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	94.60	1,418,940	703	1,419,643	0.09	0.367	5,505	0.37	AA		

City of Sacramento  
**PORTFOLIO APPRAISAL**  
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June 30, 2022

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
2,500,000.00	13032uvb1	California Health Facs Fing Auth Revenue 2.020% Due 06-01-24	100.00	2,500,000	97.28	2,431,975	4,208	2,436,183	0.16	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	94.96	712,215	470	712,685	0.05	0.752	5,640	0.75	AA-		
1,000,000.00	365298y51	Garden Grove California Unified School District 1.966% Due 08-01-24	100.00	1,000,000	96.92	969,250	8,192	977,442	0.06	1.966	19,660	1.97	AA-		
850,000.00	13034al57	California Infrastructure & Ec 0.645% Due 10-01-24	100.00	850,000	94.10	799,867	1,371	801,238	0.05	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	94.03	1,081,299	1,083	1,082,382	0.07	0.565	6,497	0.57	AA		
750,000.00	13080sz11	California Statewide Cmmtys De 0.732% Due 02-01-25	100.00	750,000	92.19	691,417	2,287	693,705	0.04	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	93.39	1,167,350	3,909	1,171,259	0.08	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	92.94	1,533,559	4,309	1,537,869	0.10	0.887	14,635	0.89	AA+		
1,000,000.00	68607v3j2	Oregon St Dept of Admin Svcs Lottery Rev 2.915% Due 04-01-25	100.00	1,000,000	98.56	985,610	4,615	990,225	0.06	2.915	29,150	2.92	AAA		
3,000,000.00	92812vb88	Virginia Housing Development Authority 2.056% Due 04-01-25	100.00	3,000,000	96.36	2,890,860	15,420	2,906,280	0.19	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	92.98	650,874	835	651,709	0.04	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	93.11	3,258,710	3,949	3,262,659	0.21	0.883	30,905	0.70	AA		04-15-25
1,000,000.00	91412hj18	University Calif Revenue Bonds 0.670% Due 05-15-25	100.00	1,000,000	92.27	922,730	856	923,586	0.06	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	92.65	1,158,112	992	1,159,104	0.07	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	92.36	4,617,900	2,292	4,620,192	0.30	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	93.23	932,280	700	932,980	0.06	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	91.85	459,260	155	459,415	0.03	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	93.56	4,678,050	31,450	4,709,500	0.30	1.258	62,900	0.90	AA		
4,000,000.00	91412gu94	University Calif Revs For Prev 3.063% Due 07-01-25	99.96	3,998,360	99.08	3,963,360	61,260	4,024,620	0.26	3.063	122,520	3.08	AA		04-01-25
940,000.00	13034al65	California Infrastructure & Ec 0.765% Due 10-01-25	100.00	940,000	91.89	863,794	1,798	865,592	0.06	0.765	7,191	0.77	AAA		
4,000,000.00	13077dq7	California St Univ Rev 0.862% Due 11-01-25	100.00	4,000,000	91.56	3,662,320	5,747	3,668,067	0.24	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	91.42	1,704,946	1,949	1,706,895	0.11	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	91.72	4,585,900	18,579	4,604,479	0.30	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	91.43	914,280	3,495	917,775	0.06	1.187	11,870	1.19	AA+		



City of Sacramento  
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June 30, 2022

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
1,000,000.00	68607v3k9	Oregon St Dept of Admin Svcs Lottery Rev 3.131% Due 04-01-26	100.00	1,000,000	98.78	987,820	4,957	992,777	0.06	3.131	31,310	3.13	AAA		
1,000,000.00	697511fu2	Palomar Calif Cmnty College Di 1.031% Due 08-01-26	100.00	1,000,000	90.57	905,730	4,296	910,026	0.06	1.031	10,310	1.03	AA		
3,000,000.00	79770gjc1	San Francisco Calif City & Cnt 1.861% Due 08-01-26	101.35	3,040,470	92.08	2,762,370	30,396	2,792,766	0.18	1.861	55,830	1.55	AA		
1,975,000.00	798306wq5	San Juan Calif Uni Sch Dist Sa 1.201% Due 08-01-26	96.06	1,897,224	90.82	1,793,695	9,883	1,803,578	0.12	1.201	23,720	2.13			
2,000,000.00	20772kqk8	Connecticut State 3.631% Due 06-15-27	99.57	1,991,480	99.76	1,995,140	1,815	1,996,955	0.13	3.631	72,620	3.73	A+		
				<u>95,969,509</u>		<u>91,539,088</u>	<u>539,929</u>	<u>92,079,017</u>	<u>5.93</u>		<u>1,767,122</u>	<u>1.76</u>			
				95,969,509		91,539,088	539,929	92,079,017	5.93		1,767,122	1.76			
<b>CORPORATE BONDS</b>															
<b>INDUSTRIALS</b>															
4,245,000	88579ybh3	3M Company 2.000% Due 02-14-25	100.58	4,269,791	96.30	4,088,122	32,309	4,120,432	0.26	2.000	84,900	1.88	A+		01-14-25
2,567,000	438516cb0	Honeywell Intl Inc 1.350% Due 06-01-25	101.90	2,615,773	94.12	2,416,089	2,888	2,418,976	0.16	1.350	34,654	0.96	A		05-01-25
10,000,000	24422evk2	John Deere Capital Corp 0.700% Due 01-15-26	99.06	9,905,536	90.29	9,029,367	32,278	9,061,645	0.58	0.700	70,000	0.90	A		
				<u>16,791,100</u>		<u>15,533,578</u>	<u>67,475</u>	<u>15,601,053</u>	<u>1.01</u>		<u>189,554</u>	<u>1.16</u>			
<b>COMMUNICATION SERVICES</b>															
3,000,000	254687fk7	Disney Walt Co 1.750% Due 08-30-24	99.11	2,973,300	96.37	2,891,085	17,937	2,909,022	0.19	1.750	52,500	1.95	BBB+		07-30-24
<b>CONSUMER DISCRETIONARY</b>															
5,000,000	023135aj5	Amazon Com Inc 2.500% Due 11-29-22	100.72	5,036,200	100.01	5,000,688	11,111	5,011,799	0.32	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	99.84	4,991,989	43,000	5,034,989	0.32	2.400	120,000	2.73	AA		01-22-23
2,000,000	46849ltk7	Jackson National Life Global 2.650% Due 06-21-24	104.11	2,082,240	97.37	1,947,488	1,472	1,948,960	0.13	2.650	53,000	1.60	A		
5,000,000	57629wec3	Massmutual Global Funding 2.950% Due 01-11-25	99.16	4,958,250	98.25	4,912,577	69,653	4,982,230	0.32	2.950	147,500	3.29	AA+		
5,000,000	384802ae4	WW Grainger Inc 1.850% Due 02-15-25	103.11	5,155,700	95.24	4,762,191	34,944	4,797,136	0.31	1.850	92,500	1.17	A+		01-15-25
2,500,000	141781bu7	Cargill Inc 3.500% Due 04-22-25	98.48	2,462,100	99.20	2,479,975	16,771	2,496,746	0.16	3.500	87,500	4.07	A		04-22-23
5,000,000	023135bq8	Amazon Com Inc 0.800% Due 06-03-25	101.16	5,057,900	93.10	4,655,111	3,111	4,658,222	0.30	0.800	40,000	0.53	AA		05-03-25
1,850,000	641062ar5	Nestle Holdings Inc 0.625% Due 01-15-26	99.41	1,839,122	90.03	1,665,509	5,332	1,670,841	0.11	0.625	11,562	0.75	AA-		12-15-25
5,000,000	141781bn3	Cargill Inc 0.750% Due 02-02-26	99.68	4,984,150	89.69	4,484,427	15,521	4,499,948	0.29	0.750	37,500	0.82	A		01-02-26
5,000,000	74460waa5	Public Storage 0.875% Due 02-15-26	100.27	5,013,300	89.38	4,468,940	16,528	4,485,468	0.29	0.875	43,750	0.82	A		01-15-26
5,000,000	023135bx3	Amazon Com Inc 1.000% Due 05-12-26	99.68	4,984,250	90.94	4,547,029	6,806	4,553,834	0.29	1.000	50,000	1.06	AA		04-12-26
5,000,000	571676aj4	Mars Inc 0.875% Due 07-16-26	97.32	4,865,950	89.30	4,464,836	20,052	4,484,889	0.29	0.875	43,750	1.49	A		06-16-26
4,500,000	74460dag4	Public Storage 1.500% Due 11-09-26	98.14	4,416,255	90.42	4,068,715	9,750	4,078,465	0.26	1.500	67,500	1.91	A		10-09-26

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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
5,000,000	742718fv6	Procter & Gamble Co 1.900% Due 02-01-27	99.53	4,976,400	93.99	4,699,319	39,583	4,738,903	0.30	1.900	95,000	2.00	AA-		
2,000,000	742718fg9	Procter & Gamble Co 2.800% Due 03-25-27	97.94	1,958,740	96.73	1,934,670	14,933	1,949,603	0.13	2.800	56,000	3.26	AA-		
				62,731,657		59,083,465	308,567	59,392,032	3.82		1,070,562	1.79			
CONSUMER STAPLES															
3,000,000	427866at5	Hershey Co 2.625% Due 05-01-23	99.87	2,996,100	99.63	2,988,941	13,125	3,002,066	0.19	2.625	78,750	2.66	A		02-01-23
2,000,000	440452ag5	Hormel Foods Corp 0.650% Due 06-03-24	100.15	2,002,920	95.42	1,908,355	1,011	1,909,366	0.12	0.650	13,000	0.60	A		07-16-22
5,000,000	37331naj0	Georgia Pacific Corp 1.750% Due 09-30-25	104.38	5,219,150	92.64	4,631,763	22,118	4,653,881	0.30	1.750	87,500	0.82	A+		08-30-25
				10,218,170		9,529,059	36,254	9,565,313	0.62		179,250	1.35			
ENERGY															
5,000,000	637432ng6	National Rural Utils Coop Fin 3.250% Due 11-01-25	99.15	4,957,600	97.53	4,876,657	27,083	4,903,740	0.32	3.250	162,500	3.51	A-		08-01-25
4,000,000	63743hew8	National Rural Utils Coop Fin 1.000% Due 06-15-26	97.79	3,911,520	89.79	3,591,564	1,778	3,593,342	0.23	1.000	40,000	1.51	A-		05-15-26
5,000,000	291011bp8	Emerson Elec Co 0.875% Due 10-15-26	96.04	4,802,200	88.33	4,416,352	9,236	4,425,588	0.29	0.875	43,750	1.74	A		09-15-26
				13,671,320		12,884,573	38,097	12,922,670	0.83		246,250	2.35			
FINANCIAL															
2,814,000	064159sh0	Bank Nova Scotia B C 2.000% Due 11-15-22	101.20	2,847,768	99.73	2,806,314	7,191	2,813,505	0.18	2.000	56,280	1.52	A-		
5,000,000	05253jaw1	Australia & New Zeala Bkg Grp NY 2.050% Due 11-21-22	102.03	5,101,450	99.58	4,979,244	11,389	4,990,633	0.32	2.050	102,500	1.24	AA-		
7,000,000	63254abc1	National Australia Bk/NY 1.875% Due 12-13-22	100.83	7,058,250	99.47	6,963,192	6,562	6,969,754	0.45	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	99.48	1,989,696	18,633	2,008,329	0.13	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	98.65	1,546,795	6,098	1,552,893	0.10	1.250	19,600	1.25	A		02-09-23
5,000,000	48133de71	JP Morgan Chase Financial Co LLC 2.500% Due 05-01-23	100.00	5,000,000	98.99	4,949,417	21,528	4,970,945	0.32	2.500	125,000	2.50	A-		10-29-22
5,000,000	06747pml0	Barclays Bank Plc 3.000% Due 10-17-23	100.00	5,000,000	98.96	4,948,067	30,833	4,978,900	0.32	3.000	150,000	3.00	A		10-17-22
5,000,000	48133de55	JP Morgan Chase Financial Co LLC 3.125% Due 04-29-24	100.00	5,000,000	96.35	4,817,477	26,910	4,844,386	0.31	3.125	156,250	3.12	A-		04-29-23
5,000,000	05971kam1	Banco Santander S.A. 3.892% Due 05-24-24	99.67	4,983,600	99.48	4,973,804	20,001	4,993,805	0.32	3.892	194,600	4.07	A+		
5,000,000	06406ral1	Bank New York Mellon Corp 2.100% Due 10-24-24	101.18	5,059,100	96.77	4,838,266	19,542	4,857,808	0.31	2.100	105,000	1.84	A		
5,000,000	78015k7c2	Royal Bank of Canada 2.250% Due 11-01-24	102.36	5,118,100	96.52	4,825,997	18,750	4,844,747	0.31	2.250	112,500	1.70	A		
2,500,000	64952wdl4	New York Life Global 2.000% Due 01-22-25	100.73	2,518,225	95.65	2,391,295	22,083	2,413,378	0.15	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	95.69	4,789,348	45,267	4,834,615	0.31	2.200	110,110	1.79	A-		
3,000,000	89236tgx7	Toyota Motor Credit Corp 3.000% Due 04-01-25	99.83	2,994,960	98.10	2,942,885	22,500	2,965,385	0.19	3.000	90,000	3.06	A+		

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5,000,000	06747pkv0	Barclays Bank Plc 3.250% Due 04-08-25	100.00	5,000,000	96.61	4,830,422	37,465	4,867,888	0.31	3.250	162,500	3.25	A		04-08-23
4,000,000	06406ran7	Bank New York Mellon Corp 1.600% Due 04-24-25	102.41	4,096,520	94.12	3,764,840	11,911	3,776,751	0.24	1.600	64,000	1.10	A		03-24-25
5,000,000	17330fvu2	Citigroup Global Markets 4.050% Due 05-27-25	100.00	5,000,000	100.05	5,002,586	19,125	5,021,711	0.32	4.050	202,500	4.05	A		05-27-23
3,000,000	78015k7h1	Royal Bank of Canada 1.150% Due 06-10-25	100.27	3,008,130	92.52	2,775,496	2,012	2,777,509	0.18	1.150	34,500	1.09	A		
5,000,000	064159v17	Bank Nova Scotia B C 1.300% Due 06-11-25	100.96	5,048,100	92.78	4,638,951	3,611	4,642,562	0.30	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	90.39	2,711,632	667	2,712,298	0.18	1.000	30,000	1.00	A-		09-23-22
5,000,000	00138can8	AIG Global Funding 0.900% Due 09-22-25	99.82	4,991,000	89.70	4,485,147	12,375	4,497,522	0.29	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	90.98	4,548,766	5,333	4,554,099	0.29	0.800	40,000	0.74	A		
4,000,000	637639ae5	National Secs Clearing Corp 0.750% Due 12-07-25	100.34	4,013,460	90.22	3,608,737	2,000	3,610,737	0.23	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	87.79	4,389,586	1,031	4,390,617	0.28	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	87.77	4,388,503	111	4,388,614	0.28	0.800	40,000	0.80	A-		06-30-22
3,000,000	89114qcp1	Toronto Dominion Bank 0.750% Due 01-06-26	99.85	2,995,590	89.37	2,681,103	10,937	2,692,041	0.17	0.750	22,500	0.78	A		
5,000,000	78016ezm2	Royal Bank of Canada 0.875% Due 01-20-26	100.00	5,000,000	89.53	4,476,270	19,566	4,495,836	0.29	0.875	43,750	0.87	A		
3,000,000	22533ad53	Credit Agricole Cib Sa 0.900% Due 01-21-26	100.00	3,000,000	85.89	2,576,629	12,000	2,588,629	0.17	0.900	27,000	0.90	A+		07-21-22
5,000,000	48128g2y5	JP Morgan Chase & Co 1.000% Due 02-26-26	100.00	5,000,000	89.42	4,470,921	17,361	4,488,282	0.29	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	89.51	4,475,647	17,354	4,493,001	0.29	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	90.66	4,533,127	14,875	4,548,002	0.29	0.900	45,000	1.11	A		
5,000,000	78016ezq3	Royal Bank of Canada 1.200% Due 04-27-26	100.56	5,028,000	89.83	4,491,734	10,667	4,502,401	0.29	1.200	60,000	1.08	A		
5,000,000	48128g3g3	JP Morgan Chase & Co 1.200% Due 04-30-26	100.00	5,000,000	89.53	4,476,304	10,167	4,486,470	0.29	1.200	60,000	1.20	A-		04-30-23
5,000,000	06048wv56	Bank of America Corporation 4.000% Due 05-05-26	100.00	5,000,000	98.70	4,935,225	31,111	4,966,336	0.32	4.000	200,000	4.00	A-		11-05-22
5,000,000	808513br5	Charles Schwab Corp 1.150% Due 05-13-26	99.74	4,986,950	90.21	4,510,536	7,667	4,518,203	0.29	1.150	57,500	1.20	A		04-13-26
5,000,000	40139lbd4	Guardian Life Global Funding 1.250% Due 05-13-26	99.98	4,999,050	90.18	4,508,907	8,333	4,517,241	0.29	1.250	62,500	1.25	AA+		
5,000,000	06048w199	Bank of America Corporation 1.400% Due 05-14-26	100.00	5,000,000	88.24	4,411,992	9,139	4,421,131	0.29	1.400	70,000	1.40	A-		11-14-22
5,000,000	06048wm31	Bank of America Corporation 1.250% Due 05-28-26	100.00	5,000,000	86.90	4,344,923	5,729	4,350,652	0.28	1.250	62,500	1.25	A-		11-28-22
5,000,000	902674yh7	UBS Ag London Branch 1.250% Due 06-01-26	99.80	4,990,200	88.83	4,441,591	5,208	4,446,799	0.29	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	89.44	8,944,262	9,333	8,953,595	0.58	1.200	120,000	1.17	A		
5,000,000	89236tjk2	Toyota Motor Credit Corp 1.125% Due 06-18-26	99.80	4,990,050	90.16	4,507,889	2,031	4,509,921	0.29	1.125	56,250	1.17	A+		

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5,000,000	06051gjd2	Bank of America Corp 1.319% Due 06-19-26	100.97	5,048,400	90.90	4,545,200	2,198	4,547,398	0.29	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	89.24	4,462,157	26,674	4,488,831	0.29	1.150	57,500	1.16	A		
3,000,000	22550l2g5	Credit Suisse Ag New York 1.250% Due 08-07-26	97.69	2,930,670	87.41	2,622,363	15,000	2,637,363	0.17	1.250	37,500	1.77	A		
3,000,000	06048wn63	Bank of America Corporation 1.150% Due 09-10-26	99.00	2,970,000	91.41	2,742,422	10,637	2,753,060	0.18	1.150	34,500	1.36	A-		09-10-22
5,000,000	0641598k5	Bank Nova Scotia B C 1.300% Due 09-15-26	97.99	4,899,650	88.80	4,439,897	19,139	4,459,036	0.29	1.300	65,000	1.75	A-		06-15-26
3,000,000	06368gc54	Bank Of Montreal 2.000% Due 12-22-26	100.00	3,000,000	92.48	2,774,338	1,500	2,775,838	0.18	2.000	60,000	2.00	A-		09-22-22
5,000,000	59217ger6	Metropolitan Life Global Fdg I 1.875% Due 01-11-27	98.68	4,934,000	90.57	4,528,622	44,271	4,572,893	0.29	1.875	93,750	2.16	AA-		
5,000,000	06417xad3	Bank Nova Scotia B C 1.950% Due 02-02-27	98.46	4,923,100	90.20	4,510,216	46,312	4,556,528	0.29	1.950	97,500	2.28	A-		
5,500,000	808513by0	Schwab Charles Corp 2.450% Due 03-03-27	100.00	5,500,000	93.26	5,129,369	44,168	5,173,537	0.33	2.450	134,750	2.45	A		02-03-27
				228,654,726		211,448,106	774,309	212,222,415	13.69		3,895,290	1.70			
HEALTHCARE															
5,000,000	717081ex7	Pfizer Inc 0.800% Due 05-28-25	99.85	4,992,700	93.11	4,655,350	3,667	4,659,016	0.30	0.800	40,000	0.83	A+		04-28-25
5,000,000	532457bh0	Eli Lilly & Co 2.750% Due 06-01-25	98.97	4,948,400	98.40	4,920,077	11,458	4,931,536	0.32	2.750	137,500	3.10	A+		03-01-25
4,000,000	478160cn2	Johnson & Johnson 0.550% Due 09-01-25	99.75	3,989,960	92.23	3,689,187	7,333	3,696,520	0.24	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	90.61	4,530,388	13,229	4,543,617	0.29	0.750	37,500	0.80	A+		01-24-26
2,500,000	771196bk7	Roche Holdings Inc 2.625% Due 05-15-26	97.15	2,428,875	96.00	2,399,979	8,385	2,408,364	0.16	2.625	65,625	3.40	AA		02-15-26
5,000,000	91324pec2	Unitedhealth Group Inc 1.150% Due 05-15-26	100.00	5,000,000	90.66	4,533,091	7,347	4,540,439	0.29	1.150	57,500	1.15	A+		04-15-26
				26,347,685		24,728,071	51,420	24,779,492	1.60		360,125	1.55			
INFORMATION TECHNOLOGY															
5,000,000	037833dc1	Apple Inc 2.100% Due 09-12-22	99.49	4,974,600	99.95	4,997,520	31,792	5,029,311	0.32	2.100	105,000	2.21	AA+		08-12-22
5,000,000	037833dm9	Apple Inc 1.800% Due 09-11-24	99.50	4,975,150	96.88	4,843,831	27,500	4,871,331	0.31	1.800	90,000	1.91	AA+		08-11-24
4,000,000	882508bh6	Texas Instruments Inc 1.375% Due 03-12-25	101.15	4,046,080	94.69	3,787,420	16,653	3,804,073	0.25	1.375	55,000	1.13	A+		02-12-25
5,000,000	037833dt4	Apple Inc 1.125% Due 05-11-25	101.06	5,052,940	93.86	4,693,247	7,812	4,701,059	0.30	1.125	56,250	0.90	AA+		04-11-25
5,000,000	037833eb2	Apple Inc 0.700% Due 02-08-26	99.96	4,998,040	91.04	4,552,180	13,903	4,566,083	0.29	0.700	35,000	0.71	AA+		01-08-26
5,000,000	459200km2	IBM Corporation 2.200% Due 02-09-27	99.00	4,950,000	92.57	4,628,722	43,389	4,672,111	0.30	2.200	110,000	2.41	A-		01-09-27
				28,996,810		27,502,920	141,049	27,643,968	1.78		451,250	1.57			
TRANSPORTATION															
1,190,000	097023bn4	Boeing Co 2.200% Due 10-30-22	97.87	1,164,677	99.66	1,185,986	4,436	1,190,422	0.08	2.200	26,180	2.84	BBB-		08-30-22
5,000,000	097023bq7	Boeing Co 1.875% Due 06-15-23	97.59	4,879,500	97.60	4,879,790	4,167	4,883,957	0.32	1.875	93,750	2.51	BBB-		04-15-23

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4,000,000	911312bt2	United Parcel Service Inc 2.200% Due 09-01-24	100.93	4,037,080	97.57	3,902,731	29,333	3,932,065	0.25	2.200	88,000	2.00	A		08-01-24
5,000,000	12189lay7	Burlington Northn Santa Fe 3.650% Due 09-01-25	99.85	4,992,340	100.41	5,020,664	60,833	5,081,498	0.33	3.650	182,500	3.70	AA-		06-01-25
				15,073,597		14,989,172	98,769	15,087,941	0.97		390,430	2.80			
				405,458,364		378,590,028	1,533,878	380,123,906	24.51		6,835,212	1.73			
<b>SUPRANATIONALS</b>															
Not Classified															
5,000,000	459058ft5	International Bk Recon & Develop 1.750% Due 04-19-23	99.58	4,979,205	99.15	4,957,733	17,500	4,975,233	0.32	1.750	87,500	2.19	AAA		
5,000,000	459058je4	International Bk Recon & Develop 0.375% Due 07-28-25	99.37	4,968,615	92.05	4,602,463	7,969	4,610,432	0.30	0.375	18,750	0.51	AAA		
5,000,000	459058jl8	International Bk Recon & Develop 0.500% Due 10-28-25	99.89	4,994,350	91.73	4,586,292	4,375	4,590,667	0.30	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	91.17	4,558,618	11,083	4,569,702	0.30	0.600	30,000	0.60	AAA		
				19,942,170		18,705,106	40,927	18,746,034	1.21		161,250	0.98			
				19,942,170		18,705,106	40,927	18,746,034	1.21		161,250	0.98			
<b>VARIABLE RATE SECURITIES</b>															
Not Classified															
5,000,000	89114qld8	Toronto Dominion Bank 1.811% Due 02-15-23	100.00	5,000,000	99.88	4,994,215	11,572	5,005,787	0.32	1.811	90,564	1.70	AA-		
3,000,000	06746xan3	Barclays Bank Plc 2.881% Due 05-24-23	100.00	3,000,000	98.28	2,948,467	8,883	2,957,350	0.19	2.881	86,430	2.60	A		
3,000,000	06367wl84	Bank of Montreal 2.988% Due 06-02-23	100.00	3,000,000	99.00	2,970,030	6,972	2,977,002	0.19	2.988	89,640	1.75			
3,000,000	06746xfe8	Barclays Bank Plc 3.255% Due 06-29-23	100.00	3,000,000	98.28	2,948,416	542	2,948,958	0.19	3.255	97,650	2.84	A		
3,000,000	06368ec59	Bank of Montreal 0.450% Due 12-29-23	99.55	2,986,500	95.03	2,850,998	75	2,851,073	0.18	0.450	13,500	0.56			09-29-22
5,000,000	78014rch1	Royal Bank of Canada 2.000% Due 02-27-25	100.00	5,000,000	95.73	4,786,723	34,444	4,821,167	0.31	2.000	100,000	2.05	A		08-27-22
5,000,000	3134gxqr8	Freddie Mac 2.500% Due 04-28-25	100.00	5,000,000	99.37	4,968,401	21,875	4,990,276	0.32	2.500	125,000	3.43	AA+		07-28-22
5,000,000	3130akln4	Federal Home Loan Bank 0.300% Due 10-14-25	100.00	5,000,000	93.26	4,662,800	6,958	4,669,758	0.30	0.300	15,000	0.67	AA+		07-14-22
2,708,000	06048wk25	Bank of America Corp 0.750% Due 10-30-25	99.95	2,706,646	88.20	2,388,469	3,441	2,391,910	0.15	0.750	20,310	0.86	A-		07-30-22
5,000,000	06048wk41	Bank of America Corp 0.650% Due 11-25-25	99.85	4,992,500	88.54	4,426,760	3,250	4,430,010	0.29	0.650	32,500	0.83	A-		08-25-22
5,000,000	06048wk66	Bank of America Corp 0.650% Due 12-23-25	100.00	5,000,000	86.58	4,329,041	722	4,329,763	0.28	0.650	32,500	0.80	A-		09-23-22
5,000,000	06048wk82	Bank of America Corp 0.600% Due 01-26-26	99.42	4,971,250	86.81	4,340,536	5,417	4,345,953	0.28	0.600	30,000	0.86	A-		07-26-22
5,000,000	3130akt3	Federal Home Loan Bank 0.400% Due 01-29-26	100.00	5,000,000	92.40	4,620,125	8,444	4,628,570	0.30	0.400	20,000	0.59	AA+		07-29-22
5,000,000	3130aljk1	Federal Home Loan Bank 1.000% Due 03-23-26	100.00	5,000,000	92.85	4,642,668	1,111	4,643,779	0.30	1.000	50,000	0.89	AA+		
5,000,000	3130amej7	Federal Home Loan Bank 1.125% Due 05-26-26	100.00	5,000,000	93.44	4,671,792	5,469	4,677,261	0.30	1.125	56,250	1.00	AA+		
5,000,000	3130anxc9	Federal Home Loan Bank 0.625% Due 09-29-26	100.00	5,000,000	92.02	4,601,202	7,986	4,609,188	0.30	0.625	31,250	1.14	AA+		09-29-22

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*City Investment Pool A*  
June 30, 2022

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
5,000,000	459058kb8	International Bk Recon & Develop 0.700% Due 11-06-26	99.95	4,997,450	93.91	4,695,469	5,347	4,700,816	0.30	0.700	35,000	1.63	AAA		11-06-23
5,000,000	46647pbt2	JP Morgan Chase Bank Na 1.045% Due 11-19-26	95.03	4,751,600	88.89	4,444,746	6,096	4,450,842	0.29	1.045	52,250	2.10	A-		11-19-25
5,000,000	46647pbw5	JP Morgan Chase Bank Na 1.040% Due 02-04-27	95.40	4,769,800	88.44	4,422,116	21,233	4,443,350	0.29	1.040	52,000	1.94	A-		02-04-26
				<u>84,175,746</u>		<u>78,712,973</u>	<u>159,840</u>	<u>78,872,813</u>	<u>5.10</u>		<u>1,029,844</u>	<u>1.48</u>			
				84,175,746		78,712,973	159,840	78,872,813	5.10		1,029,844	1.48			
<b>TOTAL PORTFOLIO</b>				<b>1,614,275,905</b>		<b>1,544,771,519</b>	<b>3,310,649</b>	<b>1,548,082,168</b>	<b>100.00</b>		<b>20,485,820</b>	<b>1.30</b>			

City of Sacramento  
**PURCHASE AND SALE**  
*City Investment Pool A*  
From 06-01-22 To 06-30-22

Trade Date	Settle Date	Sec Type Code	Security Symbol	Cusip	Quantity	Security	S & P	Unit Price	Amount
<b>PURCHASES</b>									
06-06-22	06-08-22	cbus	57629wgc3	57629WCG3	5,000,000	Massmutual Global Funding 2.950% Due 01-11-25	AA+	99	4,958,250
06-06-22	06-08-22	cbus	771196bk7	771196BK7	2,500,000	Roche Holdings Inc 2.625% Due 05-15-26	AA	97	2,428,875
06-10-22	06-14-22	cbus	05971kam1	05971KAM1	5,000,000	Banco Santander S.A. 3.892% Due 05-24-24	A+	100	4,983,600
06-10-22	06-22-22	mbus	20772kqk8	20772KQK8	2,000,000.00	Connecticut State 3.631% Due 06-15-27	A+	100	1,991,480
06-15-22	06-30-22	flus	3130ash44	3130ASH44	5,000,000	Federal Home Loan Bank 4.700% Due 06-30-27	AA+	100	5,000,000
06-16-22	06-21-22	cbus	141781bu7	141781BU7	2,500,000	Cargill Inc 3.500% Due 04-22-25	A	98	2,462,100
06-16-22	06-22-22	frus	3133enzf0	3133ENZF0	3,000,000	Federal Farm Credit Bank 4.400% Due 06-22-26	AA+	100	3,000,000
06-17-22	06-22-22	cbus	12189lay7	12189LAY7	5,000,000	Burlington Northn Santa Fe 3.650% Due 09-01-25	AA-	100	4,992,340
06-24-22	06-24-22	nnus	3420042541902	3420042541902	30,000,000	Safe Credit Union CD 2.974% Due 06-24-25		100	30,000,000
06-27-22	06-28-22	cpus	83369cq72	83369CQ72	10,000,000	Societe Generale 3.170% Due 03-07-23	A-1	98	9,778,100
06-30-22	06-30-22	cpus	4497w1q82	4497W1Q82	5,000,000	ING (US) Funding LLC 3.070% Due 03-08-23	A-1	98	4,892,976
06-30-22	06-30-22	cpus	4497w1mt0	4497W1MT0	5,000,000	ING (US) Funding LLC 2.670% Due 12-27-22	A1	99	4,933,250
									79,420,971
<b>SALES</b>									
06-08-22	06-08-22	vrus	78014rcy4	78014RCY4	4,600,000	Royal Bank of Canada 1.696% Due 06-08-22	AA-	100	4,600,000
06-14-22	06-14-22	cdus	53947cka5	53947CKA5	10,000,000	Lloyds Bank Corp Mkts/NY 0.200% Due 06-14-22	A1	100	10,000,000
06-24-22	06-24-22	nnus	100181409-21	100181409-21	15,000,000	Safe Credit Union CD 0.690% Due 09-17-26		100	15,000,000
06-24-22	06-24-22	nnus	100181409-22	100181409-22	15,000,000	Safe Credit Union CD 0.690% Due 09-17-26		100	15,000,000
06-28-22	06-28-22	cpus	06742xvs3	06742XVS3	5,000,000	Barclays Bank Plc 0.230% Due 06-28-22	A1	100	4,992,397
									49,592,397

# **Capitol Area Development Authority**



# CAPITOL AREA DEVELOPMENT AUTHORITY

## MONTHLY REVIEW – JUNE 2022

### 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.

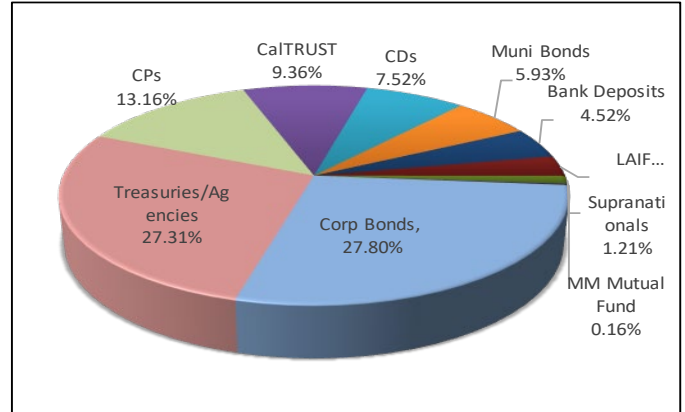
### PORTFOLIO STATISTICS

Beginning Balance	20,957,503
Contributions	0
Withdrawals	0
Interest Earned	19,843
Ending Balance	20,977,346

### PERFORMANCE COMPARISON

City Pool A	1.15%
LAIF	0.86%
90 Day T-Bill	1.43%
Federal Funds	1.17%

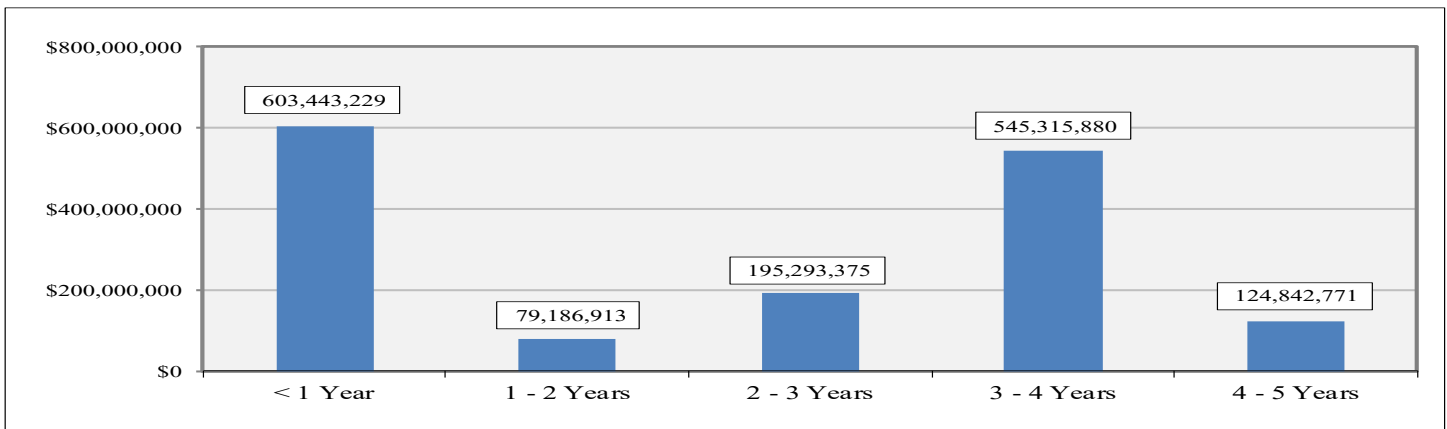
### CITY POOL A PORTFOLIO COMPOSITION



### CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	603,443,229	38.97%
1 - 2 Years	79,186,913	5.12%
2 - 3 Years	195,293,375	12.62%
3 - 4 Years	545,315,880	35.23%
4 - 5 Years	124,842,771	8.06%
Total	1,548,082,168	100.00%

Asset Type	Pct. Assets	YTM
Corp Bonds	27.80%	1.70%
Treasuries/Agencies	27.31%	0.92%
CPs	13.16%	1.23%
CalTRUST	9.36%	1.09%
CDs	7.52%	2.63%
Muni Bonds	5.93%	1.76%
Bank Deposits	4.52%	0.63%
LAIF	3.03%	0.86%
Supranationals	1.21%	0.98%
MM Mutual Fund	0.16%	0.53%



City of Sacramento  
CASH LEDGER  
*Capitol Area Development Authority - Banking*  
*From 06-01-22 To 06-30-22*

**All Cash Accounts**

Trade Date	Settle Date	Tran Code	Quantity	Security	Amount	Cash Balance
<b>Pool A Interest Receivable</b>						
06-01-22				Beginning Balance		181,652.53
06-30-22	06-30-22	in		Pool A Cash	19,842.59	201,495.12
				Jun 2022 estimated Pool A interest		
					19,842.59	
<b>06-30-22</b>				<b>Ending Balance</b>		<b>201,495.12</b>
<b>Pool A Cash</b>						
06-01-22				Beginning Balance		20,775,850.96
<b>06-30-22</b>				<b>Ending Balance</b>		<b>20,775,850.96</b>

# CAPITOL AREA DEVELOPMENT AUTHORITY – TAX EXEMPT

## MONTHLY REVIEW – JUNE 2022

### 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.

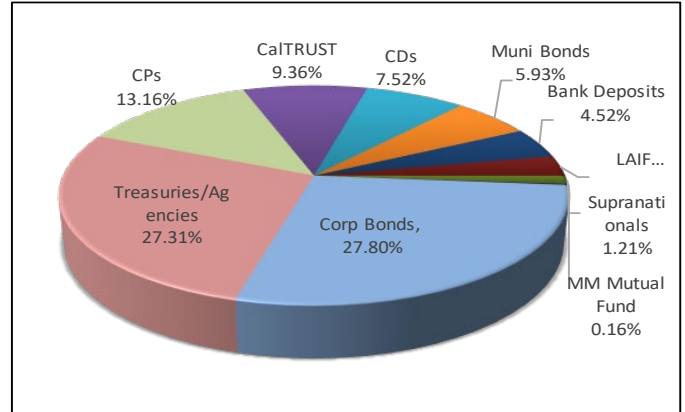
### PORTFOLIO STATISTICS

Beginning Balance	39,465
Contributions	0
Withdrawals	0
Interest Earned	37
Ending Balance	39,502

### PERFORMANCE COMPARISON

City Pool A	1.15%
LAIF	0.86%
90 Day T-Bill	1.43%
Federal Funds	1.17%

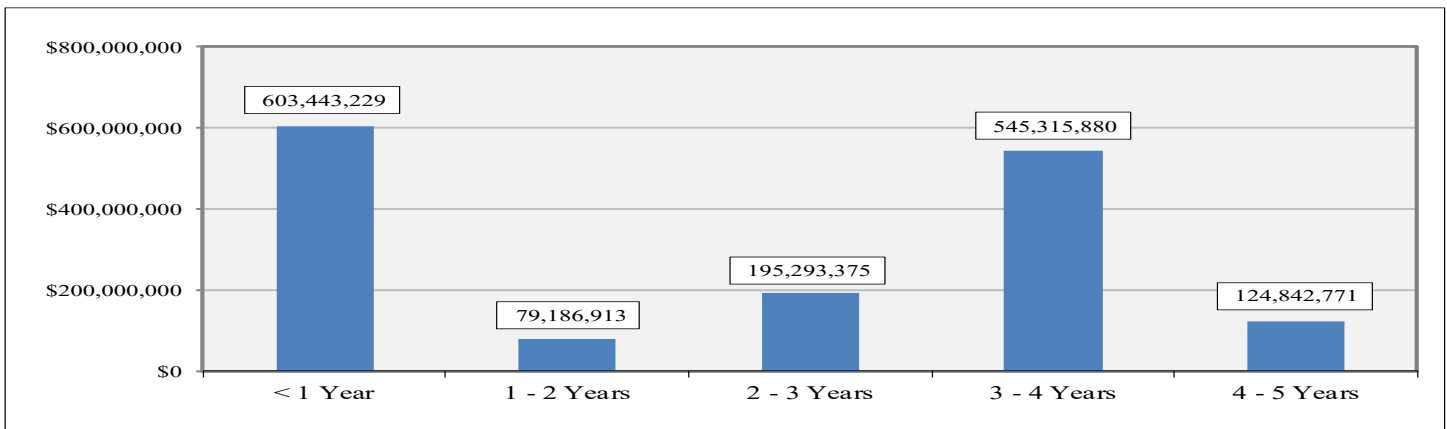
### CITY POOL A PORTFOLIO COMPOSITION



### CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	603,443,229	38.97%
1 - 2 Years	79,186,913	5.12%
2 - 3 Years	195,293,375	12.62%
3 - 4 Years	545,315,880	35.23%
4 - 5 Years	124,842,771	8.06%
Total	1,548,082,168	100.00%

Asset Type	Pct. Assets	YTM
Corp Bonds	27.80%	1.70%
Treasuries/Agencies	27.31%	0.92%
CPs	13.16%	1.23%
CalTRUST	9.36%	1.09%
CDs	7.52%	2.63%
Muni Bonds	5.93%	1.76%
Bank Deposits	4.52%	0.63%
LAIF	3.03%	0.86%
Supranationals	1.21%	0.98%
MM Mutual Fund	0.16%	0.53%



City of Sacramento  
CASH LEDGER  
*Capitol Area Development Authority - Tax Exempt*  
*From 06-01-22 To 06-30-22*

**All Cash Accounts**

Trade Date	Settle Date	Tran Code	Quantity	Security	Amount	Cash Balance
<b>Pool A Interest Receivable</b>						
06-01-22				Beginning Balance		342.06
06-30-22	06-30-22	in		Pool A Cash	37.37	379.43
				Jun 2022 estimated Pool A interest		
					<u>37.37</u>	
<b>06-30-22</b>				<b>Ending Balance</b>		<b>379.43</b>
<b>Pool A Cash</b>						
06-01-22				Beginning Balance		39,122.76
<b>06-30-22</b>				<b>Ending Balance</b>		<b>39,122.76</b>

# CAPITOL AREA DEVELOPMENT AUTHORITY – TAXABLE

## MONTHLY REVIEW – JUNE 2022

### 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.

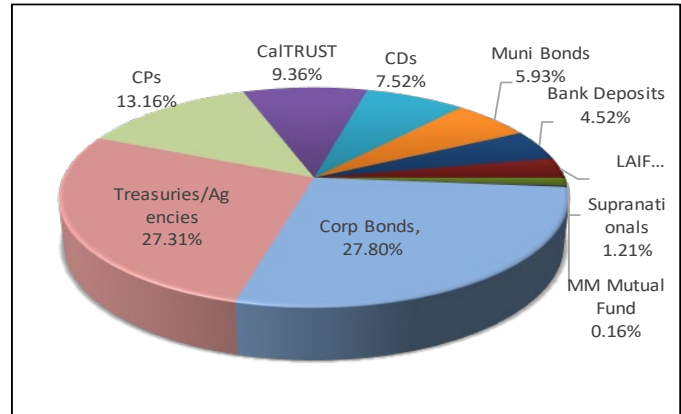
### PORTFOLIO STATISTICS

Beginning Balance	269,040
Contributions	0
Withdrawals	0
Interest Earned	255
Ending Balance	269,295

### PERFORMANCE COMPARISON

City Pool A	1.15%
LAIF	0.86%
90 Day T-Bill	1.43%
Federal Funds	1.17%

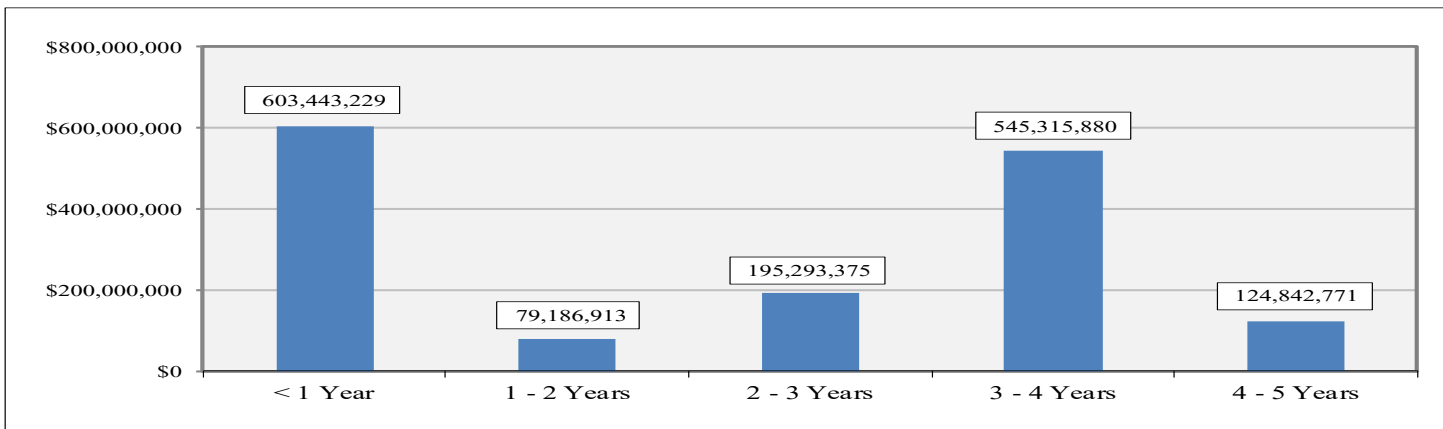
### CITY POOL A PORTFOLIO COMPOSITION



### CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	603,443,229	38.97%
1 - 2 Years	79,186,913	5.12%
2 - 3 Years	195,293,375	12.62%
3 - 4 Years	545,315,880	35.23%
4 - 5 Years	124,842,771	8.06%
Total	1,548,082,168	100.00%

Asset Type	Pct. Assets	YTM
Corp Bonds	27.80%	1.70%
Treasuries/Agencies	27.31%	0.92%
CPs	13.16%	1.23%
CalTRUST	9.36%	1.09%
CDs	7.52%	2.63%
Muni Bonds	5.93%	1.76%
Bank Deposits	4.52%	0.63%
LAIF	3.03%	0.86%
Supranationals	1.21%	0.98%
MM Mutual Fund	0.16%	0.53%



City of Sacramento  
CASH LEDGER  
*Capitol Area Development Authority - Taxable*  
*From 06-01-22 To 06-30-22*

**All Cash Accounts**

Trade Date	Settle Date	Tran Code	Quantity	Security	Amount	Cash Balance
<b>Pool A Interest Receivable</b>						
06-01-22				Beginning Balance		2,331.95
06-30-22	06-30-22	in		Pool A Cash	254.73	2,586.68
				Jun 2022 estimated Pool A interest		
					254.73	
<b>06-30-22</b>				<b>Ending Balance</b>		<b>2,586.68</b>
<b>Pool A Cash</b>						
06-01-22				Beginning Balance		266,708.51
<b>06-30-22</b>				<b>Ending Balance</b>		<b>266,708.51</b>

# CAPITOL AREA DEVELOPMENT AUTHORITY – 2020 TAXABLE BOND PROCEEDS

## MONTHLY REVIEW – JUNE 2022

### 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.

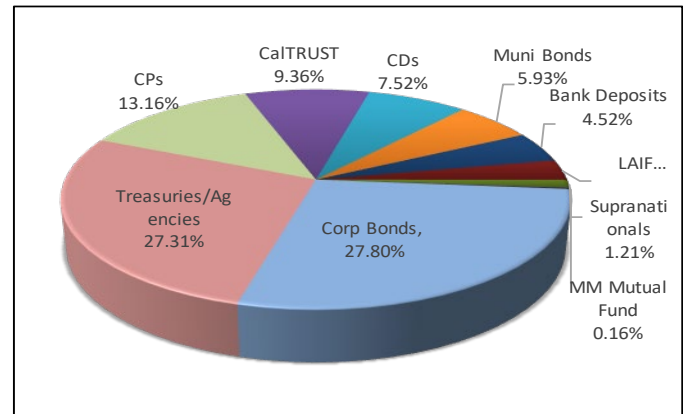
### PORTFOLIO STATISTICS

Beginning Balance	30,450,981
Contributions	0
Withdrawals	0
Interest Earned	28,831
Ending Balance	30,479,812

### PERFORMANCE COMPARISON

City Pool A	1.15%
LAIF	0.86%
90 Day T-Bill	1.43%
Federal Funds	1.17%

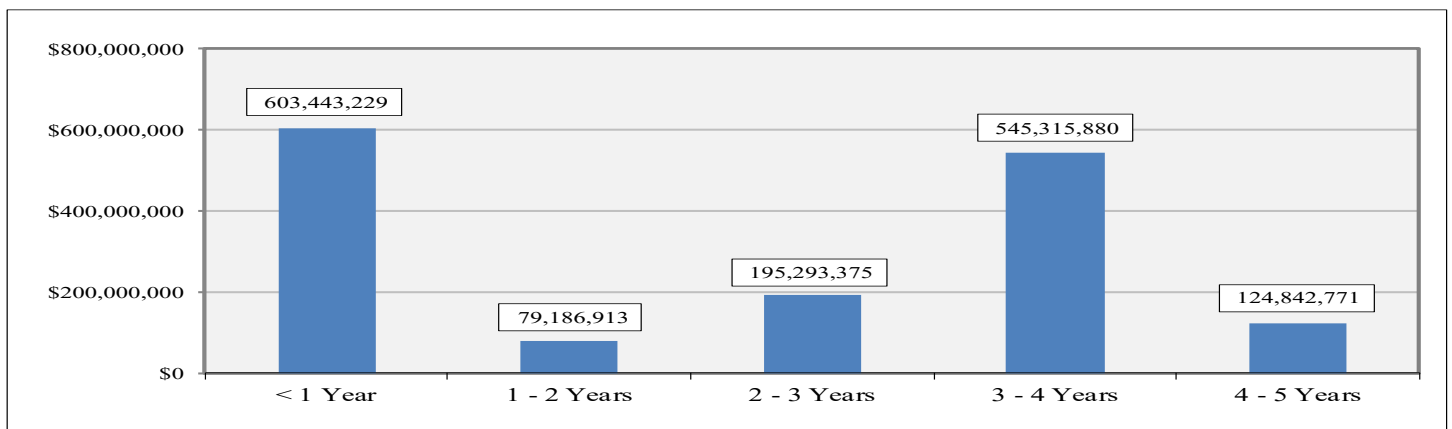
### CITY POOL A PORTFOLIO COMPOSITION



### CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	603,443,229	38.97%
1 - 2 Years	79,186,913	5.12%
2 - 3 Years	195,293,375	12.62%
3 - 4 Years	545,315,880	35.23%
4 - 5 Years	124,842,771	8.06%
Total	1,548,082,168	100.00%

Asset Type	Pct. Assets	YTM
Corp Bonds	27.80%	1.70%
Treasuries/Agencies	27.31%	0.92%
CPs	13.16%	1.23%
CalTRUST	9.36%	1.09%
CDs	7.52%	2.63%
Muni Bonds	5.93%	1.76%
Bank Deposits	4.52%	0.63%
LAIF	3.03%	0.86%
Supranationals	1.21%	0.98%
MM Mutual Fund	0.16%	0.53%



City of Sacramento  
CASH LEDGER  
**CADA 2020 Taxable Bond Proceeds**  
*From 06-01-22 To 06-30-22*

**All Cash Accounts**

Trade Date	Settle Date	Tran Code	Quantity	Security	Amount	Cash Balance
<b>Pool A Interest Receivable</b>						
06-01-22				Beginning Balance		263,940.43
06-30-22	06-30-22	in		Pool A Cash	28,831.02	292,771.45
				Jun 2022 estimated Pool A interest		
					28,831.02	
<b>06-30-22</b>				<b>Ending Balance</b>		<b>292,771.45</b>
<b>Pool A Cash</b>						
06-01-22				Beginning Balance		30,187,040.48
<b>06-30-22</b>				<b>Ending Balance</b>		<b>30,187,040.48</b>





**CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION**

Update for 2022

Reflects state law changes  
effective as of January 1, 2022  
CDIAC 22.02

**FIGURE 1**

**ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT  
CODE (AS OF JANUARY 1, 2022)<sup>A</sup> APPLICABLE TO ALL LOCAL AGENCIES<sup>B</sup>**

See "Table of Notes for Figure 1" on the next page for footnotes related to this figure.

INVESTMENT TYPE	MAXIMUM MATURITY <sup>C</sup>	MAXIMUM SPECIFIED % OF PORTFOLIO <sup>D</sup>	MINIMUM QUALITY REQUIREMENTS	GOV'T CODE SECTIONS
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations— CA And Others	5 years	None	None	53601(c) 53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40% <sup>E</sup>	None	53601(g)
Commercial Paper—Non-Pooled Funds <sup>F</sup> (under \$100,000,000 of investments)	270 days or less	25% of the agency's money <sup>G</sup>	Highest letter and number rating by an NRSRO <sup>H</sup>	53601(h)(2)(c)
Commercial Paper—Non-Pooled Funds (min. \$100,000,000 of investments)	270 days or less	40% of the agency's money <sup>G</sup>	Highest letter and number rating by an NRSRO <sup>H</sup>	53601(h)(2)(c)
Commercial Paper— Pooled Funds <sup>I</sup>	270 days or less	40% of the agency's money <sup>G</sup>	Highest letter and number rating by an NRSRO <sup>H</sup>	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30% <sup>J</sup>	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50% <sup>K</sup>	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50% <sup>K</sup>	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days <sup>L</sup>	20% of the base value of the portfolio	None <sup>M</sup>	53601(j)
Medium-Term Notes <sup>N</sup>	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple <sup>P,Q</sup>	53601(l) and 53601.6(b)
Collateralized Bank Deposits <sup>R</sup>	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through and Asset-Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple <sup>S</sup>	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund <sup>T</sup>	N/A	None	None	16340
Supranational Obligations <sup>U</sup>	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603

## TABLE OF NOTES FOR FIGURE 1

- <sup>A</sup> Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq., 53635, 53635.8, and 57603.
- <sup>B</sup> Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.
- <sup>C</sup> Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year remaining maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.
- <sup>D</sup> Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.
- <sup>E</sup> No more than 30 percent of the agency's money may be in bankers' acceptances of any one commercial bank.
- <sup>F</sup> Includes agencies defined as a city, a district, or other local agency that do not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body.
- <sup>G</sup> Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper and medium-term notes of any single issuer.
- <sup>H</sup> Issuing corporation must be organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.
- <sup>I</sup> Includes agencies defined as a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set forth in Section 53601(h)(2)(C).
- <sup>J</sup> No more than 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).
- <sup>K</sup> Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30 percent. Investments made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio.
- <sup>L</sup> Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.
- <sup>M</sup> Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.
- <sup>N</sup> "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States."
- <sup>O</sup> No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.
- <sup>P</sup> A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Sections 53601 and 53635.
- <sup>Q</sup> A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.
- <sup>R</sup> Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.
- <sup>S</sup> A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).
- <sup>T</sup> Local entities can deposit between \$200 million and \$10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.
- <sup>U</sup> Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.

## **RESOLUTION NO. 22 - 31**

Adopted by the Capitol Area Development Authority

August 19, 2022

### **RESOLUTION REAFFIRMING ANNUAL DELEGATION OF INVESTMENT AUTHORITY TO THE CITY TREASURER**

**WHEREAS**, California Government Code Chapter 749, Statutes of 1996, authorizes the legislative body of a local government to delegate its investment authority to the Treasurer of the local agency for a one-year period; and

**WHEREAS**, the Authority has reviewed the current City of Sacramento's Investment Policy; and

**WHEREAS**, the City Treasurer has informed the Authority that as it pertains to City Investment Pool A and public fund investments of the City of Sacramento, the City Investment Policy is generally consistent with California Government Code Sections 53600.5 and 53601 and that the City Investment Policy specifically requires City Council approval of any investment deviations from these government code sections; and

**WHEREAS**, the City Treasurer has informed the Authority that there have been no investment deviations from the California Government Code or changes to the investment policy since its adoption by the Board in August 2022.

**NOW, THEREFORE, BE IT RESOLVED**, by the Capitol Area Development Authority Board of Directors that the Capitol Area Development Authority delegates investment authority to the City Treasurer for the period of one year. The City Treasurer shall assume responsibility for the transactions until the delegation of authority is revoked or the one-year period expires.

**BE IT FURTHER RESOLVED**, by the Capitol Area Development Authority Board of Directors, that it delegates said investment authority with the understanding that:

- 1) The City Treasurer shall submit monthly reports of transactions and quarterly investment reports to the Authority.
- 2) When the City Treasurer deems that deviation from the California Government Code Sections 53600.5 and 53601 is prudent, prior to the purchase of such investments, the City Treasurer shall provide the Authority with evidence of City Council approval of said deviation; and that
- 3) The City Treasurer shall notify the Authority of any proposed amendments to the City of Sacramento's Investment Policy prior to said amendments becoming effective.

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors

August 12, 2022



**TO:** CADA Board of Directors  
Capitol Area Community Development Corporation (CACDC) Board of Directors

**SUBJECT:** **August 19, 2022 Board Meeting**  
**AGENDA ITEM 6**  
**805 R Street – PARTNERSHIP MOU, AGREEMENTS AND FINANCING**

**CONTACT PERSON:** Todd Leon, Development Director (CADA), Staff (CACDC)  
Wendy S. Saunders, Executive Director (CADA), President (CACDC)

**RECOMMENDED ACTIONS:**

Staff recommends the CADA Board of Directors and the CACDC Board of Directors approve various agreements and allocate funds as necessary to enable, undertake and pay for various predevelopment tasks pertaining to the 805 R Street Project

**CADA**

1. Approve a Memorandum of Understanding among CADA, CACDC and Mutual Housing California regarding the roles and responsibilities of the parties in undertaking a project at 805 R Street,
2. Authorize the Executive Director to take any and all actions that may be necessary or advisable, in her discretion, in order to complete funding requests and applications to fund construction of the project,
3. Authorize the Executive Director to sign a Lease Option Agreement with the California Department of General Services to lease property for the project in substantially the form presented to the Board on this date, together with such changes, insertions, revisions, corrections or amendments as may be approved by CADA's General Counsel,
4. Approve a Promissory Note and Loan Agreement establishing an unsecured revolving line of credit between CADA and the CACDC with a maximum credit line of \$900,000 for CACDC to use as predevelopment funds,
5. Approve a budget Amendment to reduce the FY 20-21 CADA Development budget for the 805 R Street project by \$900,000 and create a new FY 22-23 CACDC Development Budget in the amount of \$900,000 for the 805 R Street project, and
6. Approve a letter of commitment for a loan from CADA to the project developer in an amount not to exceed \$8,000,000 for the purposes of providing project gap funding.

**CACDC**

1. Approve a Memorandum of Understanding among CADA, CACDC and Mutual Housing California regarding the roles and responsibilities of the parties in undertaking a project at 805 R Street,
2. Authorize the President to take any and all actions that may be necessary or advisable, in her discretion, in order to complete funding requests and applications to fund construction of the project,

3. Approve a Promissory Note and Loan Agreement establishing an unsecured revolving line of credit between CADA and the CACDC with a maximum credit line of \$900,000 for CACDC to use as predevelopment funds, and
4. Authorize the President to enter into a Limited Partnership Agreement with Mutual Housing for the creation of 805 R Street Investors, L.P., the project owner and developer.

## **BACKGROUND**

On January 15, 2019, Governor Gavin Newsom signed Executive Order N-06-19 (EO) (see **Attachment 1**) to address the housing affordability crisis that is facing the State of California. Governor Newsom ordered the Department of General Services (DGS) and the Department of Housing and Community Development (HCD), (the "State"), to identify and prioritize excess state-owned property, enter into low-cost long-term ground lease agreements with housing developers and accelerate affordable housing development on State-owned land for public benefit.

On May 10, 2021, the State issued an RFQ seeking respondents capable of developing affordable housing on six excess state-owned properties including the former DGS warehouse located at 805 R Street in Sacramento, California. On June 14, 2021, CADA collaborated with CFY Development to submit a response to the State's RFQ. After several months, the State informed CADA and CFY that our RFQ submittal was unresponsive due to missing financial information.

In early December 2021, Mutual Housing California was selected by the State to submit a project proposal to develop 805 R Street. As one of 3 developer teams invited to submit a proposal, Mutual contacted CADA to inquire about joining their proposal team as a development partner. CADA agreed to partner with Mutual in late December after receiving permission from the State to join the team.

On February 18, 2022, CADA and Mutual submitted a proposal to the State to develop a 242-unit mixed-use, affordable housing project at 805 R Street. After an interview and some additional follow-up questions, the State formally selected the CADA and Mutual Housing team on May 12, 2022 to develop 805 R Street.

## **SUMMARY OF REQUESTED ACTIONS**

### **Lease Option Agreement**

In order to meet CADA's obligation and continue its goal to provide affordable housing in the R Street Corridor and the Capitol Area, staff recommends that CADA, in partnership with Mutual Housing California, execute a Ground Lease Option Agreement (LOA) for a half block of State-owned property located on the north side of R Street between 8<sup>th</sup> and 9<sup>th</sup> Streets with the intent to build a mixed-use, affordable housing project. The LOA sets forth the State's expectations, procedures and expectations of the Development team in order to eventually sign a long-term land lease for the project. The LOA includes an attached right of entry agreement that allows the development team to enter the site to perform predevelopment activities. Additionally, attached to the LOA is a long-term land lease template. The draft LOA is found as **Attachment 2** to this staff report.

Since CADA and Mutual were the applicants to the State RFP, both parties, per the state's direction, will be signatories to the LOA. Once the project's financing is ready to close and construction commencement is imminent, the LOA will be assigned to the legal ownership entity that will execute the land lease. Since the land lease is presented as template or draft format in the LOA, staff will present the eventual final version of the lease to the Board for approval prior to execution.

### **Development Partner / MOU**

Staff recommends the CADA Board and the CACDC Board approve a Memorandum of Understanding with Mutual Housing California regarding the parties' intended partnership in the development project and allow the CACDC to establish a Limited Partnership with Mutual Housing.

Mutual Housing was one of three development teams selected from an RFQ process to submit development proposals for an affordable housing project at 805 R Street. Given CADA's work to redevelop the R Street Corridor, recent experience developing affordable housing with the CACDC, and CADA's available financial resources, it made sense for Mutual to inquire about partnering with CADA and CACDC to strengthen its proposal to develop 805 R Street. After agreeing to partner with Mutual on the 805 R Street RFP response, the CADA Executive Director signed a letter agreement with Mutual that outlined the sharing of expenses for the RFP. Given the pending predevelopment expenses and the need to define partner roles and responsibilities, staff has prepared, for Board approval, an MOU among the parties that will serve as the foundation for the ultimate partnership agreement.

Similar to the initial partnership arrangement for ARY Place, CADA and the CACDC will both be parties to the MOU with Mutual in order to establish that the CACDC will eventually be a partner in the project's ownership structure. As mentioned in the LOA section of this report, once the project financing is ready to close and the lease is ready for execution, the LOA will be assigned to a limited partnership consisting of the CACDC, Mutual, and the eventual tax credit investor(s). After financing has closed, CADA will serve as a lender and sponsor of the project.

**Attachment 3** is a Memorandum of Understanding among CADA, CACDC and Mutual that outlines the roles and responsibilities of each organization. Mutual Housing will be leading the project team and heading efforts regarding financing, budgets, contract administration, leasing and property management. CADA, and later the CACDC, will be leading community outreach efforts, CEQA processing, and commercial leasing. Major decisions regarding the design, budgeting, financing, programming, and contracting will be made jointly by the parties. These MOU terms will provide the foundation for the initial partnership agreement between CACDC and Mutual Housing. When the tax credit investor enters the project partnership, the partnership agreement will be amended to reflect the project final ownership structure and terms.

#### Revolving Line of Credit from CADA to CACDC and Loan Agreement

When the limited partnership is formed between Mutual and CACDC, all predevelopment expenses will need to run through the new entity. In order for the CACDC to fund its portion of predevelopment expenses, staff is requesting that CADA provide a line of credit loan to the CACDC. Once financing has closed, the Partnership will recapture its predevelopment costs and the CACDC will be able to pay back all or a portion of the CADA Loan upon close of financing.

Staff estimates that the total capital outlay anticipated for predevelopment activities during the due diligence period will be approximately \$1,800,000. In accordance with the proposed MOU, Mutual and CADA/CACDC are splitting the predevelopment costs resulting in the CACDC's need for approximately \$900,000. Anticipated costs are as follows:

Design and Permits	\$1,300,000
Studies and Appraisals	\$50,000
Financing Fees and Deposits	\$300,000
Miscellaneous Costs	\$150,000
<b>Total</b>	<b>\$1,800,000</b>

Staff recommends that CADA extend a line of credit and loan to the CACDC with a not-to-exceed limit of \$900,000 in order to provide it with the resources to fund predevelopment activities of the 805 R Street project. The line of credit would be drawn upon on an as-needed basis. The CACDC

utilized a similar CADA line of credit and loan to fund predevelopment work on ARY Place. Most of that loan was paid back during ARY Place's close of financing. In order to establish the line of credit, staff recommends approval of the Loan Agreement for a Line of Credit between CADA and CACDC attached as **Attachment 4**, and the Unsecured Promissory Note attached as **Attachment 5**.

#### Funding Commitment Letter

Staff recommends the CADA Board approve a letter of commitment for a project gap loan to the new partnership in an amount not to exceed \$8,000,000. The 805 R Street RFP required a project pro forma and budget as part of the proposed project submittal. After developing a project budget and evaluating a pro forma based on funding through CalFHA, HCD, and Federal/State tax credit programs, it was initially determined that gap funding in amount of \$8,000,000 would be needed from CADA to make the project viable. The pro forma and gap number were based on development costs gathered earlier in 2022 and before any detailed evaluation of the cost savings or finance sizing could be determined. It is possible that this initial request could be lower but a request for funding over \$8,000,000 is unlikely.

A funding commitment letter is not a binding document but demonstrates CADA is willing to participate financially in the project. CADA's commitment is important as it allows the project team to leverage these pledged funds into possibly securing additional funds from other State and City funding programs. A draft letter of commitment to fund a gap loan is found as **Attachment 6**.

### **PROJECT SUMMARY**

#### RFP Concept Design

In February, 2021, per the State's RFP, Mutual Housing and CADA (Partnership) submitted a proposal to build a 6-story mixed-use affordable housing project that maximizes the density on the property and takes into account R Street's historic significance and current redevelop trends. The project currently contemplates 242 workforce apartments consisting of a mix of live/work, studio, one- and two-bedroom units. In addition to two commercial spaces totaling 3,400 square feet, the project plans currently include an exercise studio, event courtyard, public plaza and patio decks for the street level live/work units. In all, this progressive development proposal includes over 19,000 square feet of open space and features rooftop solar panels for partial (or "significant") energy self-sufficiency. Under the current plan, 805 R Street will feature 264 secure bike storage spaces, 30 visitor bike spaces, and 35 vehicle parking spaces. Finally, the project will be focused towards attracting artists who need affordable housing similar to the Warehouse Artist Lofts. The initial site and floor plans can be found in **Attachment 7**.

**The project's proposed affordability is as follows:**

<b>805 R Street Unit and Affordability Mix</b>			
<b>Unit Type</b>	<b>Square Feet</b>	<b>Number of Units</b>	<b>Rent Range (30% to 70% AMI)</b>
Studio	373-400	68	\$456 - \$1,091
Live/Work Loft	547	14	\$456 - \$1,091
1 Bedroom	573	136	\$485 - \$1,165
2 Bedroom	833	24	\$577 - \$1,393
Total Units		242	

Fifteen studios, disbursed throughout the project, will be reserved for formerly unhoused and at-risk households.



Although the State required a proposal with a well-devised concept plan, the RFP also required a plan for community outreach to gather support for and insights regarding the proposed project. The Partnership plans to begin outreach efforts to the general public and specific area stakeholders in September and early October to solicit feedback and comments on the project's massing, design, and programming. The project will consider all comments as the development team works to finish the schematic design by late October in order to meet funding deadlines in late 2022 and early 2023.

#### Funding / Schedule

The current project schedule can be viewed in **Attachment 8** of this staff report. After the LOA is completed and signed, the project team will begin community outreach to gather insights and comments on the concept design. As mentioned, the goal is to finish outreach and the schematic design by the end of October. The project team plans to start applying for project funding through CalHFA, HCD and Tax Credit Programs starting in December 2022. Preparation of construction plans would begin in November and be completed in late spring. If the development team is successful in securing funding next year, the schedule contemplates receiving building permits, closing financing and commencing construction by October 2023.

### **FINANCIAL IMPACT**

#### CACDC Line of Credit Loan and Budget

CADA has a total of \$1,000,000 currently in a FY 20-21 CIP Development budget for the 805 R Street project funded with 2020 Bond proceeds. To fund the line of credit, staff is requesting to re-budget \$900,000 from the current CADA development project budget to the CACDC and create a new FY 22-23 Development budget for the 805 R Street project. CACDC will use these loaned funds to support the new partnership's predevelopment costs.

#### Gap Funding Loan

As stated in the Summary of Requested Actions, the CACDC and Mutual Housing are requesting a commitment in an amount not to exceed \$8,000,000 towards the 805 R Street project. The requested funds help address an anticipated project financing gap. Staff proposes to utilize 2020 Bond proceeds to eventually fund an 805 R Street project loan. When the Partnership is ready to close the project financing, the gap loan documents, including the final requested amount, will be presented to the CADA Board for approval. Taking into consideration prior funding commitments to this and other projects to be met out of the bond, the estimated total remaining bond balance available for this and any other projects is approximately \$17,544,900.

#### Project Guarantees

Affordable housing projects require the project sponsor to provide various financial guarantees as a part of loan and investor agreements. This has been the case for the two projects CACDC is party to except that in both cases, our partner Cyrus Youssefi, provided the guarantees. Going forward, CADA will be required to provide the guarantees for CACDC until CACDC has enough financial wherewithal to do so without CADA's assistance. This is a typical approach for housing agencies that sponsor affordable housing projects through affiliated nonprofits; according to SHRA staff, SHRA provides guarantees for all development activities of its affiliated nonprofit "SHARP". Below is a description of typical required guarantees, and mitigation measures to protect against losses due to a call on the guarantees.

#### **To Construction Lender** – Completion and Repayment Guarantee:

Sponsor agrees to fund any costs of construction in excess of the budgeted construction costs to complete the project

#### Mitigation Measures

- Hire a General Contractor that:
  - Has extensive experience in multifamily construction (ideally a general contractor that previously worked with the architect/engineer (A&E) team).
  - Begins working with the A&E team from beginning of design in order to become familiar with plans; to review plans with all major subcontractors; and to recommend clarifications and value engineering measures in order to minimize costs and potential change orders during construction.
  - Provides 100% payment and performance bonds that can be called upon by the sponsor should the general contractor fail to complete construction.
- Hire an A&E team with significant experience in multifamily affordable design.
- Budget an Owner's hard cost contingency of 5% of the construction contract.
- Keep available the cash portion of the developer fee as an additional owner's contingency to be used only after 5% hard cost contingency is exhausted.
- Have an experienced development partner that has successful track record of completing projects on time, on budget.

#### **To Partnership Limited Partner Investor(s):**

Completion and Repayment Guarantee – same as above

#### Operating Deficit Guarantee

Sponsor agrees to fund any operating losses until the project maintains a specified debt service coverage ratio for a specified period. The period is typically 3-5 years, and the ratio is typically 1.15 – 1.2%.

#### Mitigation Measures

- Hire a Property Management firm with extensive experience in managing affordable projects
- Budget a Capitalized Operating Deficit Reserve to cover any operating shortfalls. (Lenders and investors require a reserve of 6 months of operating expenses and a replacement reserve.)

#### Tax Benefits Guarantee

Sponsor agrees to refund any reduction of tax credits in the first year of occupancy due to slower than anticipated lease-up, and any IRS recaptured tax credits due to the property manager's lease of any unit(s) to an unqualified occupant.

#### Mitigation Measures

- Hire a Property Management firm w/ extensive experience in managing affordable projects. Compliance (renting to income-eligible tenants, charging TCAC-allowed rents) is key to mitigating against these risks.

### **ENVIRONMENTAL CONSIDERATIONS**

The State of California Department of General Services is the lead agency for environmental review on this project. Staff anticipates the project will qualify for a CEQA exemption. The actions proposed in this staff report do not constitute approval of a "project" for CEQA purposes.

#### Attachments:

1. Executive Order N-06-19
2. Draft 805 R Street Lease Option Agreement
3. Memorandum of Understanding – CADA, CACDC, and Mutual Housing
4. Line of Credit

5. Line of Credit Promissory Note
6. Draft CADA funding Commitment Letter
7. RFP Project Concept Design
8. Project Schedule

## EXECUTIVE DEPARTMENT STATE OF CALIFORNIA

### EXECUTIVE ORDER N-06-19

**WHEREAS** California is experiencing an acute affordable housing crisis that stifles economic growth, contributes to the homelessness epidemic, consumes an ever-growing share of the paychecks of working families, and holds millions of households back from realizing the California Dream; and

**WHEREAS** nearly 50 percent of California's households cannot afford the cost of housing in their local market; and

**WHEREAS** for decades, California has failed to build enough homes for its growing population at all income levels, ranking 49th in the country in housing production per capita in 2016; and

**WHEREAS** restrictive zoning and land-use policies at the local level are a major cause of the shortfall between California's housing needs and the available supply of housing; and

**WHEREAS** when communities do not build their fair share of housing, the surrounding region must absorb new residents who, as a consequence of a lack of access to affordable housing, suffer from higher rents and longer commutes; and

**WHEREAS** the high cost of land also significantly limits the development of affordable housing in areas with the greatest demand for new housing; and

**WHEREAS** state agencies own thousands of parcels of land throughout the state, some of which exceed those agencies' foreseeable needs; and

**WHEREAS** excess state land is often located in or near urban areas where the need for new housing is acute; and

**WHEREAS** the lack of affordable housing across California is a matter of vital statewide importance; and

**WHEREAS** expanding housing opportunities and solving the affordable housing crisis will require a new level of innovation and cooperation between the public and private sectors; and

**WHEREAS** fostering housing innovation will catalyze new construction industries and spur job growth in the state; and

**WHEREAS** local zoning ordinances do not govern the use of state property, and the State possesses legal authority to enter into low-cost, long-term leasing agreements with housing developers and accelerate housing development on state-owned land as a public use.

**NOW, THEREFORE, I, GAVIN NEWSOM**, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, do hereby issue this order to become effective immediately:

**IT IS HEREBY ORDERED THAT:**

1. The Department of General Services shall create a digitized inventory of all state-owned parcels that are in excess of state agencies' foreseeable needs by, among other things, conducting a comprehensive survey of all state-owned land. This inventory shall be completed by no later than April 30, 2019. To meet this deadline, all agencies under my direct executive authority shall support this effort by responding to all inquiries made by the Department of General Services.
2. The Department of General Services, the Department of Housing and Community Development, and the Housing Finance Agency shall collaborate to develop two new screening tools for prioritizing affordable housing development on excess state land. The tools shall be designed to identify and evaluate parcels of excess state land:
  - a. Where housing development is most likely to be economically feasible, accounting for, among other factors, a parcel's size, shape, grading, adjacencies, potential for consolidation, lack of site constraints, and proximity to job centers, education, high-frequency public transportation networks, utilities, and other services and amenities; and
  - b. Where underproduction is impacting housing affordability, accounting for, among other factors, availability of affordable housing in the job and commute sheds, the gap between supply and demand, and the rate of increase in rent.

Both tools shall be developed by no later than March 29, 2019.

3. The Department of General Services, in consultation with the Department of Housing and Community Development, shall apply the new screening tools to the State's inventory of excess state real property. The Department of General Services shall generate a comprehensive map of excess state real estate parcels where development of affordable housing (a) is feasible and (b) will help address regional underproduction. The map shall overlay a graphical representation (*i.e.*, a heat map) of where affordable housing development is most feasible and impactful. By April 30, 2019, the Department shall provide an interim progress report.
4. Where appropriate, state agencies shall consider exchanging excess state land with local governments for other parcels for purposes of affordable housing development and preservation. Parcels shall be exchanged with the goal of maximizing regional capacity to build and preserve affordable housing units.
5. The Department of General Services, in consultation with the Department of Housing and Community Development, shall issue Requests for Proposals on individual parcels and accept proposals from developers of affordable housing interested in entering into low-cost, long-term ground leases of parcels on the priority map.

- a. Requests for Proposals shall address, among other considerations: the number of housing units to be built and preserved; maximization of land resources and level of affordability; feasibility of breaking ground within two years of entering the lease and completing units within three years; the individual cost per unit of construction; the use of renewable construction materials, such as cross-laminated timber; and the developer's demonstrated capacity to complete affordable housing projects.
  - b. Selection of projects shall catalyze and incubate innovative models for construction (such as modular or prefabrication), financing, and workforce development.
  - c. Bidding requirements shall include commitments to pay prevailing wages as required under the law.
6. The Department of General Services, in consultation with the Department of Housing and Community Development, shall begin to implement the above selection process no later than September 30, 2019.
  7. The Department of General Services, the Department of Housing and Community Development, and other state agencies and departments shall use all existing legal and financial authority to expedite and prioritize these developments, including by giving them preference in the award of state funding, pursuant to my further direction. Agencies not under my direct executive authority are requested to do the same.

**IT IS FURTHER ORDERED** that as soon as hereafter possible, this Order shall be filed with the Office of the Secretary of State and that widespread publicity and notice shall be given to this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its departments, agencies, or other entities, its officers or employees, or any other person.

**IN WITNESS WHEREOF** I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 15th day of January 2019.



GAVIN NEWSOM  
Governor of California

**ATTEST:**

\_\_\_\_\_  
ALEX PADILLA  
Secretary of State

**GROUND LEASE OPTION AGREEMENT  
(805 R Street)**

This Ground Lease Option Agreement ("Agreement") is entered into by and between the STATE OF CALIFORNIA ("STATE"), acting by and through the DEPARTMENT OF GENERAL SERVICES ("DGS"), with the consent of the DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT ("HCD"), and MUTUAL HOUSING CALIFORNIA, a California nonprofit public benefit corporation ("Mutual Housing") and CAPITOL AREA DEVELOPMENT AUTHORITY, a California Joint powers authority ("CADA" and together with Mutual Housing, the "OPTIONEE"). The STATE and OPTIONEE may sometimes hereinafter be referred to as "PARTY" or collectively as the "PARTIES". Capitalized terms used in this Agreement shall have the meanings ascribed to them by the section in which such term is first defined.

**RECITALS**

A. STATE is the fee owner of that certain real property, together with all improvements located thereon, located at Sacramento ("County"), State of California, with Assessor's Parcel Number(s): 006-0266-016-0000, 006-0266-017-0000, 006-0266-014-0000, and is more particularly described and depicted in Exhibits A and B attached hereto and incorporated herein by this reference (the "Option Property").

B. Pursuant to that certain DGS Request for Proposal No. 4-21 issued in accordance with Executive Order N-06-19 (the "RFP"), OPTIONEE submitted a responsive bid proposal to the RFP ("OPTIONEE'S Bid Proposal") and OPTIONEE was selected to develop, finance, and construct the affordable housing project proposed in OPTIONEE'S Bid Proposal (the "Project") at the Option Property pursuant to a long-term ground lease of the Option Property.

C. Pursuant to the RFP and to facilitate the development of the Project, STATE and OPTIONEE desire to enter into a 99-year ground lease for the development and construction of the Project consistent with OPTIONEE'S Bid Proposal and the requirements and guidelines set forth in the RFP. In accordance with the terms and conditions herein, OPTIONEE will finance, design, develop, construct, operate, and maintain, the housing units comprising the Project on the Option Property.

D. This Agreement is not a lease, and grants OPTIONEE no current real property interest in or right to use or otherwise occupy the Option Property.

E. The Ground Lease or any other real property interest agreement that binds STATE to grant an interest in real property to OPTIONEE shall not be entered into or otherwise executed, if at all, unless and until (i) OPTIONEE properly exercises the option

granted herein, and (ii) all conditions and obligations contained herein have been fully satisfied and/or waived in writing by the PARTY benefitted thereby.

F. In order for OPTIONEE to demonstrate site control over the Option Property for the purpose of submitting its financing applications and to provide the PARTIES an understanding of the development potential of the Option Property before entering into the Ground Lease, if at all, OPTIONEE desires to obtain an option to ground lease the Option Property from STATE and STATE is willing to grant an option to OPTIONEE to ground lease the Option Property pursuant to the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the above recitals, all of which are incorporated into this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the PARTIES agree as follows:

### **AGREEMENT**

1. **Effective Date.** The "Effective Date" of this Agreement shall be the date it is signed on behalf of the STATE by and through DGS.
2. **Option.** STATE hereby grants OPTIONEE the option to ground lease the Option Property from STATE upon the terms and conditions set forth in this Agreement (the "Option") during the Option Term (as defined in Section 4, below).
3. **Option Consideration.** No later than ten (10) business days after the Effective Date, OPTIONEE shall pay STATE the sum of ONE HUNDRED AND NO/100THS DOLLARS (\$100.00) ("Option Payment"). The Option Payment shall not be refundable for any reason and shall not be credited to any payments under the Ground Lease.
4. **Option Term.** The "Option Term" shall commence upon the Effective Date and shall expire on two years from the Effective Date (the "Expiration Date"); provided however, if, despite its good faith efforts, OPTIONEE has been unable to secure the necessary financing commitments prior to the Expiration Date, OPTIONEE shall have the right, with the state's prior written consent (which shall be granted so long as OPTIONEE is not otherwise in default under this Agreement), to extend the Expiration Date for two (2) additional one-year periods. Notwithstanding, at any time and in OPTIONEE'S sole discretion, OPTIONEE may terminate this Agreement by providing written notice to STATE of OPTIONEE'S election to terminate this Agreement.
5. **Exercise of Option.** Subject to the conditions set forth below in Section 6, the Option can only be exercised by OPTIONEE'S execution and delivery of a written exercise of Option to STATE during the Option Term. The Option may not be exercised



until all the conditions set forth below in Section 6 are satisfied or waived in writing by the Party benefitted thereby.

6. Conditions. OPTIONEE'S exercise of the Option is conditioned upon and subject to the satisfaction of the following conditions:

- a. Approval of Property by OPTIONEE. Within sixty (60) days following the Effective Date, OPTIONEE shall have notified the STATE in writing of its approval of the suitability of the Option Property for OPTIONEE'S intended use and development of the Option Property. This due diligence period can be extended as reasonably necessary and as agreed upon in writing by both PARTIES. In accordance with the terms of that certain Right of Entry (the "ROE") attached hereto as Exhibit C and made a part hereof by and between OPTIONEE and DGS, OPTIONEE has been given permission by the STATE to conduct due diligence inspections, investigations, tests and studies (including, without limitation, investigations with regard to zoning, building codes and other governmental regulations, architectural inspections, engineering tests, economic feasibility studies and soils, seismic and geologic reports, environmental testing and investigations to determine, among other things, if all needed entitlements can be procured in an acceptable form to develop and construct the Project as identified in OPTIONEE'S Bid Proposal at the Option Property) with respect to the Option Property as OPTIONEE may elect to make or maintain.
- b. Environmental Requirements. OPTIONEE shall be responsible for obtaining all necessary entitlements for the Project, including those related to compliance with CEQA. The PARTIES agree and acknowledge that the STATE retains full discretion to approve, disapprove or condition the final Project to be developed and constructed at the Option Property, including, but not limited to, requiring additional mitigation measures or alternatives necessary to avoid or substantially lessen the environmental impacts of the Project. Any approval of the Project is expressly conditioned on OPTIONEE'S compliance with any applicable CEQA requirements.

OPTIONEE shall, prior to commencement of any construction on the Option Property, have received environmental clearance on the Project and entered into the Ground Lease.

- c. Project Financing. OPTIONEE shall submit to the STATE:
  - i. At any time during the Option Term, OPTIONEE shall provide satisfactory evidence of OPTIONEE'S ability to finance the cost of the Project which may be evidenced by commitments from the

OPTIONEE'S tax credit investors and/or the lenders providing development and construction financing for the Project. If OPTIONEE plans to hypothecate the leasehold interest contemplated by the Ground Lease as security for a loan, OPTIONEE shall submit substantially final versions of all documents proposed in the loan transaction along with a request for STATE'S consent to the proposed hypothecation in accordance with the terms of the Ground Lease, which consent shall not be unreasonably withheld, conditioned or delayed.

- ii. At any time during the Option Term, OPTIONEE shall provide evidence that, when the Ground Lease is fully executed, OPTIONEE shall provide assurances of construction completion in accordance with the Ground Lease, or a letter of intent bond that is sufficient to assure STATE that a bond is forthcoming consistent with the Ground Lease.
- iii. At any time during the Option Term, OPTIONEE shall provide evidence of insurance coverage which will be available when the Ground Lease is fully executed, and which fully complies with the requirements of the Ground Lease.
- d. Affirmative Fair Housing Compliance. In all of OPTIONEE'S activities, OPTIONEE shall comply with all applicable state and federal fair housing laws, including the Americans with Disabilities Act, the Fair Housing Amendments Act, the California Fair Employment and Housing Act, the Unruh Act, Government Code section 11135, Section 504 of the federal Rehabilitation Act of 1973 (29 U.S.C. section 794), and applicable regulations issued under those statutes, including, but not limited to, 24 C.F.R. Part 8, 24 C.F.R. Part 100, 28 C.F.R. Part 35, and Cal Code Regs., title 2, division 4.1, chapter 5, subchapters 6 and 7.

Prior to the expiration of the Option Term, OPTIONEE shall adopt a written non-discrimination policy. OPTIONEE shall provide a copy of this policy to HCD for its review and approval prior to the earlier to occur of (y) thirty (30) days prior to the expiration of the Option Term or (z) execution of the Ground Lease. The policy shall state that no person shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with program funds made available to the site on the grounds of: (i) race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, disability, age, medical condition, genetic information, citizenship, primary language, immigration

status (except where explicitly prohibited by federal law), veteran or military status, or all other personal characteristics protected from discrimination under federal or state fair housing laws, (ii) being perceived to have any of these characteristics, or (iii) being associated with a person who has, or is perceived to have, any of these characteristics.

OPTIONEE shall develop and implement an affirmative fair housing marketing plan that is satisfactory to HCD. OPTIONEE shall provide a copy of this plan to HCD for its review and approval prior to the earlier of (y) thirty (30) days prior to the expiration of the Option Term or (z) execution of the Ground Lease. Appropriate aspects of the plan shall be incorporated into the ongoing property management plan to ensure positive outreach and informational efforts to those who are least likely to know about and apply for housing.

7. Ground Lease of the Option Property. If all necessary conditions and obligations contained in this Agreement are satisfied and if OPTIONEE elects to exercise the Option and ground lease the Option Property from the STATE, the STATE and OPTIONEE shall execute a ground lease, an initial form of which is attached hereto Exhibit D, the terms of which are to be negotiated by the PARTIES prior to its execution to incorporate terms and provisions (i) required by OPTIONEE'S tax credit investors and/or the lenders for the Project, (ii) which reflect changes to the Project following execution of this Agreement, and (iii) as otherwise mutually agreed upon by the PARTIES. If a Ground Lease cannot be agreed upon by the PARTIES, this Agreement will terminate upon notice to the non-terminating PARTY with no fault attributed to either PARTY. OPTIONEE and the STATE agree to execute and acknowledge the form of the Ground Lease Rider required to be executed by the California Tax Credit Allocation Committee and the California Department of Housing and Community Development in connection with the approved financing of the Project.

8. Assignment. The qualifications and identity of OPTIONEE are of particular concern to the STATE. It is because of those unique qualifications and identity that the STATE has entered into this Agreement with OPTIONEE. Accordingly, OPTIONEE'S rights and obligations under this Agreement are not assignable or transferable, and any purported voluntary or involuntary assignment or transfer of OPTIONEE'S rights or obligations hereunder shall be null and void. Notwithstanding the foregoing, OPTIONEE may assign this Agreement without the prior written consent of the STATE, to an entity which is controlled by, or is under common control with OPTIONEE. If the STATE consents to the aforesaid assignment and assumption, OPTIONEE is neither released nor discharged from all of its obligations, if any, under the Option Agreement arising from and after the Effective Date.

9. Additional Agreements. The PARTIES acknowledge and agree that if OPTIONEE exercises the Option, additional agreements will be needed in furtherance of the Ground Lease. The PARTIES agree to promptly obtain all necessary approvals and execute and deliver such papers, documents and instruments and perform all acts reasonably necessary or proper to effectuate the Ground Lease.

10. Remedies. If any of the PARTIES fails to perform in a timely manner any obligation under this Agreement, the non-defaulting Party shall give written notice of default to the defaulting Party, specifying the nature of the default and the required action to cure the default. If a default remains uncured for thirty (30) days after receipt by the defaulting Party of such notice, the non-defaulting PARTY shall be entitled to the remedies for breach of contract that are available under applicable law.

11. Notices. All notices under this Agreement shall be in writing and sent by (a) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid with the United States Postal Service, (b) by a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with that courier, or (c) telecopy, email or similar means, if a copy of the notice is also sent by United States Postal Service, as follows:

If to OPTIONEE:

Mutual Housing California  
3321 Power Inn Road, Suite 320  
Sacramento, CA 95826  
Attn: Director of Acquisitions, Keith Bloom  
Keith@Mutualhousing.com

Capitol Area Development Authority  
1522 14th Street  
Sacramento, CA, 95814  
Attn: Wendy S. Saunders  
Fax: (916) 441-1804  
Email: wsaunders@cadanet.org

With Copy to: Kronick, Moskoviz, Tiedemann & Girard  
400 Capitol Mall, 27th Floor  
Sacramento, CA 95814-417  
Attn: Jeffrey A. Mitchell  
Fax: (916) 321-4555  
Email: jmitchell@kmtg.com

If to STATE:

Department of General Services  
Real Estate Services Division  
707 Third Street, 5th floor (MS 505)

West Sacramento, CA 95605

Attention: Terry Todd  
terry.todd@dgs.ca.gov

12. Time is of the Essence. Time is of the essence for this Agreement.
13. Exhibits Incorporated by Reference. The following Exhibits are attached to this Agreement and incorporated by this reference:
- Exhibit A: Legal Description of Option Property
  - Exhibit B: Map Depiction of Option Property
  - Exhibit C: Right of Entry
  - Exhibit D: Form of Ground Lease
14. Applicable Law. The PARTIES acknowledge that this Agreement has been negotiated and entered into in the State of California. The PARTIES expressly agree that this Agreement shall in all respects be governed by the laws of the State of California.
15. Severability. Nothing contained herein shall be construed as requiring the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present statute, law, ordinance or regulation as to which the PARTIES have no legal right to contract, the latter shall prevail, but the affected provisions of this Agreement shall be limited only to the extent necessary to bring them within the requirements of such law.
16. Legislative Approval. Any obligation of the STATE created by or arising from this Agreement shall not impose a debt upon the STATE but shall be payable solely out of funds duly authorized and appropriated by the California State Legislature.
17. Successor/Assigns. The Option shall be binding on OPTIONEE'S and STATE's successors and assigns and heirs with respect to the Option Property and shall run as a covenant against the Option Property until the termination or expiration thereof.
18. Separate Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by electronic mail in "portable document format" ("pdf") form or by any other electronic means shall constitute effective execution and delivery of this Agreement and shall have the same effect as copies executed and delivered with original signatures.
19. Entire Agreement. This Agreement represents the full, complete, and entire agreement between the PARTIES with respect to the subject matter hereof. The Agreement will take full force and effect upon the Effective Date.

[SIGNATURE PAGE FOLLOWS]

**Memorandum of Understanding  
Between  
The Capitol Area Development Authority, the Capitol Area Community Development  
Corporation, and Mutual Housing California  
(805 R Street)**

This Memorandum of Understanding (the "MOU") is entered into on August \_\_, 2022 ("Effective Date"), by and between the **Capitol Area Development Authority**, a joint powers agency ("CADA"), the **Capitol Area Community Development Corporation**, a non-profit public benefit corporation ("CACDC"), and **Mutual Housing California**, a California non-profit public benefit corporation ("Mutual"). CADA, the CACDC, and Mutual are sometimes referred to individually as a "Party," and collectively, as the "Parties."

**RECITALS**

- A. In May 10, 2021, the State of California through the Department of General Services (DGS) and the Department of Housing and Community Development (HCD) released a Request for Qualifications (RFQ) to solicit developers interested in building affordable housing on state owned property located at 805 R Street in Sacramento, California (Assessor's Parcel Number(s): 006-0266-016-0000, 006-0266-017-0000, and 006-0266-014-0000)(**Exhibit A**) (the "Property"). The Property was made available pursuant to Governor Newsom's Executive Order N-06-19.
- B. On December 7, 2021 Mutual was one of several developers invited to submit a Proposal for the affordable housing development project. Mutual invited CADA and the CACDC to join its team in submission of the proposal.
- C. On February 18, 2022, the Parties submitted their proposal for development of 805 R Street.
- D. On May 12, 2022, the Parties were notified by DGS that they had been selected to develop 805 R Street ("Project").
- E. The Parties now desire to execute this MOU in order to describe their expectations and respective roles and responsibilities regarding development of the Project on the Property.
- F. The Parties anticipate that this MOU will be superseded by a detailed limited partnership agreement among the parties and the financial investor(s) that will describe the obligations of the Parties and the investors(s) in more detail.

**NOW, THEREFORE**, the Parties agree as follows:

**AGREEMENT**

1. Good Faith Negotiations.

This MOU is entered into to memorialize the preliminary and non-binding terms, as negotiated and agreed upon by the Parties, of the transactions and further agreements described herein. As discussed in the recitals and throughout the MOU, the provisions and terms in this MOU are preliminary and shall not be construed to limit the consideration of alternative provisions. This MOU is intended to provide a general framework for subsequent good-faith negotiation of definitive agreements regarding the Project, and, except as otherwise expressly provided herein,

is not intended to create any binding contractual obligations on either Party or to commit either Party to a particular course of action. A transaction of this type involves many essential terms and conditions that have not yet been agreed upon, and it is expressly contemplated by the Parties that in order to effectuate the Project, a binding agreement would have to be negotiated and agreed to by the Parties, each in such Party's sole and absolute discretion. Pursuant to Section 3 below, the Parties shall negotiate in good faith and in a timely manner such superseding and additional agreements as are necessary to carry out the provisions of this MOU.

## 2. Term of MOU

The term of this MOU is 2 years from the Effective Date, and may be extended thereafter by mutual agreement of the parties (the "Term"). If upon expiration of the Term, or any extension thereof, the Parties have not entered into a written agreement defining the terms of their relationship as described in Section 3 below, this MOU shall automatically terminate.

## 3. Good Faith Negotiations.

During the Term, the Parties agree to negotiate in good faith the terms of a mutually beneficial arrangement that provides for development, construction, operation, management, and ownership of the Project, including but not limited to, an arrangement for sharing the developer fee and project operating revenues; provided however, that approval of any such arrangement shall be in the sole and absolute discretion of each Party. Such terms of arrangement shall include, among other things, the roles and responsibilities of the Parties set forth in Exhibit B:

## 4. Development and Design Goals, and Objectives.

The Parties agree that the anticipated Project development must be financially beneficial to both Parties and must be consistent with the objectives of each organization. The Project shall be consistent with State's RFQ/P requirements and the proposal submitted to the State (Exhibit C) and should be compatible with surrounding developments in the neighborhood. The parties will market the project as an artist and workforce housing development. The architectural design shall be superior and worthy of a highly desirable location, and should otherwise be complementary with surrounding development, and shall be approved by both Parties. Ideally, the design should have maximum community support. Construction of the Project shall be of high quality with an improved streetscape, including installation of attractive signage, landscaping, street furniture, planting strips and bike parking.

## 5. Financing the Project.

5.1 Predevelopment Expenses. The Parties agree that all Property pre-development deposits and costs will be shared as follows during the Term: 50% by Mutual and 50% by CADA (or CACDC). In addition, the Parties agree that any pre-development deposits or costs made prior to the Effective Date will be similarly shared. Therefore, within ten (10) business days after of the Effective Date, the Parties agree to reconcile the funds previously expended on such deposits and pre-development costs, and agree to pay any costs due within ten (10) days thereafter. Mutual and CADA (or CACDC) each agree to pay their 50% shares of future costs and expenses which shall be reconciled on a quarterly basis.

5.2 Project Funding. The Parties anticipate that various sources of public assistance and conventional construction and permanent financing will be necessary to fund

development and construction of the Project. The Parties will work together to identify those potential sources of funding for the Project. Possible sources include a California Tax Credit Allocation Committee award of 4% Low Income Housing Tax Credits, tax-exempt bonds, Sacramento Housing Redevelopment Agency ("SHRA") funds, CalHFA Mixed Income Program and other sources as may be available from time-to-time to fund the construction of the Project. The Parties agree to work in good faith to identify and agree upon the financing mechanisms for the Project.

5.3 Guarantees. The Parties agree to provide joint and several financial guarantees to the extent required by the project's lenders and investor. The Parties also agree to enter into a contribution agreement that provides that the Parties contribute equally to any call on a guarantee. In the event a guarantee must be funded and one Party funds a greater amount than the other Party, the Party that initially underfunded must reimburse the other Party.

## 6. Fees and Compensation.

6.1 Developer Fee. The Parties agree to equally share the Project's developer fee. Developer fee paid shall only be paid to the extent funding is available and payment is permitted by the applicable funding sources and feasible under the Project's development budget. The budgeted amount and timing of these fees will be determined at the time the Amended Partnership Agreement is entered into with the investor, and pursuant to a separate Development Agreement with the partnership. Should there be insufficient funds to pay the full developer fee in accordance with the Development Agreement, any deferred developer fee shall be paid out of available cash flow during the first 15 years of operations as a priority distribution.

6.2 Partnership Management Fee. To the extent of available cash flow and to the extent allowed by funding sources, the Partnership shall pay an annual partnership administration fee and management fee to the General Partners in an amount agreed upon by the Parties. The extent to which Mutual and CADA (or CACDC) shall collect these fees will be mutually agreed upon and determined based on each Party's roles and responsibilities in the limited partnership.

## 7. MOU Does Not Constitute Approval of Agreements; Binding Provisions.

Except as otherwise expressly provided herein, the Parties do not intend this MOU to be construed to create any other contractual relationship, whether expressed or implied, including a joint venture, partnership, principal-agent, independent contractor, or master-servant. The Parties acknowledge that they have not finalized the essential terms of the subject matter of an agreed transaction, including, but not limited to, items such as development schedules, etc., and that such essential terms would be the subject matter of further negotiations. Notwithstanding the approval of this MOU, the Parties intend that any final agreement, if an agreement is reached, shall require final approval by CADA, the CACDC, and Mutual (each such approval being in the sole and absolute discretion of such party). Any agreement so approved shall be in writing and shall be executed by authorized representatives of each of the Parties.

Notwithstanding the foregoing paragraph, the Parties acknowledge and agree that the provisions of Section 2, Section 3 and 5.a. above shall be legally binding obligations of the Parties.

7.1 Buyout Option. If at the end of the Term, either Mutual or CADA/CACDC decides that it does not want to proceed with development of the Project, and the other party still desires to complete the Project, that party shall have the right to offer to buy out the other party by



reimbursing all deposits and costs incurred by the other party, and all third-party Project costs expended by the other party, including but not limited to, costs for procuring architectural drawings, applications, studies, reports and other matters generated for the Project, but excluding the other party's overhead costs incurred.

7.2 Authority. Each of the signatories to this MOU represents that he/she is authorized to sign the MOU on behalf of such Party and that all approvals, resolutions and consents which must be obtained to bind such Party have been obtained, that no further approvals, acts or consents are required to bind such Party to this MOU

**IN WITNESS WHEREOF**, this MOU has been duly executed as of the day and year first above written.

MUTUAL:

**Mutual Housing California**

a California nonprofit public benefit corporation

By: \_\_\_\_\_  
**Roberto Jimenez**, Chief Executive Officer

CACDC:

**Capitol Area Community Development Corporation,**  
a non-profit public benefit corporation

By: \_\_\_\_\_  
**Wendy Saunders**, President

APPROVED AS TO FORM:

By: \_\_\_\_\_  
**Jeffery A. Mitchell**, CACDC legal counsel

CADA:

**Capitol Area Development Authority,**  
a joint powers agency

By: \_\_\_\_\_

**Wendy Saunders**, Executive Director

APPROVED AS TO FORM:

By: Jeffery A. Mitchell, CADA legal counsel

**Exhibit A**

(DGS Letter)

May 12, 2022

Keith Bloom  
Director of Acquisitions  
Mutual Housing California

Wendy Saunders  
Executive Director  
Capitol Area Development Authority

Via email to: [Keith@mutualhousing.com](mailto:Keith@mutualhousing.com); [WSaunders@cadanet.org](mailto:WSaunders@cadanet.org)

Dear Keith Bloom and Wendy Saunders,

Pursuant to Executive Order N-06-19, Mutual Housing California and Capitol Area Development Authority are hereby notified of their selection to develop excess state-owned real property identified as "R Street Garage" located at 805 R Street Sacramento California.

This selection is based upon the Proposal you provided in response to the Request for Qualifications No. 1-21, dated May 10, 2021.

You will be receiving within 30 days of the date of this letter, an executable version of the Lease Option Agreement ("LOA") as was included in Exhibit 6 of the Request for Proposals. You will have 30 days from receipt of the executable version of the LOA to electronically sign and return the document.

For additional information please contact me at (916) 376-1826 or [terry.todd@DGS.ca.gov](mailto:terry.todd@DGS.ca.gov).

Sincerely,

*Terry Todd*

Terry Todd  
Senior Real Estate Officer  
Asset Management Branch

cc: Robert McKinnon, Assistant Branch Chief, Asset Management Branch,  
Department of General Services

## 8TH & R DIVISION OF RESPONSIBILITIES

- "Lead" is Party that will take lead responsibility in completing task
- "Secondary" is Party that will be consulted on ongoing basis by Lead re: task status
- "\*"denotes Joint Approval required
- Communication on all tasks between Parties , regardless of Lead Party and whether Joint Approval is required, is required via Weekly Team Meetings, Meeting Minutes, etc.

		Lead	Secondary
	<b>PREDEVELOPMENT:</b>		
1	Architect Selection*	MHC	CADA
2	GC Selection*	MHC	CADA
3	Property Manager Selection*	MHC	CADA
4	Asset Manager Selection*	MHC	CADA
5	Legal Counsel, Financial Consultant, Auditor Selection*	MHC	CADA
6	Resident Services, Supportive Services Selection*	MHC	CADA
7	Other Third-Party Consultant Selection*	MHC	CADA
8	Community Engagement	CADA	MHC
9	Public Relations/Communications*	CADA	MHC
10	Process "Entitlements" through DGS	CADA	MHC
11	Manage Project Accounting	MHC	CADA
	<b>DESIGN:</b>		
12	Project Program (unit count/mix/affordability, resident amenities, commercial space) & Design*	MHC/CADA	
13	Manage/Point of Contact w/ Design Team & Consultants	MHC	CADA
14	Work w/ Design Team & GC to Value Engineer*	MHC	CADA
15	Obtain Preliminary Cost Estimate from GC	MHC	CADA
	<b>FINANCING:</b>		
16	Perform Financial Feasibility Analysis	MHC	CADA
17	Finalize Project Proforma for Financing Applications*	MHC/CADA	
18	Prepare & Submit CalHFA MIP, bond, & tax credit applications	MHC	CADA
19	Solicit Investor & Lender Proposals	MHC	CADA
20	Select Investor & Lender, Execute into LOI's*	MHC/CADA	
21	Manage Construction Loan Closing Process	MHC	CADA
	<b>CONSTRUCTION:</b>		
22	Manage Plan Check/Permitting Process w/ City & DGS	MHC	CADA
23	Manage Design Team & GC during Plan Check Process	MHC	CADA
24	Manage VE, GC Bidding Processes*	MHC	CADA
25	Negotiate & Execute Construction Contract w/ GC*	MHC/CADA	
26	Manage/Point of Contact w/ GC (OAC meetings, RFIs, Change Orders)	MHC	CADA
27	Process Monthly Draw Requests w/ Bank*	MHC	CADA
28	Manage Construction Close Out (Punch, Record NOC, O&M Manual)	MHC	CADA
	<b>LEASE UP, POST CONSTRUCTION:</b>		
29	Manage Property Management's Lease Up & Ongoing Operations	MHC	CADA
30	Manage Supportive Service Provider during Lease Up & Ongoing Operations	MHC	CADA
31	Complete Cost Audit w/ Auditor	MHC	CADA
32	Manage Perm Loan Conversion Closing w/ Lender, Investor	MHC	CADA
33	Manage Commercial Lease Up & Ongoing Operations	CADA	MHC
34	Provide Reports, Audited Financials, etc. to Lender & Investor	MHC	CADA

Exhibit C  
(RFP Project Proposal)

## LOAN AGREEMENT

**THIS LOAN AGREEMENT** (this "Loan Agreement") is entered into and effective as of August 19, 2022 (the "Effective Date"), by and between the **Capitol Area Community Development Corporation**, a California non-profit public benefit corporation ("Borrower"), and the **Capitol Area Development Authority**, a California joint powers agency ("Lender"), each individually, as a "Party" or, collectively, as the "Parties."

### Recitals

A. Lender and Mutual Housing California ("Mutual Housing"), have entered into a Ground Lease Option Agreement (the "Option") with the State of California, to lease certain State-owned property consisting of 805 R Street, 1723 8th Street, and 1700 9th Street, Sacramento, California Assessor's Parcel Number(s): 006-0266-016-0000, 006-0266-017-0000, 006-0266-014-0000) (collectively, the "Property").

B. On August 19, 2022, Borrower and Lender executed a Memorandum of Understanding ("MOU") with Mutual Housing in which the parties memorialize their expected roles and responsibilities to jointly develop and own a mixed use, affordable housing project to be developed on the Property (the "Project").

C. Borrower will be undertaking certain predevelopment activities in accordance with the terms of the MOU in order to design, finance, and permit the Project.

D. Borrower is in need of funds for its predevelopment activities and Lender has determined that Borrower's mission and objectives will be best met if funds are made available to Borrower for its activities. Therefore, Lender is willing and able to provide a revolving line of credit (the "Loan") to Borrower under the terms contained herein and in that Unsecured Revolving Promissory Note executed by Borrower the same date herewith (the "Note").

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

### Agreement

1. Line of Credit. Subject to the terms and conditions of this Loan Agreement, Lender hereby agrees to make a Loan to Borrower in the form of advances under a non-revolving line of credit to Borrower in an aggregate principal amount not to exceed Eight Hundred Thousand Dollars (\$900,000.00) (the "Maximum Amount"), or so much thereof as may be advanced under Loan. The aggregate unpaid balance amount of all advances made hereunder shall not exceed the Maximum Amount. Within the foregoing limits, Borrower may borrow and partially or wholly prepay, under this Loan Agreement as set forth herein.

1.1 Promissory Note. The Loan is evidenced by the Note which has maturity date of August 19, 2024, and carries a zero percent (0%) rate of annual interest.

1.2 Conditions Precedent to Each Advance. Lender's consideration of Borrower's request to make any advance to or for the account of Borrower under this Loan Agreement is subject to the following conditions precedent:

(a) Lender shall have received evidence that this Loan Agreement and any related documents have been duly authorized, executed, and delivered by Borrower to Lender;

(b) Each advance shall be evidenced by a written request from an authorized representative of Borrower ("Authorized Representative"). The following individuals are each hereby authorized to act on behalf of Borrower, as an Authorized Representative, acting alone, until written notice of the revocation of such authority is received by Lender from Borrower:

Wendy S. Saunders, President.

(c) There are sufficient funds available under the line of credit to fulfill the requested advance; and

(d) There shall not exist at the time of any advance a condition which would constitute an Event of Default under this Loan Agreement that has not been cured in accordance with the terms herein.

1.3 Making Loan Advances. Each Advance shall be conclusively deemed to have been made at the request of and for the benefit of Borrower when advanced in accordance with the instructions of an Authorized Representative.

2. Purpose and Use of Loan Proceeds. The purpose of the Loan is to finance Borrower's portion of the purchase price for the Property and to finance the third-party costs and other expenses incurred by Borrower during the predevelopment phase of the Project as described in the MOU. The Loan funds shall not be used for any other purposes.

3. Affirmative Covenants of Borrower. Borrower shall at all times:

3.1 Accounting Records. Keep, or cause to be kept, proper books of record and account, prepared in accordance with generally accepted accounting principles, in which complete and accurate entries shall be made of all transactions of or in relation to the business and operations of Borrower. Such books of record and account shall be available for inspection by Lender upon reasonable advance notice, at reasonable hours and under reasonable circumstances;

3.2 Notices of Claims and Litigation. Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower which could materially affect the financial condition of Borrower;

3.3 Additional Information. Furnish such additional information and statements, as Lender may request from time to time;

3.4 Other Agreements. Comply with all terms and conditions of all other agreements associated with the Loan, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements; and



3.5 Loan Proceeds. Use all proceeds of advances solely for the purposes described herein.

4. Representations and Warranties. Borrower represents and warrants to Lender that, as of the date of execution of this Loan Agreement (such representations and warranties to remain operative and in full force and effect before and after the issuance of the Loan):

4.1 Good Standing. Borrower is a non-profit public benefit corporation duly organized and in good standing under the laws of the State of California, has the requisite legal right, power and authority to enter into this Loan Agreement, and to carry out and consummate all transactions contemplated by this Loan Agreement, and by proper corporate action has duly authorized the execution, delivery and performance of this Loan Agreement;

4.2 Duly Authorized. The making and performance by Borrower of this Loan Agreement, and the execution and delivery of the Note, have been duly authorized by all necessary parties and shall not violate any law, rule, regulation, order, writ, judgment, decree or determination, presently in effect; or result in a breach of or constitute a default under any bank loan or any other agreement or instrument to which the Borrower is a party or by which it or its property may be bound or affected;

4.3 Valid, Binding Enforcement Obligations. This Loan Agreement, and each of the agreements, documents, or instruments required to be executed by Borrower in connection with this Loan Agreement, are valid, binding, and enforceable obligations of Borrower in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy; and

4.4 No Legal Actions. There are no legal actions, suits, or proceedings pending, or to the knowledge of the Borrower, threatened against the Borrower before any court or administrative agency, which if determined adversely to the Borrower, would have a material adverse effect on the financial condition or business of the Borrower.

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

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

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

5.3 Incorrect Representation or Warranty. If any representation or warranty contained in or made in connection with the execution and delivery of this Loan Agreement, or in any certificate furnished pursuant hereto, shall prove to be incorrect or to have been incorrect when made in any material respect; and

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

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

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

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

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

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

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

If to Borrower: Capitol Area Community Development Corporation  
1522 14<sup>th</sup> Street  
Sacramento, CA 95814

If to Lender: Capitol Area Development Authority  
1522 14<sup>th</sup> Street  
Sacramento, CA 95814

Borrower shall promptly notify Lender of any change of address.

9. Independent Contractor. Borrower is and shall at all times be an independent contractor with respect to Lender in the performance of its obligations under this Loan Agreement.

10. No Agency Relationship. Borrower hereby acknowledges that it is not an agent of Lender.

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

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

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

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

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

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

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

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

**IN WITNESS WHEREOF**, Borrower and Lender have executed this Loan Agreement on the date first written above.

Borrower:

**Capitol Area Community Development Corporation,**  
a California non-profit public benefit corporation

By: \_\_\_\_\_  
**Wendy Saunders**, President

APPROVED AS TO FORM:

By: \_\_\_\_\_  
**Jeffery A. Mitchell**, CACDC legal counsel

Lender:

**Capitol Area Development Authority,**  
a California joint powers agency

By: \_\_\_\_\_  
**Wendy Saunders**, Executive Director

APPROVED AS TO FORM:

By: \_\_\_\_\_  
**Jeffery A. Mitchell**, CADA legal counsel

**PROMISSORY NOTE**

\$900,000.00

August 19, 2022  
Sacramento, California

1. **Obligation.** FOR VALUE RECEIVED, the **Capitol Area Community Development Corporation**, a California non-profit public benefit corporation ("Borrower"), hereby unconditionally promises to pay to the **Capitol Area Development Authority**, a California joint powers agency ("Lender"), at **1522 14<sup>th</sup> Street, Sacramento, CA 95814**, or at such other place as Lender may from time to time designate in writing to Borrower, the principal sum that is borrowed by Borrower not to exceed Eight Hundred Thousand (\$900,000.00), or the aggregate unpaid principal amount of each advance made by Lender to Borrower pursuant to Section 2 hereunder and remaining outstanding on the Maturity Date (hereinafter defined), whichever is less, together with interest on any principal amounts remaining unpaid from time-to-time until payment in full, to be calculated as set forth below (the "Loan").
2. **Advances on Line of Credit.** This Note evidences a line of credit on a non-revolving basis pursuant to a Loan Agreement executed by Borrower and Lender concurrently herewith (the "Loan Agreement"). The line of credit will be available and advances may be requested from time to time during the period commencing on the effective date of this Note through August 19, 2024 (the "Maturity Date"). Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances.
3. **Interest Rate.** The interest rate per annum to be applied to the unpaid principal balance of this Note will be a fixed rate of zero percent(0.00%). Under no circumstances shall the interest rate on this Note be more than the maximum rate allowed by applicable law.
4. **Payment of Principal.** Principal shall be paid to Lender based upon available funds, but in no event shall any unpaid principal, accrued interest and other amounts outstanding on this Note be paid later than the Maturity Date. Each payment made hereunder, including prepayments allowed under Section 6, shall be credited first on interest then due and the remainder on principal.
5. **Collateral.** This Note is unsecured
6. **Prepayment.** Borrower shall have the right to prepay all or any part of the principal sum hereof or interest due hereunder at any time, without penalty or premium.
7. **Notices.** Notices provided for herein may be given by delivery personally or by sending them by registered or by certified mail, with postage charged prepaid, to the parties' mailing addresses, or to any other mailing address of which written notice is given, and notices shall be deemed given upon actual receipt thereof:

If to Borrower: Capitol Area Community Development Corporation  
1522 14<sup>th</sup> Street  
Sacramento, CA 95814

If to Lender: Capitol Area Development Authority  
1522 14<sup>th</sup> Street  
Sacramento, CA 95814

Borrower shall promptly notify Lender of any change of address.

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

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

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

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

12. Attorneys' Fees and Costs. Borrower shall pay such fees, costs and expenses as may be incurred by Lender in connection with the exercise, preservation or enforcement of its rights, powers and remedies under the terms of this Note, including, without limitation, actual collection agency fees, costs and expenses, reasonable attorneys' fees and actual costs of suit and appeal incurred in any judicial action or proceeding and reasonable attorneys' fees and actual costs incurred in any collection attempts or non-judicial action or proceeding.

13. Binding on Heirs, Successors and Assigns. Subject to the restrictions on assignment and transfer contained in Sections 8 and 9, this Note shall be binding on and inure to the benefit of the legal representatives, heirs, successors and assigns of Lender and Borrower.

14. Governing Law; Venue. This Note shall be interpreted under and governed by the laws of the State of California, except for those provisions preempted by federal law. This Note is entered into and

is to be performed in Sacramento County, California, and accordingly all actions or proceedings arising in connection with this Note shall be tried and litigated in the Superior Court of California with venue in the County of Sacramento.

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

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

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

Borrower:

**Capitol Area Community Development Corporation,**  
a California non-profit public benefit corporation

By: \_\_\_\_\_  
**Wendy Saunders**, President

APPROVED AS TO FORM:

By: \_\_\_\_\_  
**Jeffery A. Mitchell**, CACDC legal counsel





August 19, 2022

Mutual Housing California  
C/O Roberto Jimenez  
3321 Power Inn Road, Suite 320  
Sacramento, CA 95826

RE: Permanent financing support for 805 R Street

Dear Roberto Jimenez,

Subject to receipt of all required and requested submittal materials, listed below is a summary of proposed terms for a permanent financing source for the 805 R Street project that the Capitol Area Development Authority Board of Directors preliminarily approved on August 19, 2022. The terms include a loan not to exceed \$8,000,000.00 to the Borrower entity for construction of the project and an agreement that the project will provide at least 100% of the units to households making between 80% or less of the Area Median Income (AMI) and 30 % or less of the AMI.

### Proposed Loan and Terms

1. **Project Description:** The proposed project currently consist of a 6 story mixed-use, affordable housing building with 242 apartments. The project will have a mix of live/work, studio, one and two bedroom units. Proposed project amenities include an exercise studio, event courtyard, public plaza and patio decks for the street level live/work unit, rooftop solar panels, secure bike storage spaces, visitor bike spaces, and vehicle parking spaces.
2. **Assessor's parcel number for property:** APNs 006-0266-016-0000, 006-0266-017-0000, 006-0266-014-0000
3. **Borrower:** A yet to be formed special purpose entity Limited Partnership to be created between Mutual Housing California and Capitol Area Community Development Corporation ("LP").
4. **Documentation:** Upon the request of CADA Borrower and the LP partners shall provide CADA with any documents related to the Project including, but not limited to businesses and financial information and other 3<sup>rd</sup> party reports.
5. **Approvals and Permits:** A condition precedent to approval of the Loan and execution of the Loan documents is the project's approval by
6. **Disbursement:** Funding shall be dispersed upon the appropriate building permit approval, the closing of all other funding sources, and upon satisfaction of all conditions set forth in the loan documents.
7. **Project Bid:** Prior to disbursement of the loan, CADA shall be given a copy of the chosen contractors' project bids

8. **Use of Funds:** The loan shall be used for the construction 805 R Street, an affordable housing project consisting of at least 190 new affordable apartment units and approximately 3000 square feet of ground floor commercial uses. The project will include income restrictions to 100% of the units with income levels between 80% or less of the AML and 30 % or less of the AML.

#### **LOAN TERMS**

9. **Maximum Loan Amount:** \$8,000,000.00
10. **Loan Interest:** 4.85% Fixed annually
11. **Term:** 40 years.
12. **Fees:** No fees
13. **Payment:** Annual Payments of principal and interest commencing in the 15 year after the Project received its Certificate of Occupancy in amount of at least seventeen percent (15%) of Residual Cash Flow for the preceding calendar year.
14. **Prepayment Penalty:** None

**Non-Binding Effect:** This document is intended to be a non-binding statement of the potential terms of a proposed transaction, summarizing them for a proposed Loan between CADA and the Property Owner below. This document is not intended to include all potential loan terms. The loan is subject to the negotiation, approval, execution and delivery of various loan agreements consistent with the basic terms and conditions set forth herein and other additional loan terms agreed to by the parties. This document does not create a binding agreement of any kind.

Both parties understand that this agreement is a work in progress and both will be reasonable in making modifications in terms that subsequently are required to carry out the intent of this term sheet.

Sincerely,

Wendy Saunders  
CADA Executive Director

UNDERSTOOD AND AGREED TO:  
-----, LP

By: \_\_\_\_\_  
Name:  
Title:  
  
Dated: \_\_\_\_\_



## PROJECT INFORMATION

CONSTRUCTION TYPE	TYPE III OVER TYPE I, TYPE VA
HEIGHT	06 STORIES

## LAND INFORMATION

LOCATION	805 R STREET
SITE	1.196 ACRES

## UNIT MIX

	Live Work	Studio	1 Bedroom	2 Bedroom	Total	%
Floor 6	0	12	22	4	38	16%
Floor 5	0	14	29	5	48	20%
Floor 4	0	14	29	5	48	20%
Floor 3	0	14	28	5	47	19%
Floor 2	0	14	28	5	47	19%
Floor 1	14	0	0	0	14	6%
Total	14	68	136	24	242	100%

## BUILDING AREA

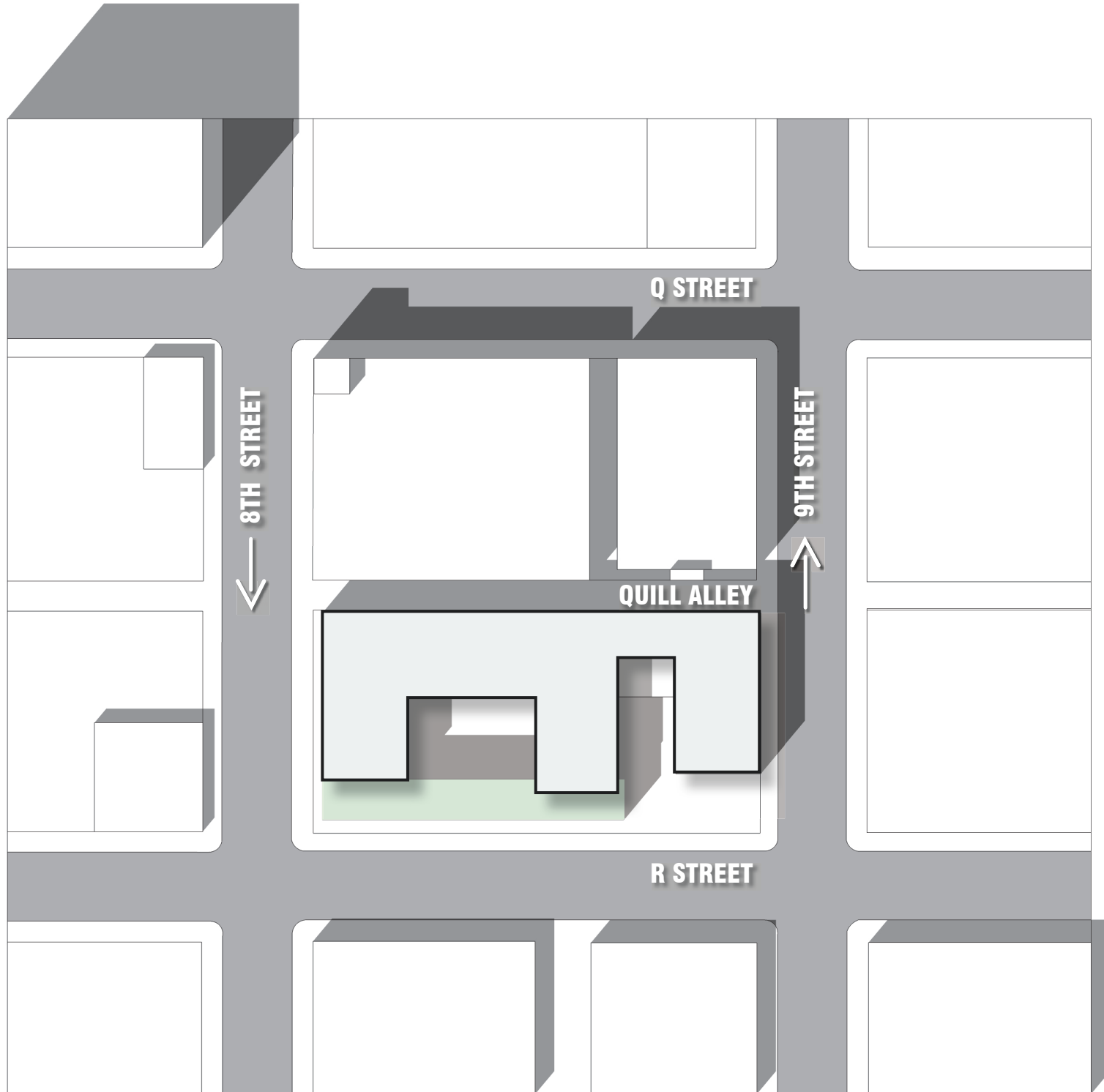
	Live Work	Residential	Community Amenities	Offices	Commercial	Utility Mechanical Storage	Garage	Enclosed Bike Parking	Circulation (Corridors)	Circulation (Vertical)	Subtotal	Occupied Roof Decks	Total Building Area
Floor 6	0	22,000	1,643	0	0	1,110	0	378	3,225	740	29,096	1,748	30,844
Floor 5	0	27,889	879	0	0	1,100	0	378	3,885	740	34,871	721	35,592
Floor 4	0	27,889	879	0	0	1,100	0	378	3,885	740	34,871	721	35,592
Floor 3	0	27,280	879	0	0	1,100	0	378	3,885	740	34,262	721	34,983
Floor 2	0	27,280	879	0	0	1,100	0	378	3,885	740	34,262	2,016	36,278
Floor 1	7,840	0	3,783	371	3,428	2,493	13,260	616	1,653	740	34,184	0	34,184
Total	7,840	132,338	8,942	371	3,428	8,003	13,260	2,506	20,418	4,440	201,546	5,927	207,473

## ON SITE PARKING

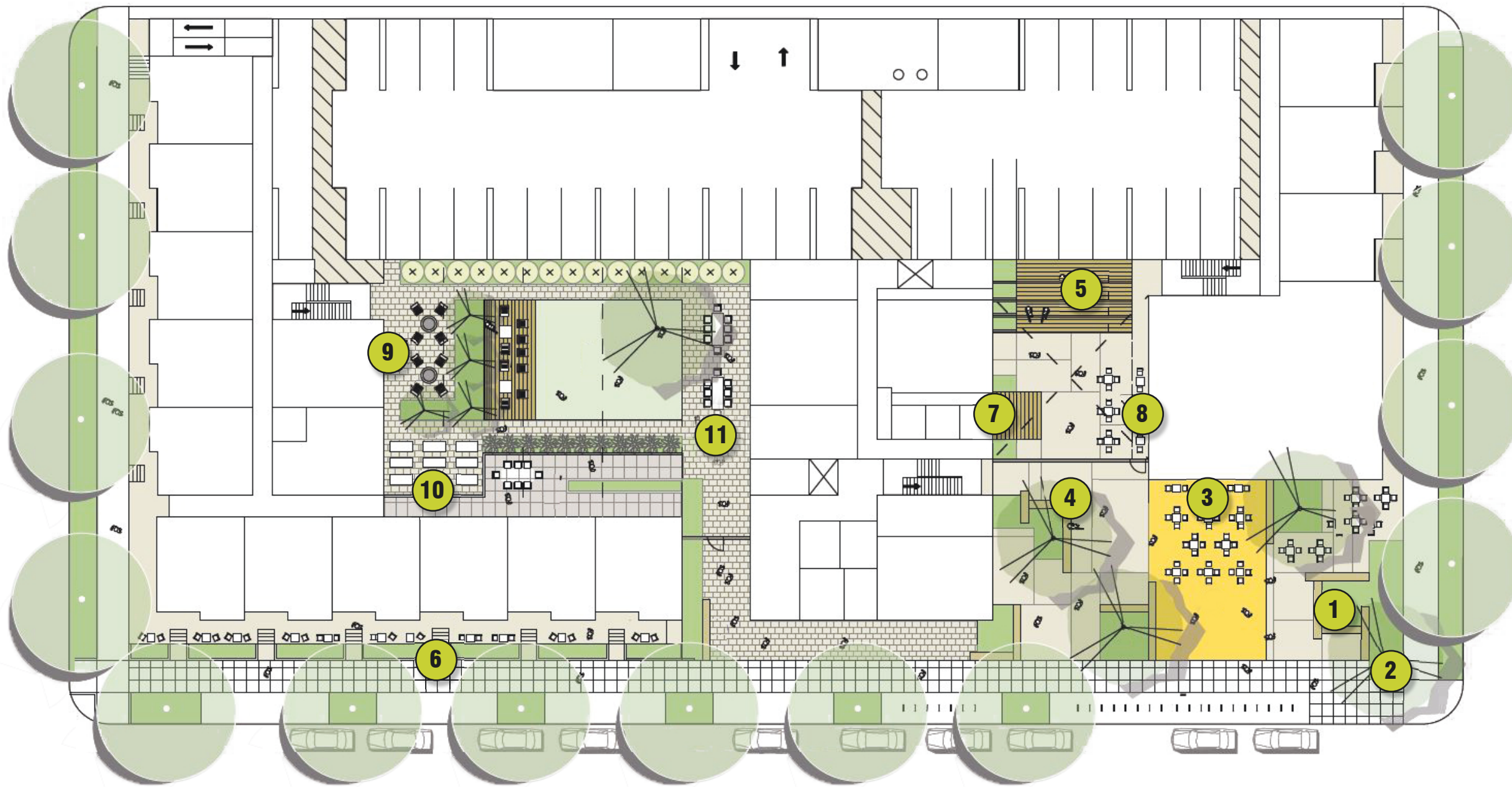
	Automobiles				Bicycles		
	Accessible	EV	Standard	Vehicular Total	Bike (Secure Storage)	Bike (Visitors)	Bike Parking Total
Floor 6	0	0	0	0	40	0	40
Floor 5	0	0	0	0	40	0	40
Floor 4	0	0	0	0	40	0	40
Floor 3	0	0	0	0	40	0	40
Floor 2	0	0	0	0	40	0	40
Floor 1	2	6	27	35	64	30	94
Total	2	6	27	35	264	30	294

## OPEN SPACE

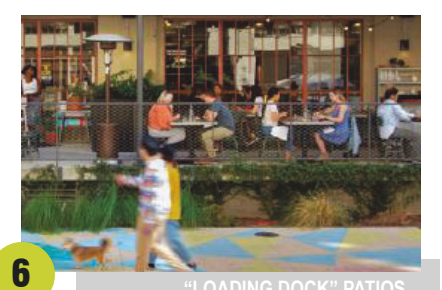
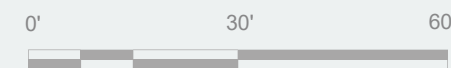
	Elevated Platform @ Live Work	Live Work Patios	Residential	Event Courtyard	Public Plaza	Total	Sf / Unit
Floor 6	0	0	1,748	0	0	1,748	
Floor 5	0	0	721	0	0	721	
Floor 4	0	0	721	0	0	721	
Floor 3	0	0	721	0	0	721	
Floor 2	0	0	2,016	0	0	2,016	
Floor 1	2,340	189	5,478	1,972	3,660	13,639	
Total	2,340	189	11,405	1,972	3,660	19,566	81



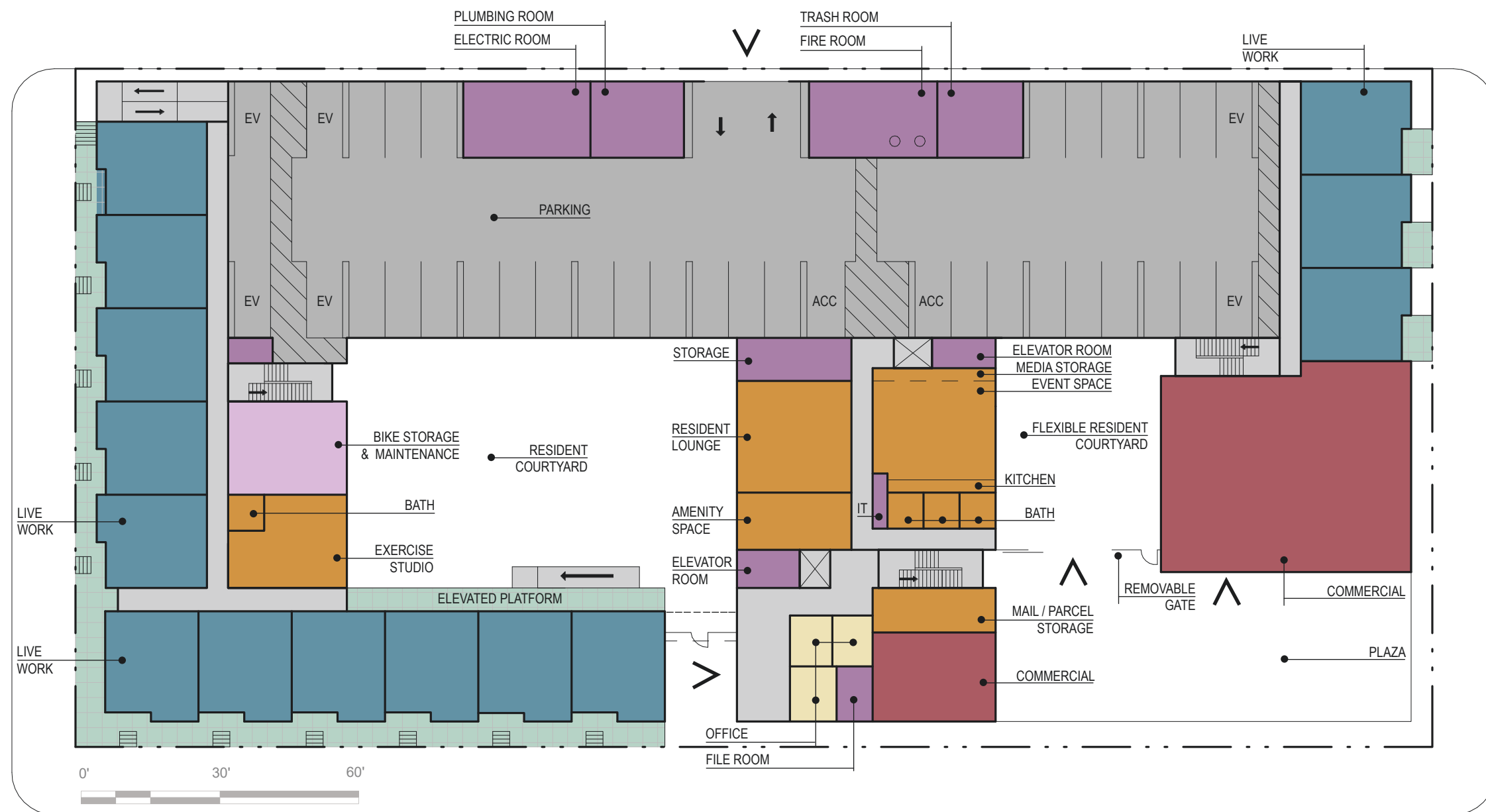




LANDSCAPE GROUND FLOOR







## GROUND FLOOR

- |            |              |                 |             |
|------------|--------------|-----------------|-------------|
| ACCESS     | BIKE PARKING | COMMON AREAS    | UTILITIES   |
| OPEN AREAS | OFFICE       | LIVE-WORK UNITS | CIRCULATION |
| COMMERCIAL | GARAGE       |                 |             |

LEGEND



PUBLIC PLAZA



POP UP DINING



NATIVE LANDSCAPING



PUBLIC ART

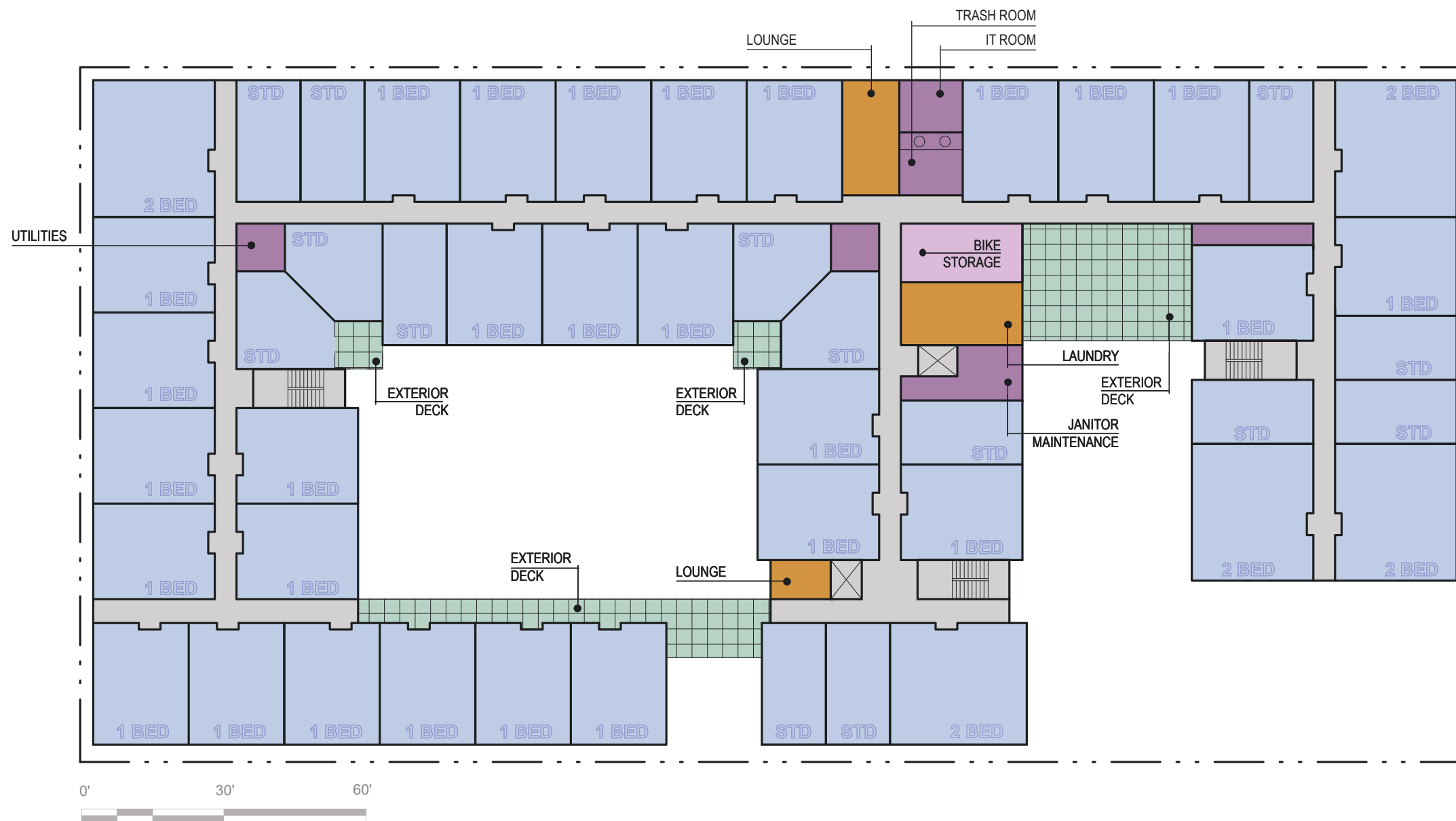


RESIDENT COURTYARD



PUBLIC EV CHARGING





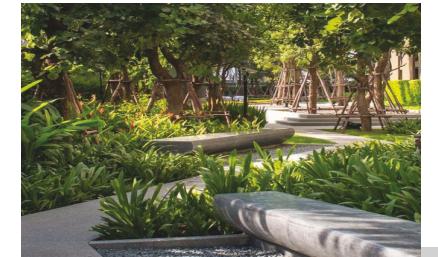
## SECOND FLOOR

- |  |              |  |              |
|--|--------------|--|--------------|
|  | BIKE PARKING |  | COMMON AREAS |
|  | OPEN AREAS   |  | UTILITIES    |
|  | RESIDENTIAL  |  | CIRCULATION  |

LEGEND



RESIDENT COURTYARD - GATHERING



RESIDENT COURTYARD - SEMI-PUBLIC



RESIDENT LOUNGE



LAUNDRY LOUNGE



UNIT INTERIOR





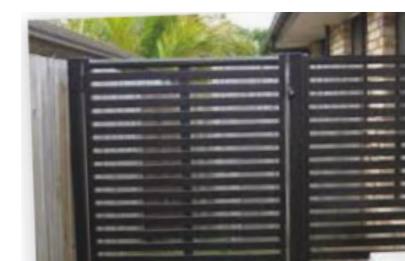
OKO WALL PANEL



EXTERIOR SHUTTERS



EXTERIOR SHUTTERS



FENCE GATE





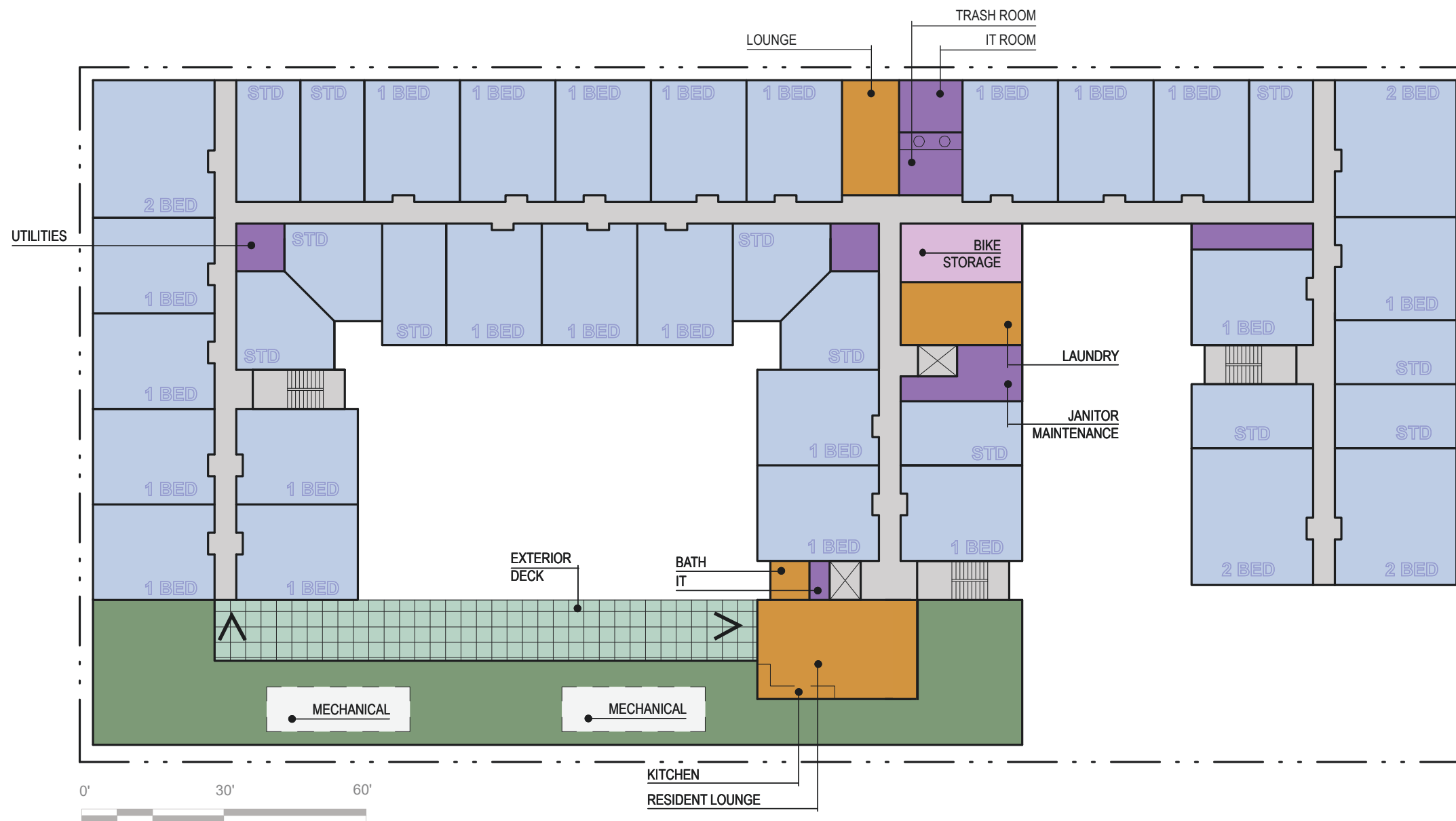
## FOURTH & FIFTH FLOOR

- |   |              |   |              |
|---|--------------|---|--------------|
|  | BIKE PARKING |  | COMMON AREAS |
|  | OPEN AREAS   |  | UTILITIES    |
|  | RESIDENTIAL  |  | CIRCULATION  |

LEGEND







## SIXTH FLOOR

- |  |             |  |              |  |              |
|--|-------------|--|--------------|--|--------------|
|  | ACCESS      |  | BIKE PARKING |  | COMMON AREAS |
|  | ROOF GARDEN |  | OPEN AREAS   |  | UTILITIES    |
|  |             |  | RESIDENTIAL  |  | CIRCULATION  |

LEGEND





ROOF



ON-SITE ENERGY PRODUCTION



ROOF GARDEN



ROOF GARDEN



NATIVE LANDSCAPING



NATIVE LANDSCAPING





# SOUTH ELEVATION



R STREET COURTYARD



Year	2022							2023							2024							2025									
Month	J	Ju	Au	S	O	N	D	J	F	M	A	M	J	Ju	Au	S	O	N	D	J	F	M	A	M	J	Ju	Au	S	O	N	D
PRE DEVELOPMENT																															
Partnership																															
Agreement - Budget																															
Design, Entitlements, Permits																															
Finalize Project Team																															
Concept Development Finalized																															
City Meeting #1																															
City Meeting #2																															
Schematic Plans - Project Description Complet																															
CEQA Exemption Checklist																															
CEQA NOE Waiting Period																															
Design Development																															
Construction Drawings																															
Building Permit																															
Community Outreach																															
Outreach Prep																															
Website and Survey Development																															
Initial Outreach - Small group meetings																															
Project Website Up and Live																															
Open Community Meeting/Open House																															
Finalized Program and Outreach																															
Final Project Plan/ FAQ																															
Additional Artist Community Outreach																															
Financing																															
Pro Forma and Financing Approach																															
Secure Financing																															
CD's																															
Building Permit																															
Construction																															
Complete																															



## **RESOLUTION NO. 22 - 32**

Adopted by the Capitol Area Development Authority

August 19, 2022

**RESOLUTION AUTHORIZING THE CADA EXECUTIVE DIRECTOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING BETWEEN CADA, CACDC, AND MUTUAL HOUSING CALIFORNIA; TAKE ACTIONS NECESSARY TO COMPLETE PROJECT FUNDING REQUESTS; EXECUTE A LEASE OPTION AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF GENERAL SERVICES; EXECUTE A LOAN AGREEMENT AND PROMISSORY NOTE WITH CACDC; APPROVE A BUDGET AMENDMENT; AND APPROVE A LETTER OF COMMITMENT FOR A LOAN TO THE 805 R STREET PROJECT DEVELOPER OF UP TO \$8,000,000**

**WHEREAS**, On January 15, 2019, Governor Gavin Newsom signed Executive Order N-06-19 (EO) (see Exhibit 1) to address the housing affordability crisis that is facing the State of California. Governor Newsom ordered the Department of General Services (DGS) and the Department of Housing and Community Development (HCD), (the "State"), to identify and prioritize excess state-owned property, enter into low-cost long-term ground lease agreements with housing developers and accelerate affordable housing development on State-owned land for public benefit.; and

**WHEREAS**, On May 10, 2021, The State issued an RFQ seeking respondents capable of developing affordable housing on six excess state-owned properties including the former DGS warehouse located at 805 R Street ("Property") in Sacramento, California; and

**WHEREAS**, On December 7, 2021, the State issued a Request for Proposals (RFP) and Mutual Housing California ("Mutual") was one of three development teams chosen from the 805 R Street RFQ process to respond to the RFP; and

**WHEREAS**, Mutual invited CADA and the CACDC to join them in a development proposal for the 805 R Street property; and

**WHEREAS**, On February 18, 2022, CADA and Mutual submitted a proposal to the State to develop 242-unit mixed-use, affordable housing project at 805 R Street; and

**WHEREAS**, on May 12, 2022, the State notified Mutual and CADA they were selected to develop 805 R Street; and

**WHEREAS**, CADA, CACDC, and Mutual have discussed their mutual desire to collectively pursue the development of a mixed-use project on the Property and their desire to explore joint development and ownership of the Project through a partnership or other entity wherein the Parties would agree on the terms for development, management and ownership of the Project; and

**WHEREAS**, the CACDC will need to contribute funds to a Partnership for pre-development costs, and the CACDC is requesting a \$900,000 line of credit and loan from CADA; and

**WHEREAS**, Mutual and CACDC have requested a loan commitment to the project in an amount not to exceed \$8,000,000.

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

1. Approves a Memorandum of Understanding among CADA, CACDC and Mutual Housing California regarding the roles and responsibilities of the parties in undertaking a project at 805 R Street,
2. Authorizes the Executive Director to take any and all actions that may be necessary or advisable, in her discretion, in order to complete funding requests and applications to fund construction of the project,
3. Authorizes the Executive Director to sign a Lease Option Agreement with the California Department of General Services to lease property for the project in substantially the form presented to the Board on this date, together with such changes, insertions, revisions, corrections or amendments as may be approved by CADA's General Counsel,
4. Approves a Promissory Note and Loan Agreement in substantially the form presented to the Board on this date, establishing an unsecured revolving line of credit between CADA and the CACDC with a maximum credit line of \$900,000 for CACDC to use as predevelopment funds,
5. Approves a Budget Amendment to reduce the FY 20-21 CADA Development budget for the 805 R Street project and create a new FY 22-23 CACDC Development Budget in amount of \$900,000 for the 805 R Street project, and
6. Approves a letter of commitment in substantially the form presented to the Board on this date, for a loan from CADA to the project developer in an amount not to exceed \$8,000,000 for the purposes of project gap funding.

The foregoing Resolution was duly passed and adopted at a meeting of the Board of Directors of the Capitol Area Development Authority held on August 19, 2022, by the following vote:

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors



## **RESOLUTION NO. 22 – 01**

Adopted by the Capitol Area Community Development Corporation

August 19, 2022

### **RESOLUTION AUTHORIZING THE CACDC PRESIDENT TO ENTER INTO A MEMORANDUM OF UNDERSTANDING BETWEEN CACDC, CADA, AND MUTUAL HOUSING CALIFORNIA; TAKE ACTIONS NECESSARY TO COMPLETE PROJECT FUNDING REQUESTS; EXECUTE A LOAN AGREEMENT AND PROMISSORY NOTE WITH CADA; AND ENTER INTO A LIMITED PARTNERSHIP AGREEMENT WITH MUTUAL HOUSING FOR THE CREATION OF 805 R STREET INVESTORS, L.P.**

**WHEREAS**, On January 15, 2019, Governor Gavin Newsom signed Executive Order N-06-19 (EO) to address the housing affordability crisis that is facing the State of California. Governor Newsom ordered the Department of General Services (DGS) and the Department of Housing and Community Development (HCD), (the "State"), to identify and prioritize excess state-owned property, enter into low-cost long-term ground lease agreements with housing developers and accelerate affordable housing development on State-owned land for public benefit; and

**WHEREAS**, On May 10, 2021, the State issued an RFQ seeking respondents capable of developing affordable housing on six excess state-owned properties including the former DGS warehouse located at 805 R Street (Property) in Sacramento, California; and

**WHEREAS**, On December 7, 2021, the State issued a Request for Proposals (RFP) and Mutual Housing California (Mutual) was one of three development teams chosen from the 805 R Street RFQ process to respond to the RFP; and

**WHEREAS**, Mutual invited CADA and the CACDC to join them in a development proposal for the 805 R Street property; and

**WHEREAS**, On February 18, 2022, CADA and Mutual submitted a proposal to the State to develop 242-unit mixed-use, affordable housing project at 805 R Street; and

**WHEREAS**, on May 12, 2022, the State notified Mutual and CADA they were selected to develop 805 R Street; and

**WHEREAS**, CADA, CACDC, and Mutual have discussed their mutual desire to collectively pursue the development of a mixed-use project on the Property and their desire to explore joint development and ownership of the Project through a partnership or other entity wherein the Parties would agree on the terms for development, management and ownership of the Project; and

**WHEREAS**, the CACDC will need to contribute funds to a Partnership for pre-development costs, and the CACDC is requesting a \$900,000 line of credit and loan from CADA.

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

1. Approves a Memorandum of Understanding in substantially the form presented to the Board on this date among CADA, CACDC and Mutual Housing California regarding the roles and responsibilities of the parties in undertaking a project at 805 R Street,
2. Authorizes the President to take any and all actions that may be necessary or advisable, in her discretion, in order to complete funding requests and applications to fund construction of the project,
3. Approves a Promissory Note and Loan Agreement establishing an unsecured revolving line of credit between CADA and the CACDC with a maximum credit line of \$800,000 for CACDC to use as predevelopment funds substantially in the form presented to the Board on this date, and
4. Authorizes the President to enter into a Limited Partnership Agreement with Mutual Housing for the creation of 805 R Street Investors, L.P., the project owner and developer on terms consistent with the approved Memorandum of Understanding.

ATTEST:

\_\_\_\_\_  
Wendy S. Saunders, President

\_\_\_\_\_  
Tara Gandara, Secretary





August 12, 2022

**TO:** CADA Board of Directors  
Capitol Area Community Development Corporation

**SUBJECT:** **August 19, 2022 Board Meeting**  
**AGENDA ITEM 7**  
**16<sup>TH</sup> AND T MEMORANDUM OF UNDERSTANDING BETWEEN CADA,**  
**CACDC, AND MUTUAL HOUSING CALIFORNIA**

**CONTACTS:** Todd Leon, Development Director  
Wendy Saunders, Executive Director

### **RECOMMENDED ACTIONS:**

Staff recommends approval of a Memorandum of Understanding among CADA, CACDC and Mutual Housing California regarding the roles and responsibilities of the parties in undertaking a project at 2000 16<sup>th</sup> Street.

### **BACKGROUND**

In July of 2021, CADA staff began searching for available land to purchase in the Sacramento Central City. Staff's intention was to identify sites that would be candidates for multifamily affordable housing projects. After reviewing a number of available properties, the property on the southwest corner of 16<sup>th</sup> and T Streets emerged as a superior candidate for purchase due to its large size, proximity to the R Street Corridor area and its prominent location. (see **Attachment 1**). In conformance with the acquisition policy adopted by the Board in August, 2021, CADA staff submitted a Letter of Intent/Offer to the owners of the property. After some negotiation, the parties agreed on an acceptable price and general terms.

Once the LOI was signed, staff drafted and delivered a Purchase and Sale Agreement (PSA) to the Seller. After several revisions, CADA and the seller agreed on a final PSA with a purchase price of \$3,280,000.

On November 16, 2021 the final PSA was signed by both parties and CADA made a deposit of \$25,000 into escrow. A 60-day due diligence period began immediately and ended on January 17, 2022. After conducting a review of the property, staff decided to initiate the second 60-day due diligence per the PSA and deposited an additional \$25,000 into escrow, which extended the agreement to March 17, 2022.

On February 23, 2022, the CADA Board authorized staff to close escrow and purchase the 2000 16<sup>th</sup> Street property. Unfortunately, Staff was unable to close escrow after the second due diligence period concluded, as the sellers were not satisfied with two documents concerning assignment of state environmental remediation funds and clean-up actions. The parties agreed to extend escrow to address the seller's concerns with the State Water Board. The sellers, State Water Board, and CADA were able to agree on terms of the assignment documents on July 13, 2022.

On July 15, 2022, CADA's purchase of 2000 16<sup>th</sup> Street property was completed.

## **SUMMARY**

Staff recommends the CADA and CACDC Boards approve a Memorandum of Understanding with Mutual Housing California to establish a partnership and begin work to develop an affordable housing project at 2000 16<sup>th</sup> Street. In 2019, CADA and the CACDC were in the initial stages of working with the State of California Department of General Services to develop East End Gateway Sites 5, 6, and 7 (16<sup>th</sup> and N Streets). The CACDC had investigated potential local affordable housing developer partners in preparation for beginning predevelopment work and submitting financing applications. Given the limited time to select a developer partner, and submit an application for a state funding opportunity, CACDC staff approached Mutual Housing California to help develop that site. Mutual Housing accepted the offer to partner on the East Gateway Sites 5, 6, and 7 projects, however, the site's development was put on indefinite hold by DGS to further address ongoing environmental clean-up and monitoring of the site. CACDC staff, given the unknown future of East End Gateway 5, 6, and 7, approached Mutual Housing with the possibility of instead partnering on development of the 16<sup>th</sup> and T property.

Mutual Housing California is a nonprofit affordable housing developer headquartered in Sacramento. Since its founding in 1988, it has been working in concert with local governments, neighborhood groups, and social service agencies to develop high quality, sustainable, and permanently affordable rental housing. With in-house expertise in development, finance, construction management, property management, and resident services, Mutual Housing works with teams of experienced designers, contractors, and private and public lenders and investors to ensure its developments are designed, constructed, and operated in a manner which ensures long-term financial viability, physical sustainability, and resident and neighborhood pride. Its developments house a wide variety of populations—including working families, seniors, farmworkers, developmentally disabled, as well as those who have been homeless or are at risk of homelessness.

Mutual Housing's current portfolio includes 20 multifamily communities totaling 1,148 units in Sacramento and Yolo Counties. It recently completed Lavender Court, a 53-unit senior and special needs development in Midtown and is currently under construction on a 127-unit family and special needs project, a 108-unit family project in South Sacramento, and a 150-unit senior project in the downtown Sacramento's Railyards.

Currently CADA owns the 2000 16<sup>th</sup> Street property. Under the proposed MOU, the CACDC and Mutual Housing would form a partnership entity and begin predevelopment activities to build an affordable housing apartment project. Over the next six to twelve months, the parties will work toward a formal development agreement with CADA to purchase the property and transfer it to the new CACDC/Mutual Housing legal partnership entity.

## **ANALYSIS**

Under the proposed MOU, CACDC would be the managing partner of the partnership with Mutual Housing. The CACDC would have primary responsibility for the project's contracting, construction management, property management, resident services, accounting and other day-to-day activities managing the development. The project pro forma and budget would be Mutual Housing's primary responsibility in the partnership. Each party would share in making all significant project decisions. Additionally, Mutual Housing's participation in the partnership is necessary, as the CACDC has not yet achieved the necessary development and management experience to qualify for most available affordable housing funds on its own.

Once the CADA and CACDC Boards approve the MOU, the development team will begin the process of selecting an architect, initiating entitlement discussions with the City of Sacramento, beginning

concept designs, and conducting community outreach. Staff anticipates these activities will take approximately 8 to 12 months. After securing city entitlements, the partnership will work to secure project financing and complete construction drawings. The financing and final design phase of the development will take another 10 to 18 months.

### **FINANCIAL IMPACT**

There is no financial impact to CADA at this time. Staff anticipates returning to the CADA and CACDC Boards in September with actions related to loaning CADA funds to the CACDC to support predevelopment activities under the partnership with Mutual Housing.

### **ENVIRONMENTAL CONSIDERATIONS**

The recommended action is not considered a project, in accordance with the California Environmental Quality Act (CEQA) guidelines. Therefore, no environmental review is required at this time.

**Attachment 1** - 16th and T Property

**Attachment 2** – Proposed CADA, CACDC, and Mutual Housing Memorandum of Understanding



**Attachment 1**  
**16th and T Street Property**  
**Parcels**



**Memorandum of Understanding  
Between  
The Capitol Area Development Authority, the Capitol Area Community Development  
Corporation, and Mutual Housing California  
(16<sup>th</sup> and T)**

This Memorandum of Understanding (the "MOU") is entered into on August \_\_, 2022 ("Effective Date"), by and between the **Capitol Area Development Authority**, a joint powers agency ("CADA"), the **Capitol Area Community Development Corporation**, a non-profit public benefit corporation ("CACDC"), and **Mutual Housing California**, a California non-profit corporation ("Mutual"). CADA, the CACDC, and Mutual are sometimes referred to individually as a "Party," and collectively, as the "Parties."

**RECITALS**

- A. On July 15, 2022, CADA purchased fee title to that certain real property located at (2000 16<sup>th</sup> Street, (APNs 009-0151-006, -007, and -008) Sacramento, California (the "Property").
- B. CADA intends to develop all or a portion of the Property as an affordable residential project, potentially including a retail and/or commercial component, consistent with permissible uses under the City of Sacramento land use regulations governing the Property (the "Project").
- C. The Parties are currently working together on an affordable residential project to be located at 805 R Street, Sacramento, and are considering working together on development of the Project.
- E. The Parties now desire to execute this MOU in order to describe their expectations and respective roles and responsibilities regarding development of the Project on the Property.
- F. The Parties anticipate that this MOU will be superseded by a detailed limited partnership agreement among the parties and the financial investor(s) that will describe the obligations of the Parties and the investors(s) in more detail.

**NOW, THEREFORE**, the Parties agree as follows:

**AGREEMENT**

1. **Good Faith Negotiations.**

This MOU is entered into to memorialize the preliminary and non-binding terms, as negotiated and agreed upon by the Parties, of the transactions and further agreements described herein. As discussed in the recitals and throughout the MOU, the provisions and terms in this MOU are preliminary and shall not be construed to limit the consideration of alternative provisions. This MOU is intended to provide a general framework for subsequent good-faith negotiation of definitive agreements regarding the Project, and, except as otherwise expressly provided herein, is not intended to create any binding contractual obligations on any Party or to commit any Party to entering into any subsequent agreement or to any particular course of action. A transaction of this type involves many essential terms and conditions that have not yet been agreed upon, and it is expressly contemplated by the Parties that in order to effectuate the Project, one or more binding agreements would have to be negotiated and agreed to by the Parties, each in such Party's sole and absolute discretion. Pursuant to Section 3 below, the Parties shall negotiate in

good faith and in a timely manner such superseding and additional agreements as are necessary to carry out the provisions of this MOU.

2. Term of MOU

The term of this MOU is 2 years from the Effective Date, and may be extended thereafter by mutual agreement of the parties (the "Term"). If upon expiration of the Term, or any extension thereof, the Parties have not entered into a written agreement defining the terms of their relationship as described in Section 3 below, this MOU shall automatically terminate.

3. Good Faith Negotiations.

During the Term, the Parties agree to negotiate in good faith the terms of a mutually beneficial arrangement that provides for development, construction, operation, management, and ownership of the Project, including but not limited to, an arrangement for sharing the developer fee and project operating revenues; provided however, that approval of any such arrangement shall be in the sole and absolute discretion of each Party. Such terms of arrangement shall include, among other things, the roles and responsibilities of the Parties set forth in Exhibit A.

4. Development and Design Goals, and Objectives.

The Parties agree that the anticipated Project development must be financially beneficial to the Parties and must be consistent with the objectives of each organization. The Project shall be compatible with surrounding developments in the neighborhood. The architectural design shall be superior and worthy of a highly desirable location, and should otherwise be complementary with surrounding development, and shall be approved by the Parties. Ideally, the design should have maximum community support. Construction of the Project shall be of high quality with an improved streetscape, including installation of attractive signage, landscaping, street furniture, planting strips and bike parking.

5. Financing the Project.

5.1 Property Acquisition Costs. The Property was acquired by CADA at a cost of \$3,280,000.00. The Parties agree that if the property is sold by CADA to the eventual Limited Partnership between the CACDC and Mutual Housing, the sales price will be fair market value determined by a third party appraiser.

5.2 Predevelopment Expenses. The Parties agree that all Project pre-development deposits and costs will be shared as follows during the Term: 50% by Mutual and 50% by CADA (or CACDC), and pre-development deposits or costs made prior to the Effective Date. Therefore, within ten (10) days of the Effective Date, the Parties agree to reconcile the funds previously expended on such deposits and pre-development costs, and agree to pay any costs due within ten (10) days thereafter. Mutual and CADA (or CACDC) each agree to pay their 50% shares of future costs and expenses which shall be reconciled on a quarterly basis.

5.3 Project Funding. The Parties anticipate that various sources of public assistance and conventional construction and permanent financing will be necessary to fund development and construction of the Project. The Parties will work together to identify those potential sources of funding for the Project. Possible sources include a California Tax Credit Allocation Committee award of 4% Low Income Housing Tax Credits, tax-exempt bonds, Sacramento Housing Redevelopment Agency ("SHRA") funds, CalHFA Mixed Income Program and other



sources as may be available from time-to-time to fund the construction of the Project. The Parties agree to work in good faith to identify and agree upon the financing mechanisms for the Project.

6. MOU Does Not Constitute Approval of Agreements; Binding Provisions.

Except as otherwise expressly provided herein, the Parties do not intend this MOU to be construed to create any other contractual relationship, whether expressed or implied, including a joint venture, partnership, principal-agent, independent contractor, or master-servant. The Parties acknowledge that they have not finalized the essential terms of the subject matter of an agreed transaction, including, but not limited to, items such as development schedules, etc., and that such essential terms would be the subject matter of further negotiations. Notwithstanding the approval of this MOU, the Parties intend that any final agreement, if an agreement is reached, shall require final approval by CADA, the CACDC, and Mutual (each such approval being in the sole and absolute discretion of such party). Any agreement so approved shall be in writing and shall be executed by authorized representatives of each of the Parties.

Notwithstanding the foregoing paragraph, the Parties acknowledge and agree that the provisions of Section 2, Section 3, 5.1 and 5.2 above shall be legally binding obligations of the Parties.

7. Buyout Option.

If at the end of the Term, Mutual or CADA/CACDC decides that it does not want to proceed with development of the Project, CADA/CACDC shall have the right to offer to buy out Mutual by reimbursing all third-party Project costs expended by Mutual, including but not limited to, costs for procuring architectural drawings, applications, studies, reports and other matters generated for the Project, but excluding Mutual's overhead costs incurred.

8. Authority.

Each of the signatories to this MOU represents that he/she is authorized to sign the MOU on behalf of such Party and that all approvals, resolutions and consents which must be obtained to bind such Party have been obtained, that no further approvals, acts or consents are required to bind such Party to this MOU.

**IN WITNESS WHEREOF**, this MOU has been duly executed as of the day and year first above written.

MUTUAL:

**Mutual Housing California**  
a California nonprofit corporation

By: \_\_\_\_\_  
**Roberto Jimenez**, Chief Executive Officer

CACDC:

**Capitol Area Community Development Corporation,**  
a non-profit public benefit corporation

By: \_\_\_\_\_  
**Wendy Saunders**, President

APPROVED AS TO FORM:

By: \_\_\_\_\_  
**Jeffery A. Mitchell**, CACDC legal counsel

CADA:

**Capitol Area Development Authority,**  
a joint powers agency

By: \_\_\_\_\_  
**Wendy Saunders**, Executive Director

APPROVED AS TO FORM:

By: \_\_\_\_\_  
**Jeffery A. Mitchell**, CADA legal counsel



## Division of Responsibilities

**16TH & T DIVISION OF RESPONSIBILITIES**

- "\*"denotes Joint Approval required
- "X" denotes Lead Party
- Communication on all tasks, regardless of Lead Party or Shared responsibility and whether Joint Approval is required, is required via Weekly Team Meetings, etc.

		MHC	CADA	Shared
	<b>PREDEVELOPMENT:</b>			
1	Architect Selection*		X	
2	GC Selection*		X	
3	Property Manager Selection*		X	
4	Legal Counsel, Financial Consultant, Auditor Selection*		X	
5	Resident Services Selection*		X	
6	Other Third-Party Consultant Selection*		X	
7	Community Engagement		X	
8	Public Relations/Communications*		X	
9	Process Entitlements through City*		X	
10	Manage Project Accounting		X	
	<b>DESIGN:</b>			
13	Project Program (unit count/mix/affordability, resident amenities, commercial space) & Design*			X
14	Manage/Point of Contact w/ Design Team & Consultants		X	
15	Work w/ Design Team & GC to Value Engineer*		X	
16	Obtain Preliminary Cost Estimate from GC		X	
	<b>FINANCING:</b>			
17	Perform Financial Feasibility Analysis	X		
18	Finalize Project Proforma for Financing Applications*			X
19	Prepare & Submit CalHFA MIP, bond, & tax credit applications			X
20	Solicit Investor & Lender Proposals			X
21	Select Investor & Lender, Execute into LOI's*			X
22	Manage Construction Loan Closing Process			X
	<b>CONSTRUCTION:</b>			
23	Manage Plan Check/Permitting Process w/ City		X	
24	Manage Design Team & GC during Plan Check Process		X	
25	Manage VE, GC Bidding Processes*			X
26	Negotiate & Execute Construction Contract w/ GC*			X
27	Manage/Point of Contact w/ GC (OAC meetings, RFIs, Change Orders)		X	
28	Process Monthly Draw Requests w/ Bank*		X	
29	Manage Construction Close Out (Punch, Record NOC, O&M Manual)		X	
	<b>LEASE UP, POST CONSTRUCTION:</b>			
30	Manage Property Management's Lease Up & Ongoing Operations		X	
31	Manage Resident Service Provider during Lease Up & Ongoing Operations		X	
32	Complete Cost Audit w/ Auditor*		X	
33	Manage Perm Loan Conversion Closing w/ Lender, Investor			X
34	Manage Commercial Lease Up & Ongoing Operations		X	
35	Provide Reports, Audited Financials, etc. to Lender & Investor		X	

## **RESOLUTION NO. 22 - 33**

Adopted by the Capitol Area Development Authority

August 19, 2022

### **RESOLUTION AUTHORIZING THE CACDC PRESIDENT TO ENTER INTO A MEMORANDUM OF UNDERSTANDING BETWEEN CACDC, CADA, AND MUTUAL HOUSING CALIFORNIA**

**WHEREAS,** On August 21, 2021 the Capitol Area Development Authority (CADA) submitted a Letter of Offer to purchase a property at 2000 16<sup>th</sup> Street ("Property") and the owners of the property ("Seller") accepted the offer on August 27, 2021.; and

**WHEREAS,** On November 16, 2021, a Purchase and Sale Agreement ("PSA") that outlined the terms of the land sale was signed by CADA and the Seller;

**WHEREAS,** On February 23, 2022, the CADA Board authorized staff to close escrow and purchase the 2000 16<sup>th</sup> Street property; and

**WHEREAS,** On July 15, 2022, CADA completed the purchase of the 2000 16<sup>th</sup> Street property; and

**WHEREAS,** CADA intends to develop all or a portion of the Property as an affordable residential project, potentially including a retail and/or commercial component, consistent with permissible uses under City of Sacramento land use regulations governing the Property; and

**WHEREAS,** CADA, the Capitol Area Community Development Corporation (CACDC), and Mutual Housing California ("Mutual") are currently working together on an affordable residential project to be located at 805 R Street, Sacramento and have discussed their mutual desire to collectively pursue the development of a second mixed use project on the 2000 16<sup>th</sup> Street property and explore joint development and ownership of the Project through a partnership.

**NOW, THEREFORE, BE IT RESOLVED,** that the CADA Board of Directors hereby:

1. Approve a Memorandum of Understanding among CADA, CACDC and Mutual Housing regarding the roles and responsibilities of the parties in undertaking a project at 2000 16<sup>th</sup> Street.

ATTEST:

\_\_\_\_\_  
Ann Bailey, Chair

\_\_\_\_\_  
Tara Gandara  
Secretary to the Board of Directors



## **RESOLUTION NO. 22 - 02**

Adopted by the Capitol Area Community Development Corporation

August 19, 2022

### **RESOLUTION AUTHORIZING THE CACDC PRESIDENT TO ENTER INTO A MEMORANDUM OF UNDERSTANDING BETWEEN CACDC, CADA, AND MUTUAL HOUSING CALIFORNIA**

**WHEREAS**, On August 21, 2021 the Capitol Area Development Authority (CADA) submitted a Letter of Offer to purchase a property at 2000 16<sup>th</sup> Street ("Property") and the owners of the property ("Seller") accepted the offer on August 27, 2021; and

**WHEREAS**, On November 16, 2021, a Purchase and Sale Agreement ("PSA") that outlined the terms of the land sale was signed by CADA and the Seller;

**WHEREAS**, On February 23, 2022, the CADA Board authorized staff to close escrow and purchase the 2000 16<sup>th</sup> Street property; and

**WHEREAS**, On July 15, 2022, CADA completed the purchase of the 2000 16<sup>th</sup> Street property; and

**WHEREAS**, CADA intends to develop all or a portion of the Property as an affordable residential project, potentially including a retail and/or commercial component, consistent with permissible uses under City of Sacramento land use regulations governing the Property; and

**WHEREAS**, the CACDC, CADA and Mutual Housing California ("Mutual") are currently working together on an affordable residential project to be located at 805 R Street, Sacramento and have discussed their mutual desire to collectively pursue the development of a second mixed use project on the Property and explore joint development and ownership of the Project through a partnership.

**NOW, THEREFORE, BE IT RESOLVED**, that the CACDC Board of Directors hereby:

1. Approves a Memorandum of Understanding among CACDC, CADA, and Mutual Housing California regarding the roles and responsibilities of the parties in undertaking a project at 2000 16<sup>th</sup> Street.

ATTEST:

\_\_\_\_\_  
Wendy S. Saunders, President

\_\_\_\_\_  
Tara Gandara, Secretary



August 12, 2022

**TO:** CADA Board of Directors

**SUBJECT: August 19, 2022, Board Meeting**  
**AGENDA ITEM 8**  
**CADA FLEX PLAN AND CALPERS HEALTH EMPLOYER CONTRIBUTIONS**

**CONTACT:** Jill Azevedo, Human Resources Manager

**RECOMMENDED ACTION:** Staff recommends that the Board adopt resolutions that:

1. Set the CADA Flex Plan Employer Contribution for the 2023 calendar year, and
2. Set the CADA CalPERS Medical Contribution for the 2023 calendar year

### **BACKGROUND**

Since 2001, CADA has provided a Flexible Benefits Program which provides CADA greater control over its benefits costs and provides employees optional supplemental health coverage and tax benefit options allowing them to tailor their benefits to their specific needs. As part of this program, the Board allocates fixed dollar amounts that employees can use towards the purchase of their benefits. These amounts are allocated at the "opt-out", "employee-only," "employee + 1," and "employee + family" levels, according to each employee's requested coverage amount.

The first resolution proposed for adoption establishes the Flexible Benefits Plan rates for current employees in the 2023 calendar year. The resolution keeps the "opt out" contribution rate at \$275 per month, increases the "employee-only" rate from \$876 to \$929, increases the "employee + 1" rate from \$1,352 to \$1,433, and increases the "employee + family" from \$1,662 to \$1,762.

In addition to setting its flexible benefit rates, CADA must also notify CalPERS of the portion of these fixed dollar amounts that are allocated to medical benefits. This is accomplished through the Board's adoption of the second resolution. For the 2023 calendar year, these amounts will be maintained at their current levels, which are up to a maximum of \$485 per month for those at the "employee-only" level and up to a maximum of \$889 for those at the "employee +1" and the "employee + family" levels (these amounts do not include CalPERS administrative fees). This resolution also establishes the medical rate contribution that is applied to CADA retirees under Government Code 22892.

### **POLICY ISSUES**

CalPERS requires annual governing board approval from employers providing medical care coverage. Action on the resolutions proposed for adoption at this meeting is required in order for employees to know the rates and benefits that will be in effect when they make their decisions during the upcoming CalPERS open enrollment period (September 19 – October 14, 2022).

CADA's commitment to providing affordable health care is an integral element in attracting and retaining its professional and high performing staff, which is key to CADA's success.

The 2023 health premiums range from a 1.07% reduction all the way up to a 13.54% increase. As shown in Table 1 below, Kaiser, which the majority of CADA staff are currently enrolled in, will see a significant premium increase in 2023. CADA has not increased the cafeteria allowance since 2020. Therefore, staff is recommending that CADA increase its cafeteria allowances by 6% to mitigate the out-of-pocket costs arising from the premium increases in 2023.

**Table 1 - Current Medical Enrollment Participation by CADA Staff**

Plan	# of Employees	2023 Increases
Blue Shield Trio	1	-1.07%
Kaiser	22	6.61%
Western Health	6	2.55%
United Healthcare	2	2.33%
PERS Platinum	1	13.54%

### **STRATEGIC PLAN**

This action contributes to the achievement of CADA's goal of maintaining organizational excellence by ensuring that its benefit program allows CADA to attract and retain a professional and high-performing staff.

### **FISCAL IMPACT**

In the FY 2022-23 General Operating Budget, \$522,000 is allocated for payment of flexible plan benefits for current employees and retirees. Increasing the cafeteria allowance by 6% will require increasing the budget by \$14,000, to \$536,000. This will be incorporated into the mid-year budget revision.

### **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:

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Wendy S. Saunders, Executive Director

**RESOLUTION NO. 22 - 34**

Adopted by the Capitol Area Development Authority

August 19, 2022

**RESOLUTION SETTING THE EMPLOYER CONTRIBUTION FOR  
THE CADA FLEXIBLE BENEFITS PLAN EFFECTIVE JANUARY 1, 2023**

**WHEREAS**, the Authority implemented the CADA Flexible Benefits Plan (IRS Sec. 125 Cafeteria Plan) effective July 1, 2001; and

**WHEREAS**, the staff has presented a staff report on this item dated August 16, 2019, that makes recommendations as to employer flexible benefits contribution rates to be in effect for employees for the period of January 1, 2023 through December 31, 2023.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors does hereby set the CADA Flexible Benefits Plan Employer Contribution at \$275 per month for those who "opt-out" of medical benefits, \$929 for those at the "employee only" level, \$1,433 for those at the "employee + 1" level, and \$1,762 for those at the "employee + family" level. These rates are effective from January 1, 2023 through December 31, 2023.

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors

## **RESOLUTION NO. 22 - 35**

Adopted by the Capitol Area Development Authority

August 19, 2022

### **RESOLUTION FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**

**WHEREAS, (1)** Government Code Section 22892(a) provides that a local agency contracting under Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22892(b)(1) of the Act; and

**WHEREAS, (2)** Capitol Area Development Agency is a local agency contracting under the Act; now therefore be it

**RESOLVED, (a)** That the employer's contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum of Four Hundred Eighty Five Dollars (\$485) per month with respect to employee or annuitants enrolled for self alone, Eight Hundred Eighty Nine Dollars (\$889) per month for an employee or annuitant enrolled for self and one family member, and Eight Hundred Eighty Nine Dollars (\$889) per month for an employee or annuitant enrolled for self and two or more family members, plus administrative fees and Contingency Reserve Fund assessments.

**RESOLVED, (b)** That Capitol Area Development Authority has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above.

Adopted at a regular meeting of the Board of Directors of the Capitol Area Development Authority, 1522 14<sup>th</sup> Street, Sacramento.

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors

CalPERS Revision July 2009

## RESOLUTION NO. 22 - 36

### 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**, the Capitol Area Development Authority ("CADA") is committed to preserving and nurturing public access and participation at meetings of CADA legislative bodies; and

**WHEREAS**, all meetings of 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 30<sup>th</sup> 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 August 19, 2022, by the following

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors

# Monthly Ombudsman Report

[illegible]

Monthly Ombudsman Report			
	MONTH:	July 2022	
<u>Date</u>	<u>Resident Contact Info</u>	<u>Problem/Outcome/Staff Involved</u>	<u>Case Minutes</u>
July 1, 2022	1600 15th Street	Tenant called again regarding her concern about receiving an invoice from CADA regarding damage to stairs which they said had been caused by the tenant.	45
		According to the tenant she had fallen because the stairs were rotten. She had been considering getting legal advice but did not believe she should be charged for anything. I told her I would contact CADA.	
		I sent email to Merri and copied to Marc regarding her concern.	15
		Spoke to Merri and she said the form had not been returned and her claim could not be discussed until she did so.	30
		Marc also responded and the stairs are old but had been inspected by CADA and although they are going to be replaced, they are still in good condition. Also, Jill has sent the required accident form to the tenant, and they had not head back from the tenant. Additionally, another tenant had taken a video of the incident and in the video the tenant appeared to be doing damage to the stairs etc.	15
July 13, 2022		Spoke to Merri and the CADA form had still not been received.	15
		Told Merri I would re-contact the tenant and ask her to return the form. Tried to send email to tenant and it was unable to be delivered for some reason so I left a text message for the tenant and explained again that she had to fill out the form before any solution could be reached.	30
July 19, 2022		Tenant contacted me and she has filled out the form and will deliver it to CADA. Later tenant left message that she had given the form to Jill at CADA.	30
July 20, 2022		Sent email to Merri and to Marc that tenant had given Jill the completed form.	15
		<b>Case Subtotal Minutes</b>	<b>195</b>
		<b>Write up of Issues (Minutes)</b>	<b>45</b>
		<b>Total Minutes</b>	<b>240</b>
		<b>Total Hours</b>	<b>4</b>
		<b>4 Hours X \$150 (15 minute increments)</b>	<b>\$600.00</b>

<b>APARTMENT STATUS REPORT (Month-ending JUNE 30, 2022)</b>	<b>Current Month-End</b>	<b>Previous Month- End</b>	<b>Previous Year Month- End</b>	<b>Current Year</b>	<b>Previous Year</b>	<b>Previous Year</b>
<b>CURRENT MONTH STATUS - OCCUPIED UNITS</b>	<b>6/30/22</b>	<b>5/27/22</b>	<b>6/25/21</b>	<b>2022 Monthly Average</b>	<b>2021 Monthly Average</b>	<b>2020 Monthly Average</b>
<b>Total Units</b>	721	721	721	721	721	720
<b>Occupied (formula)</b>	672	680	665	672	665	685
<b>Percentage Occupied* (formula)</b>	93%	94%	95%	93%	92%	96%
<b>Percentage Leased* (formula)</b>	96%	97%	97%	96%	96%	97%
<b>* adjusted for Unrentable units</b>						
<b>CURRENT MONTH STATUS - VACANT UNITS</b>	<b>6/30/22</b>	<b>5/27/22</b>	<b>6/25/21</b>	<b>2022 Monthly Average</b>	<b>2021 Monthly Average</b>	<b>2020 Monthly Average</b>
<b>Vacant</b>	49	41	56	50	56	35
<b>Vacant: Pre-leased Units</b>	8	8	16	8	12	6
<b>Vacant: Unrentable Units (repairs, temp tsf's, etc.)</b>	15	11	17	11	12	9
<b>Vacant: Units Available to Rent (formula)</b>	26	22	23	31	32	20
<b>CURRENT MONTH STATUS - ON NOTICE UNITS</b>	<b>6/30/22</b>	<b>5/27/22</b>	<b>6/25/21</b>	<b>2022 Monthly Average</b>	<b>2021 Monthly Average</b>	<b>2020 Monthly Average</b>
<b>On-Notice: Units to vacate within 30 days</b>	7	11	10	9	9	7
<b>On-Notice: Pre-leased Units</b>	0	0	0	0	0	1
<b>On-Notice: Unrentable Units (repairs, etc.)</b>	1	6	0	2	1	1
<b>On Notice: Units Available to Rent (formula)</b>	6	5	10	8	8	6
<b>Total Units Available to rent (Vacant &amp; On Notice) (formula)</b>	32	27	33	38	41	26
<b>CURRENT MONTH ACTIVITY - TOTAL</b>	<b>6/30/22</b>	<b>5/27/22</b>	<b>6/25/21</b>	<b>2022 YTD</b>	<b>2021 YTD</b>	<b>2020 YTD</b>
<b># of Move-Outs / % of Total Units</b>	16	5	9	7%	19%	16%
<b># of Move-Ins / % of Total Units</b>	8	13	13	9%	18%	12%
<b># of New Rentals</b>	10	17	22	91	168	98
<b># of 30-Day Notices Received / % of Total Units</b>	13	6	10	8%	19%	17%
<b># of Units brought to market / % of Move-Outs</b>	9	8	8	106%	85%	85%
<b># of Rentals Canceled or Denied / % of Rentals</b>	3	5	2	41%	30%	44%
<b># of Notices Canceled / % of Notices Received</b>	1	0	0	3%	6%	4%
<b>CURRENT MONTH ACTIVITY - MOVE OUT REASONS</b>	<b>6/30/22</b>	<b>5/27/22</b>	<b>6/25/21</b>	<b>2022 YTD %</b>	<b>2021 YTD %</b>	<b>2020 YTD %</b>
<b>Asked to move by CADA</b>	0	2	0	13%	2%	6%
<b>Bought a house</b>	0	0	0	4%	7%	9%
<b>Deceased</b>	7	0	2	15%	3%	3%
<b>Dissatisfied (unable to resolve)</b>	1	0	1	2%	6%	5%
<b>Employment/education related</b>	0	0	1	2%	15%	5%
<b>Financial</b>	2	0	0	4%	11%	2%
<b>Illness/ health/ personal</b>	2	0	0	8%	6%	10%
<b>Moving out of the area</b>	2	0	0	17%	14%	8%
<b>Desire larger/smaller apt or house (incl. change in hh size)</b>	1	1	0	9%	9%	3%
<b>Need amenity not offered / not currently available</b>	0	0	0	0%	2%	0%
<b>Moved with no notice/Unknown</b>	0	2	2	15%	1%	23%
<b>Transferred to another CADA apartment</b>	1	0	2	11%	21%	17%
<b>Other / ("Covid-related" as of Aug 2020)</b>	0	0	1	0%	2%	11%
<b>Unaccounted for (Not incl. in occupancy length) - Adj.</b>	0	0	0	0%	0%	0%
<b>TOTAL</b>	<b>16</b>	<b>5</b>	<b>9</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Average length (years) of Occupancy (YTD):</b>				<b>5.6</b>	<b>4.9</b>	<b>5.0</b>

APARTMENT STATUS REPORT (Month-ending JULY 31, 2022)	Current Month-End	Previous Month-End	Previous Year Month- End	Current Year	Previous Year	Previous Year
CURRENT MONTH STATUS - OCCUPIED UNITS	7/29/22	6/30/22	7/30/21	2022 Monthly Average	2021 Monthly Average	2020 Monthly Average
Total Units	720	721	721	721	721	720
Occupied (formula)	670	672	658	671	665	685
Percentage Occupied* (formula)	93%	93%	93%	93%	92%	96%
Percentage Leased* (formula)	97%	96%	94%	96%	96%	97%
* adjusted for Unrentable units						
CURRENT MONTH STATUS - VACANT UNITS	7/29/22	6/30/22	7/30/21	2022 Monthly Average	2021 Monthly Average	2020 Monthly Average
Vacant	50	49	63	50	56	35
Vacant: Pre-leased Units	14	8	14	9	12	6
Vacant: Unrentable Units (repairs, temp tsf's, etc.)	12	15	9	11	12	9
Vacant: Units Available to Rent (formula)	24	26	40	30	32	20
CURRENT MONTH STATUS - ON NOTICE UNITS	7/29/22	6/30/22	7/30/21	2022 Monthly Average	2021 Monthly Average	2020 Monthly Average
On-Notice: Units to vacate within 30 days	16	7	6	10	9	7
On-Notice: Pre-leased Units	0	0	0	0	0	1
On-Notice: Unrentable Units (repairs, etc.)	2	1	0	2	1	1
On Notice: Units Available to Rent (formula)	14	6	6	8	8	6
Total Units Available to rent (Vacant & On Notice) (formula)	38	32	46	38	41	26
CURRENT MONTH ACTIVITY - TOTAL	7/29/22	6/30/22	7/30/21	2022 YTD	2021 YTD	2020 YTD
# of Move-Outs / % of Total Units	5	16	22	8%	19%	16%
# of Move-Ins / % of Total Units	4	8	15	10%	18%	12%
# of New Rentals	17	10	17	108	168	98
# of 30-Day Notices Received / % of Total Units	14	13	18	10%	19%	17%
# of Units brought to market / % of Move-Outs	10	9	10	114%	85%	85%
# of Rentals Canceled or Denied / % of Rentals	7	3	4	41%	30%	44%
# of Notices Canceled / % of Notices Received	0	1	0	3%	6%	4%
CURRENT MONTH ACTIVITY - MOVE OUT REASONS	7/29/22	6/30/22	7/30/21	2022 YTD %	2021 YTD %	2020 YTD %
Asked to move by CADA	0	0	0	12%	2%	6%
Bought a house	0	0	6	3%	7%	9%
Deceased	1	7	0	16%	3%	3%
Dissatisfied (unable to resolve)	0	1	0	2%	6%	5%
Employment/education related	0	0	0	2%	15%	5%
Financial	0	2	0	3%	11%	2%
Illness/ health/ personal	1	2	2	9%	6%	10%
Moving out of the area	2	2	1	19%	14%	8%
Desire larger/smaller apt or house (incl. change in hh size)	0	1	1	9%	9%	3%
Need amenity not offered / not currently available	0	0	0	0%	2%	0%
Moved with no notice/Unknown	0	0	7	14%	1%	23%
Transferred to another CADA apartment	1	1	4	12%	21%	17%
Other / ("Covid-related" as of Aug 2020)	0	0	1	0%	2%	11%
Unaccounted for (Not incl. in occupancy length) - Adj.	0	0	0	0%	0%	0%
<b>TOTAL</b>	<b>5</b>	<b>16</b>	<b>22</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Average length (years) of Occupancy (YTD):</b>				<b>5.7</b>	<b>4.9</b>	<b>5.0</b>

<b>CADA AFFORDABLE HOUSING STATISTICS: June 30, 2022</b>	<b>CADA Rent-Assisted</b>	<b>Other / Additional Assisted Units</b>	<b>Total Assisted Units</b>	<b>Market-Rate Units</b>	<b>Total Units</b>
<b>Scattered Site Units:</b>	<b>44</b>	<b>45</b>	<b>89</b>	<b>494</b>	<b>583</b>
Undersubscribed:			9	-9	
<b>Special Management Units:</b>	<b>99</b>	<b>0</b>	<b>99</b>	<b>39</b>	<b>138</b>
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:					
<b>TOTAL CADA-MANAGED UNITS:</b>	<b>143</b>	<b>45</b>	<b>188</b>	<b>533</b>	<b>721</b>
<b>MANAGED AFFORDABLE/MARKET %:</b>			<b>26%</b>		
<b>CADA-DEVELOPED RENT ASSISTED UNITS</b>	<b>Tax Credit</b>	<b>Other</b>	<b>Total Affordable Units</b>	<b>Market Units</b>	<b>Total Units</b>
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	49	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
<b>TOTAL CADA-DEVELOPED UNITS:</b>	<b>49</b>	<b>168</b>	<b>217</b>	<b>715</b>	<b>932</b>
<b>DEVELOPED AFFORDABLE/MARKET%</b>			<b>23%</b>	<b>77%</b>	<b>100%</b>
<b>TOTAL CADA-MANAGED &amp; DEVELOPED AFFORDABLE HOUSING UNITS</b>					
<b>CADA-MANAGED UNITS:</b>	<b>143</b>	<b>45</b>	<b>188</b>	<b>533</b>	<b>721</b>
<b>CADA-DEVELOPED UNITS:</b>	<b>49</b>	<b>168</b>	<b>217</b>	<b>715</b>	<b>932</b>
<b>TOTAL CADA UNITS:</b>	<b>192</b>	<b>213</b>	<b>405</b>	<b>1248</b>	<b>1653</b>
<b>TOTAL AFFORDABLE/MARKET%</b>			<b>24.50%</b>	<b>75%</b>	<b>100%</b>

<b>CADA AFFORDABLE HOUSING STATISTICS: July 31, 2022</b>	<b>CADA Rent-Assisted</b>	<b>Other / Additional Assisted Units</b>	<b>Total Assisted Units</b>	<b>Market-Rate Units</b>	<b>Total Units</b>
<b>Scattered Site Units:</b>	<b>44</b>	<b>45</b>	<b>89</b>	<b>494</b>	<b>583</b>
Undersubscribed:			9	-9	
<b>Special Management Units:</b>	<b>99</b>	<b>0</b>	<b>99</b>	<b>39</b>	<b>138</b>
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:					
<b>TOTAL CADA-MANAGED UNITS:</b>	<b>143</b>	<b>45</b>	<b>188</b>	<b>533</b>	<b>721</b>
<b>MANAGED AFFORDABLE/MARKET %:</b>			<b>26%</b>		
<b>CADA-DEVELOPED RENT ASSISTED UNITS</b>	<b>Tax Credit</b>	<b>Other</b>	<b>Total Affordable Units</b>	<b>Market Units</b>	<b>Total Units</b>
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	49	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
<b>TOTAL CADA-DEVELOPED UNITS:</b>	<b>49</b>	<b>168</b>	<b>217</b>	<b>715</b>	<b>932</b>
<b>DEVELOPED AFFORDABLE/MARKET%</b>			<b>23%</b>	<b>77%</b>	<b>100%</b>
<b>TOTAL CADA-MANAGED &amp; DEVELOPED AFFORDABLE HOUSING UNITS</b>					
<b>CADA-MANAGED UNITS:</b>	<b>143</b>	<b>45</b>	<b>188</b>	<b>533</b>	<b>721</b>
<b>CADA-DEVELOPED UNITS:</b>	<b>49</b>	<b>168</b>	<b>217</b>	<b>715</b>	<b>932</b>
<b>TOTAL CADA UNITS:</b>	<b>192</b>	<b>213</b>	<b>405</b>	<b>1248</b>	<b>1653</b>
<b>TOTAL AFFORDABLE/MARKET%</b>			<b>24.50%</b>	<b>75%</b>	<b>100%</b>



## **CAPITOL AREA DEVELOPMENT AUTHORITY**

### **New Commercial Leases (New Rentals)**

**June – July 2022**

None.

### **Commercial Listings (Current Vacancies)**

**June – July 2022**

1603 10<sup>th</sup> Street and 1607 10<sup>th</sup> Street, two commercial spaces located at the Somerset Condominium complex, both came vacant on September 1, 2021.

CADA executed a contract with Colliers Broker, Dave Herrera, and his Associate Broker, Trevor Jackson, to lease both spaces.

<b>Address:</b>	<b>1603 10<sup>th</sup> Street</b>
Former Tenant:	OB 2000
Square Feet:	1,754

Colliers submitted a Letter of Intent from another broker representing an individual wishing to operate a Moroccan restaurant in this space. We negotiated terms and were anticipating beginning lease negotiations when the broker informed us that the tenant had found another space. Colliers will continue to market this space.

<b>Address:</b>	<b>1607 10<sup>th</sup> Street</b>
Former Tenant:	Bagel Time
Square Feet:	880

Colliers submitted a Letter of Intent from an individual it represents wishing to operate a café and commercial chocolate operation. The tenant operates a café and chocolate retail and wholesale operation in Nevada City and manufactures its chocolates in Santa Cruz. It will move its shipping and receiving operation from Nevada city to Sacramento and will retail a large selection of chocolate bars. The café will serve chocolate and coffee drinks, teas, pastries and sandwiches. We have reached agreement on the terms of a Letter of Intent and have drafted a lease which the tenant is reviewing. CADA will be constructing tenant improvements resulting in a "white shell" which the tenant will then build out. We have reached preliminary agreement on all the tenant improvements CADA will be responsible for, the monthly rental amount, annual rent increases, a three-year term and an option for a second three-year term. We are awaiting the prospective tenant's review of the draft lease. The rental amount will be higher than what the former tenant was paying.

<b>Address:</b>	<b>1331 O Street</b>
Current Tenant:	Mud Pie Stand
Square Feet:	1,842

Mud Pie Stand has given notice of its intent to cease operations by September 18 and vacate the premises by October 1. The tenants cite unpredictable foot traffic, increasing costs, and a looming recession as their reasons for needing to terminate their lease.

**Capitol Area Development Authority  
CADA Neighborhood Incident Report  
June, 2022:**

**Residential break-ins, vandalism, theft, disturbances:**

- **6/02/22:** 701 S St: Courtesy patrol was making rounds when they saw a man near the CADA warehouse. As the man walked by he hit the window and broke it then took off. Courtesy patrol phoned the police who responded to the address. Patrol also phoned on-call staff to report the damage.
- **6/02/22:** 1521 12<sup>th</sup> St: Courtesy patrol noticed smoke coming from the building and checked around the building and inside. Fire department arrived and cleared the building but did not find any smoke or fire. Requested fire watch patrols for the weekend.
- **6/7/22:** 1616 N St: Courtesy patrol received a call regarding an individual at the entrance who was trying to get into the building. Patrol arrived and spoke with the individual who stated they were looking for their keys, then left the area without incident.
- **6/13/22:** 1330 N St: Courtesy patrol received a call regarding an individual inside the construction site. Patrol arrived and found an individual in the site, in the dumpster. Patrol advised the individual to leave the property which he did without incident.
- **6/14/22:** 1400 N St: Courtesy patrol received a call regarding a smell of skunk-like smoke in the building. Patrol arrived and checked the entire building and did not smell anything.
- **6/20/22:** 1421 15<sup>th</sup> St: Courtesy patrol received a call regarding an individual inside the property that was trespassing. Patrol arrived and searched the property but did not find anyone.
- **6/22/22:** 1421 15<sup>th</sup> St: Phoned courtesy patrol regarding individuals who were trying to get onto an apartment balcony by standing on a table. Patrol arrived and spoke with the individuals who were parked across the street. They stated they wanted their stuff from a resident. Patrol advised them they were trespassing and they went back across the street. Conducted additional patrols at the property. Eventually they left the area.
- **6/28/22:** 1622 N St: Courtesy patrol received a call regarding someone entering and exiting the building that was not a resident. Patrol searched the entire building but did not find anyone.
- **6/28/22:** 1325 15<sup>th</sup> St: Courtesy patrol received a call regarding bicycles being stolen in the garage. Patrol will perform additional patrols each night in the building.

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

**Recap of Phone Calls to Lyons Security Service during the month of June, 2022:**

There were 20 calls during the month of June. 5 calls were to report a noise disturbance, 3 calls were to report an unauthorized individual on a property, 1 call was to report car vandalism, 1 call was to report someone loitering on a property, 1 call was to request an escort, 1 call was to report a break in to a vacant unit, 1 call was to report stolen bicycles from a building, 1 call was to report someone trying to gain access to an apartment balcony, 1 call was to report a broken window, 1 call was to report smoke coming from a building, 2 calls were to report marijuana smoke smell, 1 call was to report someone jumping the fence at a construction site, and 1 call was to report a car accident in front of a building.

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**Capitol Area Development Authority  
CADA Neighborhood Incident Report  
July, 2022:**

**Residential break-ins, vandalism, theft, disturbances:**

- **7/01/22:** 1317 O St: Courtesy patrol received a call regarding individuals setting up a campsite on the sidewalk near the building and that they had been roaming around the building. Patrol checked the entire building and did not find anyone. They did note the campsite set up on the sidewalk.
- **7/11/22:** 1320 N St: Courtesy patrol found an individual inside the construction site. They informed the individual he needed to leave and not return which he did without incident. Guard found the gate on the site broken. Reported to foreman on site.
- **7/14/22:** 1606 15<sup>th</sup> St: Courtesy patrol found large tree branch had fallen on stairs and a car parked on the street. Maintenance advised.
- **7/17/22:** 1522 14<sup>th</sup> St: Courtesy patrol found an individual going through dumpsters near the administration office. The individual left the area when he saw courtesy patrol.
- **7/23/22:** 1316 O St: Courtesy patrol found an individual on the property agitated and screaming. He eventually left the area after patrol requested he leave several times.
- **7/23/22:** 1322 O St: Courtesy patrol found an individual loitering in the area. He requested the individual leave the property which eventually he did without incident.
- **7/24/22:** 1424 P St: Courtesy patrol found a vehicle that was broken into. The vehicle was a Ford F150, gray, with a camper shell. The back driver side window was broken and the back passenger side tail light was broken.
- **7/30/22:** 1214 P St: Courtesy patrol found a vehicle with an individual going through the trunk. Police were called but the man left the area before they arrived.
- **7/31/22:** 17<sup>th</sup> St Commons: Resident phoned in that someone was going through the dumpster. Patrol arrived and found an individual in the dumpster. The man left as soon as he saw the guard.

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

- **7/04/22:** 1413 16<sup>th</sup> St: Simon's Restaurant: Courtesy patrol received a call from Simon regarding strange banging noises on security camera system. Patrol walked the entire area around the building but did not find anyone or anything.

**Recap of Phone Calls to Lyons Security Service during the month of July, 2022:**

There were 14 calls during the month of July. 6 calls were to report a noise disturbance, 2 calls were to report car vandalism, 2 calls were to report someone loitering on a property, 2 calls were to report someone going through the dumpster, 1 call was to report someone inside the construction site, and 1 call was to report someone in a reserved parking space.

**CAPITOL AREA DEVELOPMENT AUTHORITY**  
**FY 2021 - 2022**  
**Contract Log as of 8/12/2022**

Item 12 (F)



DATE	CONTRACT NUMBER	Type of Service	CONTRACTOR	PROJECT	LOCATION	AMOUNT	ACCOUNT
6/28/2022	C22-100	Consulting	Jolene Rose Russell	CNRA Temporary Chalk Art	715 P Street	\$5,600.00	10-D23-4775-D700-00
<del>6/30/2022</del>	<del>C22-101</del>	<del>Maintenance</del>	<del>Irish Iron</del> <b>VOID</b>	<del>Fabricate &amp; Install Iron Fence, Gate, &amp; Safety Rails</del>	<del>1510 15th St (Fence &amp; Gate) &amp; 1321 Q St (Safety Rails)</del>	<del>\$3,500.00</del>	<del>10-C21-5820-C888-88-019.3</del>
6/30/2022	C22-102	Maintenance	Elite Service Experts	Sidewalk Replacement	1421 15th Street	\$5,500.00	37-C22-5820-C231-19-003.9
6/30/2022	C22-103	Maintenance	JC Window Solutions	Window Film Install	701 S Street	\$500.00	10-001-4498
6/30/2022	C22-050.1	Major Const	Elite Service Experts	Dean Electrical Upgrade Part 2	1400 N Street #3-8	\$7,245.00	10-D20-5820-D225-01
6/30/2022	C22-050.2	Major Const	Elite Service Experts	Dean Electrical Upgrade Part 2	1400 N Street #3-8	\$13,100.00	10-D20-5820-D225-01
6/30/2022	C22-050.3	Major Const	Elite Service Experts	Dean Electrical Upgrade Part 2	1400 N Street #3-8	\$5,765.00	10-D20-5820-D225-01
7/21/2022	C22-104	Maintenance	Industrial Door	Emergency Door Repair	1317 15th Street	\$635.00	10-003-5240-R533-07

## CAPITOL AREA DEVELOPMENT AUTHORITY

FY 2021 - 2022

Contract Log as of 8/12/2022

Item 12 (F)



DATE	CONTRACT NUMBER	Type of Service	CONTRACTOR	PROJECT	LOCATION	AMOUNT	ACCOUNT
7/1/2022	C20-014	Maintenance	Elite Service Experts	FY Landscape & Lawn Care Service - Extn	Various Locations	\$114,000.00	10-003-5294
7/1/2022	C20-016	Maintenance	2-Go Building Maintenance	FY Vacant Apartment Cleaning & Emergency Water Extraction - Extn	Various Locations	\$90,000.00	10-003-5287
7/1/2022	C22-001	Maintenance	California Renovations dba RCO Flooring	FY Floor Covering Repair/Replacement - Extn	Various Locations	\$189,008.00	10-003-5291
7/1/2022	C22-002	Maintenance	2-Go Building Maintenance	FY Janitorial Services - 701 S St - Extn	701 S Street	\$14,640.00	10-001-4497
7/1/2022	C22-003	Maintenance	Advanced Integrated Pest Management	FY Bed Bug Heat Treatment - Extn	Various Locations	\$14,500.00	10-003-5295
7/1/2022	C22-008	Maintenance	Buskirk Construction	FY General Contractor - Extn	Various Locations	\$49,500.00	10-001-5240
7/1/2022	C22-013	Maintenance	Ecotech Pest Management	FY Pest Control Services - Extn	Various Locations	\$14,500.00	10-003-5295
7/1/2022	C22-014	Maintenance	Elevator Technology, Inc.	FY Elevator Maintenance - Extn	Various Locations	\$30,000.00	10-003-5287
7/1/2022	C22-017	Maintenance	Goodwin-Cole	FY Awning Replacement & Repair - Extn	Various Locations	\$20,000.00	10-003-5240
7/1/2022	C22-021	Maintenance	McKenry Drapery Service, Inc.	FY Window Covering Cleaning & Repair - Extn	Various Locations	\$40,000.00	10-003-5287
7/1/2022	C22-022	Maintenance	Miracle Method	FY Bathtub & Sink Refinishing - Extn	Various Locations	\$14,000.00	10-003-5240
7/1/2022	C22-029	Maintenance	R.F. MacDonald Co.	FY Boilers Repair & Replace - Extn	Various Locations	\$45,000.00	10-003-5240 (Repairs) 10-003-5287 (Maintenance)
7/1/2022	C22-033	Maintenance	Southgate Glass & Screen, Inc.	FY Glass & Screen Repairs - Extn	Various Locations	\$14,500.00	10-003-5287
7/1/2022	C22-035	Maintenance	Statewide Restoration	FY Asbestos Abatement - Extn	Various Locations	\$14,500.00	10-C22-5820-C888-88-019.4
7/1/2022	C23-015	Admin-Misc	2-Go Building Maintenance	FY Admin Janitorial Services	1522 14th Street	\$23,040.00	10-001-4495
7/1/2022	C23-020	Property Mgmt	Lyon's Security Service, Inc.	FY Security Patrol Service	Various Locations	\$164,800.00	10-002-4285
7/1/2022	C23-029	Misc	Bostonpost Technology (MRI Software)	FY Property Management Software	1522 14th Street	\$20,000.00	10-001-4415
7/1/2022	C23-030	Property Mgmt	Central Valley Towing	FY Primary Towing Services	Various Locations	\$2,000.00	10-002-4240
7/1/2022	C23-031	Property Mgmt	Coinmach	FY Provide Wash/Dry Machines	Various Locations	\$900.00	10-003-5233
7/1/2022	C23-032	Misc	Design with Florae	FY Indoor Plant Care	1522 14th Street	\$2,400.00	10-001-4495

**CAPITOL AREA DEVELOPMENT AUTHORITY**

**FY 2021 - 2022**

**Contract Log as of 8/12/2022**



DATE	CONTRACT NUMBER	Type of Service	CONTRACTOR	PROJECT	LOCATION	AMOUNT	ACCOUNT
7/1/2022	C23-033	Property Mgmt	FastPost	FY Install and Maintain Signage for Leasing	1522 14th Street	\$2,500.00	10-002-4212
7/1/2022	C23-034	Consulting	KMTG	FY Legal Consulting	1522 14th Street	\$212,000.00	10-var-4751
7/1/2022	C23-035	Misc	Pacific Storage Company (Pacific Shredding)	FY Document Destruction	1522 14th St & 701 S St	\$1,800.00	10-001-4259
7/1/2022	C23-036	Misc	Pitney Bowes	FY Postage Meter Rental & Maintenance	1522 14th Street	\$1,901.00	10-001-4233
7/1/2022	C23-037	Misc	Ray Morgan	FY Copier Maintenance & Repair	1522 14th Street	\$18,000.00	10-001-4442
7/1/2022	C23-038	Misc	Sonitrol	FY Security and Alarm System	1522 14th St & 701 S St	\$8,500.00	10-001-4495 & 10-001-4498
7/1/2022	C23-039	Property Mgmt	Tenant Guarantors	FY Credit Checks for Leasing	1522 14th Street	\$8,000.00	10-002-4266
7/1/2022	C23-040	Property Mgmt	TransUnion	FY Credit Checks for Leasing & Pre-Employment	1522 14th Street	\$8,000.00	10-002-4266 & 10-001-4215
7/1/2022	C23-041	Property Mgmt	WegoWise	FY Utility Tracking	Various Locations	\$7,560.00	10-003-4267
7/7/2022	C23-043	Maintenance	B&M Builders, Inc.	R Street Bollard Repairs	R Street Between 15th & 16th Streets	\$8,080.00	10-D05-4703-D901-00
7/8/2022	C21-098.2	Consulting	Miridae (Restoration Landscaping Company)	Dean Courtyard Landscape Design	1400 N Street	\$700.00	10-D20-4703-D225-01
7/8/2022	C23-044	Consulting	Miridae (Restoration Landscaping Company)	On-Call Landscape Design Services	Various Locations	\$25,000.00	10-003-5294 & 10-D09-4758-D801-00
6/30/2022	C23-045	Maintenance	Irish Iron	Fabricate & Install Iron Fence, Gate, & Safety Rails	1510 15th St (Fence & Gate) & 1321 Q St (Safety Rails)	\$3,500.00	10-C21-5820-C888-88-019.3
7/21/2021	C23-046	Maintenance	Custom Fireside, Inc.	Electric Fireplace Inserts & Installation	1400 N Street	\$10,550.00	10-D20-5820-D225-01
7/21/2021	C23-047	Maintenance	Rod's Electric	Electrical Services	Various Locations	\$14,500.00	10-003-5287
7/21/2022	C21-090.3	Major Const	Buskirk Construction	Dean Electrical Rewire	1400 N Street	\$3,317.00	10-D20-4703-D225-01
7/21/2022	C23-048	Admin-Misc	Design with Florae	Plant Delivery and Installation	1522 14th Street	\$1,830.00	10-001-4263
8/2/2022	C23-049	Maintenance	LB Construction, Inc.	Fabrication and Installation of Lunch Counters	10th Street Between P & Q Streets	\$43,600.00	10-D19-4703-D810-00
8/2/2022	C23-050	Maintenance	Overhead Door	Emergency Garage Door Rapair	Various Locations	\$14,500.00	10-003-5240
8/2/2022	C23-051	Consulting	Atlas Lab	Urban Design Services	14th & O Streets	\$28,840.00	10-D09-4758-D801-00

**CAPITOL AREA DEVELOPMENT AUTHORITY**  
**FY 2021 - 2022**  
**Contract Log as of 8/12/2022**



DATE	CONTRACT NUMBER	Type of Service	CONTRACTOR	PROJECT	LOCATION	AMOUNT	ACCOUNT
8/2/2022	C23-052	Consulting	Cartwright Nor Cal, Inc.	Urban Design Services	1322 O Street	\$45,300.00	10-D09-D801-00-4758
8/2/2022	C23-053	Maintenance	2-Go Building Maintenance	Admin Office Carpet Cleaning	1522 14th Street	\$4,200.00	10-001-4495
8/4/2022	C23-015.1	Admin-Misc	2-Go Building Maintenance	FY Admin Janitorial Services - Emergency COVID Sanitization	1522 14th Street	\$1,289.00	10-001-4431

Due to COVID and staffing issues there are twenty-eight contracts that are pending at this time.