

Board of Directors

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CADA Administration

Danielle Foster, Executive Director
Marc de la Vergne, Deputy Executive Director
Noelle Mussen, Finance Director
Todd Leon, Development Director

Legal Counsel

Jeff Mitchell
Kronick, Moskovitz, Tiedemann & Girard

Phone: (916) 322-2114

Web: www.cadanet.org

AGENDA REGULAR MEETING**THE CAPITOL AREA DEVELOPMENT
AUTHORITY
BOARD OF DIRECTORS**

**FRIDAY, MAY 19, 2023
10:00 A.M.**

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



**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: 883 7415 8509

Request Password (prior to start of meeting):

tgandara@cadanet.org

- 1. Roll Call and Just Cause/Emergency Teleconference Information (if applicable)**
- 2. Approval of Minutes: April 14, 2023**
- 3. Chair's Oral Report**
- 4. Executive Director's Oral Report**
- 5. CADA Financial Forecast (FY 2023-2024 Through FY 2032-2033)**

Recommended Action: For information only. This report provides CADA's annual Ten-Year Financial Forecast for discussion as CADA plans its business priorities for Fiscal Year 23-24 through Fiscal Year 32-33.

Contact: Noelle Mussen, Finance Director

- 6. Capital Improvements Program (CIP) Status Report and Five-Year Needs Assessment**

Recommended Action: For review and information only.

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

- 7. Middle Income Housing Model and Program Policy**

Recommended Action: Adopt a resolution approving the Middle-Income Housing Model and Program Policy.

Contact: Danielle Foster, Executive Director
Todd Leon, Development Director

8. 1901 8th Street Middle Income Housing Loan and Regulatory Agreement

Recommended Action: Adopt a resolution authorizing CADA to provide a \$100,000 loan to the 1901 8th Street Limited Partnership pursuant to a promissory note secured by a deed of trust, and execute and record the necessary accompanying regulatory agreement for the provision of 72 low- and moderate-income housing units for 55 years.

Contact: Danielle Foster, Executive Director

9. Approval of Change Order to Various Maintenance Contracts

Recommended Action: Staff recommends the Board adopt a resolution ratifying the extension adjustments for maintenance contracts C20-014 & C22-001, and authorizing the Executive Director to enter into change orders for maintenance contracts C20-014, C22-001, and C22-022

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

10. CLOSED SESSION

A. CONFERENCE WITH REAL ESTATE NEGOTIATORS (Pursuant to Government Code Section 54956.8)

APN: 006-0233-026-0000

Under negotiation: price and terms of sale

Party to the negotiations: Danielle Foster, Marc de la Vergne, Todd Leon

B. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Pursuant to Government Code 54956.9(a))

Law v. CADA: Case No. 34-2020-00281476

C. PUBLIC EMPLOYEE EVALUATION (Pursuant to Government Code Section 54957(b))

Title: Executive Director

11. Oral Staff Reports/Updates

- A. Downtown Sacramento Partnership
- B. Downtown Sacramento Revitalization Corporation
- C. Midtown Association
- 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
- K. CADA Strategic Plan

12. Transmittals

- A. Ombudsman Report: April 2023
- B. Apartment Status Report: April 2023
- C. Affordable Housing Report: April 2023
- D. Commercial Leases/Vacancies: May 2023
- E. CADA Neighborhood Incident Report: April 2023
- F. Contracts Log: April/May 2023
- G. Financial Report: See Item 5
- H. City Treasurer Monthly Investment Report: March 2023
- I. CADA Business Plan

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

14. Adjournment

Approved for Transmittal:



Danielle Foster, Executive Director

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

**MINUTES
OF
REGULAR BOARD MEETING**

**BOARD OF DIRECTORS
CAPITOL AREA DEVELOPMENT AUTHORITY**

April 14, 2023

ITEM 1 – ROLL CALL AND JUST CAUSE/EMERGENCY TELECONFERENCE INFORMATION (if applicable)

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

Present: Avdis, Bodipo-Memba, Lagomarsino, Bailey
Absent: Baime Michaels

ITEM 2 – APPROVAL OF MINUTES: March 30, 2023

Member Avdis moved approval of the March 30, 2023 CADA Board Meeting minutes. Member Bodipo-Memba seconded the motion.

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

ITEM 3 – CHAIR’S ORAL REPORT

Nothing to report.

ITEM 4 – EXECUTIVE DIRECTOR’S ORAL REPORT/PRESIDENT’S ORAL REPORT

Danielle Foster reported the following:

- Miss Foster will receive an award from the Habitat for Humanity Tuesday night for some work she did last year around anti-displacement and home repair.
- Marc representing CADA at Southside Park on Earth Day, April 23rd. He will provide information about the O Street work, and how that relates to CADA in regards to our sustainability goals.
- CADA continues the preparations for the Sonrisa grand opening on April 28th at 11:00 a.m. Sonrisa is generating a lot of positive feedback and gratitude from the residents. It has been a beautiful thing to see everyone settling into their new homes.
- CADA has two exciting pieces of news regarding our commercial spaces on 16th Street:
 - The Business Journal reported on Luna’s Café transitioning to Silver Linings, a dueling piano restaurant and bar.
 - CADA is working with Unseen Heroes in the space previously occupied by Enterprise to put together an interim concept which would be a popup marketplace of up to eight small vendors inside the building. This will give them a space to grow and incubate as a local business. Unseen Heroes has a non-profit now called CLTRE that we will be partnering with on this project. CLTRE helps provide that programmatic wraparound service to help people run their business. In congruence, Karen and staff are working with some artist to create murals on the building and an art installation on the corner. We hope that this will activate and make this a real community gathering space. We are working out scheduling for food trucks, installing community seating, and creating a performance space in the parking lot area. We are working on this new pilot program to help our local businesses and hopefully further our community culture. The current working title is “CLTRE Club” and it should open in May. Thank you to our staff who are working on the tenant improvements on the space to get things rolling.
 - Mr. De la Vergne commented that taking these steps will help to keep the place safe and well maintained until CADA is able to develop a project on that site.
 - Member Bodipo-Memba inquired about an application process for vendors. Ms. Foster commented that CADA is currently working on curating a group of vendors. There is an

online application and interview process. This will be a cooperative of vendors where they will have to work together on scheduling and coordinating staffing the space.

Chair Bailey inquired if the parking garage elevator was working yet. Mr. de la Vergne explained that the elevator is not working quite yet due to issues with inspectors and some additional leaks that were discovered inside the elevator shaft that will have to be repaired.

ITEM 5 — ENVISION O STREET STREETScape AND LITTER ABATEMENT CLEAN CALIFORNIA GRANT AUTHORIZATION

Recommended Action: Adopt a resolution authorizing staff to submit a grant proposal to the Caltrans Clean California Program to fund streetscape improvements on the 900 block of O Street, the 14th & O Street intersection, and certain CADA dumpster enclosures close to O Street. The resolution also authorizes the Executive Director to execute grant agreements with Caltrans should it approve CADA's grant proposal.

Contact: Marc de la Vergne, Deputy Executive Director

Member Bodipo-Memba inquired about the timing. Mr. de la Vergne replied that the application is due April 28th. We hope to have an answer in mid to late summer although he is not aware of CalTrans actually setting a timeframe for their response. Once we have the necessary funding in place we will move very quickly to bidding the work out. We have submitted the 900 Block construction drawings to the city for their review, and we made it through the cycle one comments. We are responding to those comments, then we move into cycle two. For 14th and O, we have submitted preliminary drawings to the city for initial comments. We hope to have the actual building permit application in the next month. We hope to be under construction in the fall if we obtain the funding.

Member Lagomarsino asked Jeff Mitchell if the resolution is referring to things that are happening along the entire O Street corridor, and Member Lagomarsino's residence is within 500 feet of part of this corridor, is it okay for him to vote on this item? Mr. Mitchell advised that, to be safe, he should probably abstain from voting until further research can be done.

No public comments.

Member Avdis moved approval of Resolution 23-12 attached hereto and incorporated herein. Member Bodipo-Memba seconded the motion.

AYES: Avdis, Bodipo-Memba, Bailey
NOES: None
ABSTAIN: Lagomarsino

ITEM 6 – ROOF REPLACEMENT PROJECT – SPRING 2023 (1220 P Street and 1619 Q Street)

Recommended Action: Adopt a resolution authorizing the Executive Director to enter into a construction contract for the Roof Replacement Project - Spring 2023 at 1220 P Street, 1615 P Street and 1619 Q Street with Clark Roofing, Inc. in the amount of \$139,500.00.

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

No Board comments.
No public comments.

Member Avdis moved approval of Resolution 23-13 attached hereto and incorporated herein. Member Lagomarsino seconded the motion.

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

**ITEM 7 – RATIFICATION OF CHANGE ORDER TO BUSKIRK CONSTRUCTION CONTRACT C22-008
(VARIOUS CADA LOCATION)**

Recommended Action: Adopt a resolution authorizing the Executive Director to approve a change order to maintenance contract C22-008 with Buskirk Construction Inc. in the amount of \$1,629.38, for tenant improvement construction work performed at the Bagel Time/Café Xocolatl space, located at 1607 10th Street, bringing the total contract amount to \$51,129.38.

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

No Board comments.
No public comments.

Member Lagomarsino moved approval of Resolution 23-14 attached hereto and incorporated herein. Member Avdis seconded the motion.

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

ITEM 8 – [CADA] CLOSED SESSION

A. CONFERENCE WITH REAL ESTATE NEGOTIATORS (Pursuant to Government Code Section 54956.8)

APN: 006-0233-026-0000

Under negotiation: Price and terms of payment

Party to the negotiations: Danielle Foster, Marc de la Vergne, Todd Leon

Chair Bailey reported that there was Board discussion. No action was taken.

ITEM 9- ORAL STAFF REPORTS/UPDATES

- A. Downtown Sacramento Partnership: Danielle Foster reported that the recent meeting highlighted the recovery that is happening in Sacramento, including the increased interest of people wanting to live here. The meeting reported on the improved lighting along K Street, a decrease in unsheltered homeless in the area, and the state spoke about moving forward with the Hotel RFQ (Request For Qualifications) they are doing for the green space by the Train Museum in Old Sacramento.
- B. Downtown Sacramento Revitalization Corporation: Nothing to report.
- C. Midtown Association: Danielle Foster reported that the Second Saturday events will begin in May. CADA is co-sponsoring some of the family-oriented programming in Freemont Park which will take place midday on Saturdays. The YMCA is one of the groups that we are trying to bring in for some of the programming.
- D. O Street Streetscape (7th – 17th Streets): See Item 5 – Marc de la Vergne added that he is working with the grandchildren of Ray and Charles Eames on the art component of the block. Mr. de la Vergne will meet with Eames Demetrios, one of the grandchildren, next week to discuss a specific suite of the ideas that Atlas Lab had to use a fabric design that Ray developed in 1950 that she was famous for and turn it into a three-dimensional art piece
- E. Energy Conservation: Marc de la Vergne reported that he is really happy that the roofing project is moving forward as it will help our buildings be more resilient in the face of increasing summer temperatures. This is just the beginning of more such roof projects. The roofs being installed for the current project will be white to reflect the UV light. There are other buildings where we will use a dark shingle product that will also reflect the UV light.

Mr. de la Vergne also reported that CADA has completed the replacement of all western facing windows last summer and fall at 1228 O Street with new double paned, low energy windows, and we are now working on the east side of building. The tenants with the new windows report noticing a big change in the comfort level.

F. Other Neighborhood Improvements: Nothing to report.

G. 10th Street Commercial: Marc reported that the laser cut metal bases for the lunch counters were installed along 10th Street this week. Now that they are in place the countertop company can create templates to order and cut the stone countertops. This should happen in the next month. The lunch counters were designed by Studio Tutto and fabricated by LB Construction. Studio Tutto is a duo of two Sacramento women who are really well known for their murals. They also do graphic work that can then be turned into a sculpture.

H. 1322 O Street - Sonrisa: Todd Leon reported the following:

- Sonrisa is completed and fully occupied, and we received the official certificate of occupancy a week ago. There are some punch list items for small improvements that we have identified now that the building is completed that are underway, so construction is not quite 100% complete.
- Highlands and SETA have finalized the design work for the tenant improvements for the job center that will be in the ground floor space, so it is getting closer to completion.
- Staff is working to launch the resident services component of the building, so we will be reaching out to tenants to identify what their needs are.
- We have had people ask if the Sonrisa grand opening that will take place on the 28th is open to the public. We are putting out the word that it is, and we hope to see a big crowd.

I. 14th & N – The Cypress: Todd Leon reported the following: Work should start shortly.

J. 1717 S Street – ARY Place: Todd Leon reported that work is slowing down, but they are looking to get a Temporary Certificate of Occupancy soon. The older work elevator is gone, and CADA is working to get a sign off on the main elevator. One of the tenants is trying to transfer a liquor license, and the Biz Journal found out. They are working with the Biz Journal to hold the information until it is ready to be released. Member Lagomarsino inquired if Biz Journal has inquired, or already written about it. Mr. Leon stated that at this point it was just an inquiry, but the tenant talked them into holding the information back as they will get an exclusive on it.

K. 805 R Street: Todd Leon reported that the application for the CalHFA Mixed Income Program was unfortunately unsuccessful. Once they receive the information as to why, CADA will strategize their next steps.

L. 2000 16th Street: Todd Leon reported that one of the avenues regarding financing is the MIP program. Once a rate has been given, CADA will strategize their next steps.

M. R Street Partnership: Todd Leon reported that there is nothing to note for this month.

ITEM 10 – TRANSMITTALS

Received as transmitted.

ITEM 11 – OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD REGARDING MATTERS NOT ON THE AGENDA

ITEM 12 – ADJOURNMENT

The meeting adjourned at 11:12 a.m.

RESOLUTION NO. 23 - 12

Adopted by the Capitol Area Development Authority (CADA)

April 14, 2023

RESOLUTION AUTHORIZING STAFF TO SUBMIT A PROPOSAL TO THE CLEAN CALIFORNIA PROGRAM AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR THE ENVISION O STREET STREETSCAPE IMPROVEMENTS AND LITTER ABATEMENT PROJECT – PHASE I

WHEREAS, in April 2020, the Board provided its review and acceptance of the Envision O Street Plan;

WHEREAS, in October 2020, in furtherance of the Envision O Street Plan, CADA entered into contracts with Atlas Lab and with Miridae to prepare schematic-level design drawings for the 900 block of O Street;

WHEREAS, Atlas Lab, Miridae and Cartwright NorCal in 2022 completed 90%-level construction drawings for streetscape improvements to 900 Block of O Street and CADA submitted them to the City of Sacramento in 2023 for permit review and the permit review is nearing completion;

WHEREAS, CADA in 2023 engaged Atlas Lab and Cartwright NorCal to prepare 100%-level construction drawings for streetscape improvements to the 14th and O Street intersection and will shortly submit them to the City for permit review;

WHEREAS, the 900 block and 14th and O Street streetscape improvements and associated litter abatement efforts constitute Phase I of the Envision O Street Streetscape Program and require grant funding support in order to be implemented;

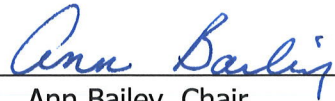
WHEREAS, the California Department of Transportation (Caltrans) has invited grant proposals for streetscape and litter abatement projects under its Clean California Program and requires that agencies secure governing body resolutions authorizing submission of grant proposals as part of the application process;

WHEREAS, the Board of Directors of the Capitol Area Development Authority is eligible to receive State funding for certain transportation related work through the California Department of Transportation;

WHEREAS, a Restricted Grant Agreement is required to be executed with the California Department of Transportation before such funds can be claimed through the Clean California Local Grant Program; and

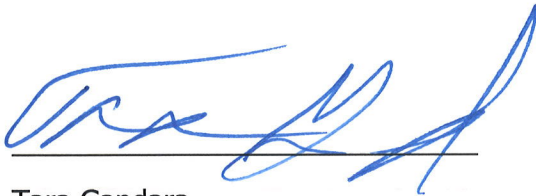
WHEREAS, the Board of Directors wishes to delegate authorization to execute these agreements and any amendments thereto to CADA's Executive Director.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Capitol Area Development Authority that it: 1) authorizes the Executive Director, or her designee, to submit a grant application to Caltrans for the Envision O Street Streetscape and Litter Abatement Program - Phase I for an amount up to \$2,500,000; and 2) authorizes the Executive Director to sign and enter into a contract and all necessary grant documents with Caltrans on behalf of the Capitol Area Development Authority, including any Restricted Grant Agreements and any amendments thereto with the California Department of Transportation.



Ann Bailey, Chair

ATTEST:



Tara Gandara

Secretary to the Board of Directors

APPROVED AND PASSED this 14th day of April, 2023

RESOLUTION NO. 23 - 13

Adopted by the Capitol Area Development Authority

April 14, 2023

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A
CONSTRUCTION CONTRACT FOR THE ROOF REPLACEMENT PROJECT – SPRING 2023
(MULTIPLE LOCATIONS)**

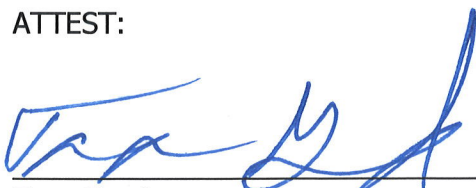
WHEREAS, CADA conducted a formal bid process for the Roof Replacement Project – Spring 2023 for the following addresses: 1220 P Street, 1615 P Street and 1619 Q Street.

WHEREAS, Clark Roofing, Inc. was the lowest responsive, responsible bidder with a bid of \$139,500.00 and has advised CADA of its interest in being awarded the contract and completing the work.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority Board of Directors that the Executive Director is hereby authorized, on behalf of the Authority, to enter into a contract with Clark Roofing, Inc. in the amount of \$139,500.00.


Ann Bailey, Chair

ATTEST:


Tara Gandara
Secretary to the Board of Directors

RESOLUTION NO. 23- 14

Adopted by the Capitol Area Development Authority

April 14, 2023

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CHANGE ORDER TO CONTRACT C22-008 WITH BUSKIRK CONSTRUCTION FOR WORK AT 1607 10TH STREET

WHEREAS, in July 2021 the Board authorized the Executive Director to enter into a \$49,500 annual maintenance contract with Buskirk Construction Inc, with the option of for a one-year extension; and

WHEREAS, CADA directed Buskirk Construction to completion demolition and tenant improvements at 1607 10th Street to prepare the space for a new tenant, Café Xocolatl; and

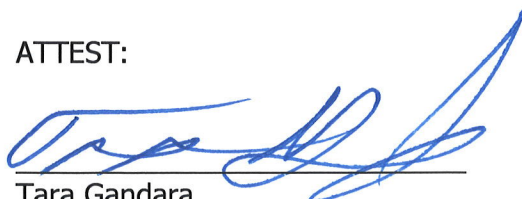
WHEREAS, the contractor has requested that CADA approve a \$1,629.38 change order to complete additional electrical work in the space, which will bring the value of the contract to \$51,129.38; and

WHEREAS, the new contract amount exceeds the Executive Director's \$50,000 contract approval authority limit; and


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

1. That the Executive Director is authorized to enter into Change Order #1 with Buskirk Construction Inc. in the amount of \$1,629.38, bringing the total contract amount to \$51,129.38.

ATTEST:



Tara Gandara
Secretary to the Board of Directors


Ann Bailey, Chair



May 12, 2023

TO: CADA Board of Directors

SUBJECT: **May 19, 2023, Board Meeting**
AGENDA ITEM 5
CADA FINANCIAL FORECAST (FY 2023-2024 THROUGH FY 2032-2033)

CONTACT: Noelle Mussen, Finance Director

RECOMMENDED ACTION: For information only. This report provides CADA's annual Ten-Year Financial Forecast for discussion as CADA plans its business priorities for Fiscal Year 23-24 through Fiscal Year 32-33.

BACKGROUND

Each year, CADA updates its ongoing Ten-Year Financial Forecast that analyzes and reflects changes in financial and economic conditions that affect CADA's general operations and development projects. Development projects require advance funding, and the timing of the resulting tax increment is uncertain. The Forecast analyzes the impact of all development projects on CADA's overall operations, including General Operations and Major Construction, and conservatively estimates future funding needs for development projects and resulting tax increment. The Forecast is a tool that aids in the preparation of the annual CADA budget proposal made by staff for approval by the Board in June.

POLICY ISSUES

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

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

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

CAPITOL AREA FORECAST (ATTACHMENT 1)

This Forecast presents CADA operations and fiscal responsibilities in the Capitol Area in three segments: General Operations, Major Construction, and Development. With regard to Tax Allocation Bond activities, CADA's on-going bond debt service is reported as an expense within General Operations. Bond proceeds are used to reduce project expenditures. These funds are not sources for General Operations. Therefore they are only reflected in the Development project section of this Forecast.

CADA has established a threshold for the Capitol Area below which its cash reserves should not fall. This threshold represents six months of expenses, or approximately \$5 million. This is an increase from the \$4.9 million threshold in the prior Forecast. That Forecast, which was prepared in 2022, projected a gradual decline in available funds from Year 1 through Year 3, with a more gradual decline from Year 4 through Year 10, and reflected starting reserves at \$18.9 million, ending with a projected available cash balance of \$6.6 million.

This year's Forecast has a similar gradual decline in available funds from Year 1 through Year 10, with starting reserves at \$18.9 million. Similar to the prior year Forecast, the current Forecast projects a continued decrease over the 10-year period with a projected available cash balance of \$8.7 million, an increase of \$2.1 million over the prior year Forecast.

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

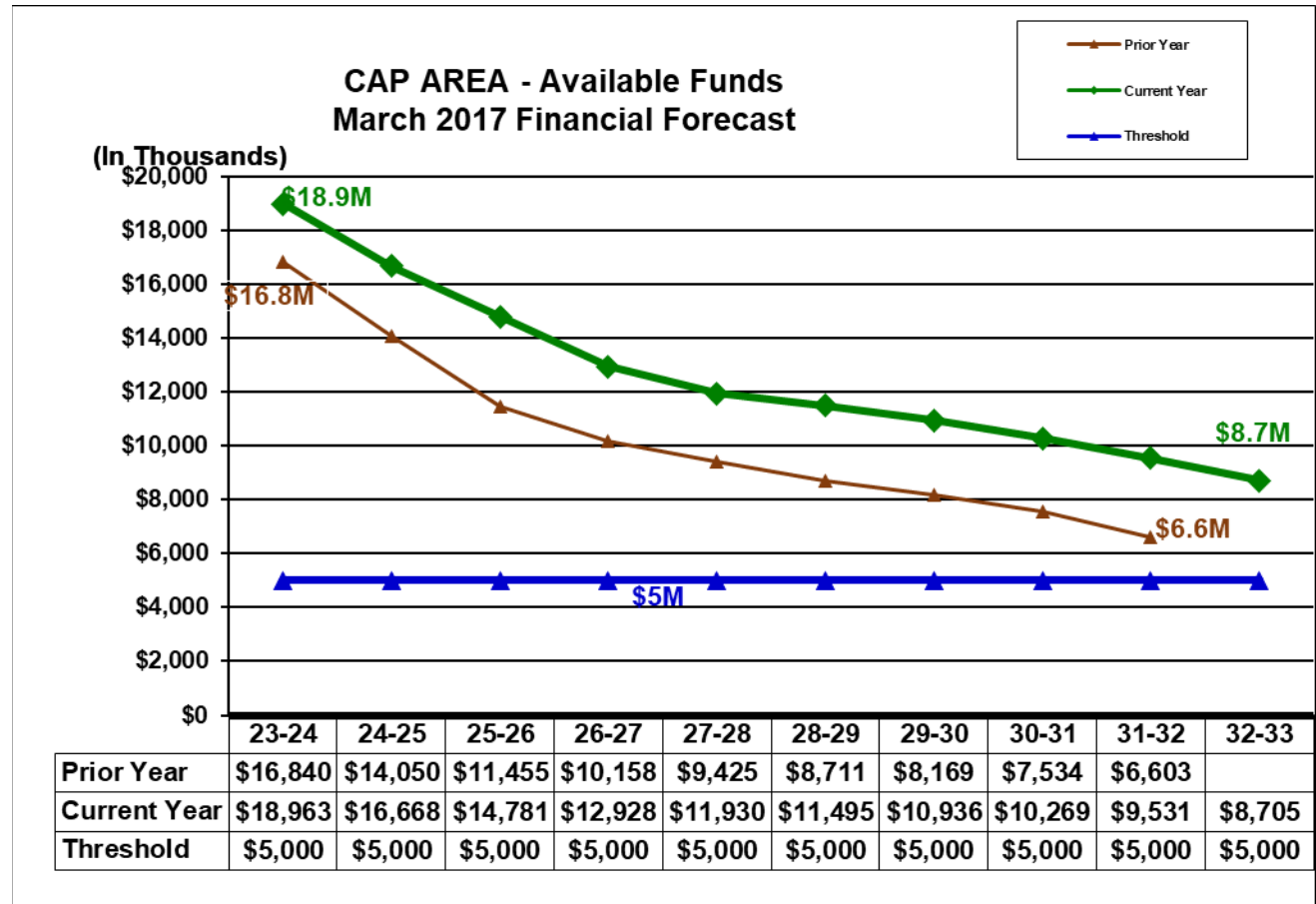
Compared to the prior year, Year 1 in the current Forecast starts with a beginning balance of approximately \$2.1 million more in available reserves. This is mostly due to the change in assumptions regarding the sale of land for the Cypress project.

Changes in assumptions were made to General Operations in regards to revenue and expense growth. Rental Revenue in the current year now assumes a 2% increase per year as compared to the prior Forecast which assumed slower growth in Years 1 and 2, along with the removal of commercial rental credits CADA provided during COVID. The assumption of higher growth in expenditures was kept for Year 1 and extended to Year 2, leading to higher expenses over the ten-year period, especially when compared to revenue. This trend, coupled with the continued large funding needs for major construction, leads to a possible negative cash flow in each year.

For Tax Increment (TI), collection has been steady, with lower growth in the past several years, but in the current Forecast we have assumed the usual 2% increase per year, which has increased the projected revenue growth over the whole ten-year period.

For Development, the assumptions have continued to have an overall positive effect on cash flow. The proceeds of the sale of the Cypress property for \$2.4 million occurred in the current fiscal year which increased the available cash reserves. For the East End Gateway Site 5/6/7 project, this change had a slight negative effect on cash flow as the current Forecast assumes the project will use operational funding for predevelopment expenses as compared to the prior Forecast which assumed the use of 2020 bond proceeds. Unlike the East End Gateway project, Sonrisa's remaining expenses are being funded by the 2020 bond proceeds in the current year, with no additional expenses. In addition to these project assumptions, other projects' use of bond proceeds instead of Tax Increment continues to reduce the need for operational funding sources for Development.

While the Forecast projects a decline in available cash over the 10-year period, it still remains above the threshold throughout the Forecast period, with available funds in year 10. This is due to the previously mentioned changes within Development, together with the \$300,000 Eviva TI pledge maturing in Year 3; the DGS East End Gateway projects notes maturing in Year 6; no new development projects in later years; projected additional TI from the Cypress project, and projected positive affordable housing impacts in the last half of the Forecast, offset by operational expenses increasing faster than revenue growth; and continued large expenditures for major construction in Year 1 through Year 5.



The Capitol Area Forecast covering the period of FY 23-24 (Year 1) through FY 32-33 (Year 10) is presented in **Attachment 1**. In keeping with past Forecast practices, this Forecast does not include the operation of CADA's Special Management properties. As reported in Attachment 1, the Forecast overall remains positive across the ten-year period.

Key assumptions, by segment, having a financial impact on Capitol Area cash reserves during the Forecast period of FY 23-24 through FY 32-33 are as follows:

GENERAL OPERATIONS

General Operations consists of property management revenue and expenses (residential and commercial activity), tax increment revenue, and administrative and development support activities for the organization. General Operations can be impacted by major construction and development projects, increases or decreases in tax increment and property management revenue, and changes in the number of affordable housing units maintained within CADA-managed properties.

Key Assumptions

- The Forecast assumes Rental Income will increase 2% per year, with the estimated rental income increased in Year 1 and Year 2 for the two new commercial tenants at the new 16th and T property, offset by a decline in Year 2 reflecting the potential loss of Commercial revenue from Simon's Bar & Café when the Site 5,6 & 7 project commences and demolition of the site must occur. The revenue loss for the Enterprise site has been recognized in current rental revenue.
- The Forecast assumes CADA's Low Income Subsidy Program will remain in place during the entire 10-year period, with the subsidy balance increasing 2% per year.
- Tax Increment (TI) revenue in the Capitol Area in Year 1 is increased to reflect FY 22-23 estimated levels and review of the current tax assessor's reports, followed by a 2% increase each year thereafter.

TI revenue generated by development projects that are in progress is not included in this segment of the Forecast, but is reported by project in the Development segment of the Forecast. The Eviva Midtown TI pledge payment, however, has been included in this section at \$300,000 annually until Year 3, after which the subsidy ends.

- Investment Earnings have stayed flat over the last few years, but we have seen a rise in interest rates in the last year. Consequently, the Forecast still assumes a decrease in the anticipated annual investment earnings over the 10-year period due to the decline in projected cash reserves but is offset by an assumed higher interest rate per year. In addition to interest earned on operating reserves, the Forecast reflects investment earnings from the 2020 unspent bond proceeds to fund major construction and development needs. This also declines over the first four years with the anticipated uses of these funds.
- All Notes Receivable to CADA have been paid off, so no receivables have been incorporated into this Forecast. The Residual Receipt notes are not considered collectable for the purpose of the Forecast and were not included.
- The Forecast assumes Salaries and Benefits will increase 3% per year with the exception of Retirement Benefits and Other Post Employment Benefit (OPEB) liabilities. Those have been adjusted based on information from CalPERS and current actuarial reports from CADA's consultants. There are no staffing changes assumed over the Forecast period.
- For retirement benefits, according to the latest CalPERS actuarial report, CalPERS is billing CADA for the normal cost, or "retirement cost", for active employees estimated to vest in a given year as a percentage of payroll, but any unfunded liability is being billed at the calculated annual dollar value, which currently is amortized over 25 years.

In this Forecast, staff has incorporated assumptions from CalPERS actuarial reports pertaining to the normal cost rates and the annual unfunded liability payment. As new staff members have come on board, the number of PEPRA (Public Employees' Pension Reform Act) employees has increased over Classic employees, and now comprises approximately 62% of CADA staff. As a result, this Forecast considers both pools of employees. This is important because the employer normal cost rate and the unfunded accrued liabilities are

different for the two classifications, with the PEPRA employees being lower in both categories.

For Classic members, the normal cost rate assumed in the CalPERS actuarial report is 13.36% in Year 1, with an assumed increase of .5% each year thereafter. The unfunded liability amount is based on an adjusted 10-year amortization schedule. This cost rate is higher than the 11% rate in the prior year and the unfunded liability was adjusted from a 15-year amortization schedule to a 10-year amortization schedule to recognize and address the need to increase funding for pension costs to bring CADA's trust into a fully funded status. For PEPRA members, the normal cost rate assumed in the CalPERS actuarial report is 8% in Year 1, with an assumed increase of .5% each year thereafter. The current unfunded liability for PEPRA members is \$0. The CalPERS actuarial report has no unfunded liabilities for this classification over the period of this Forecast.

- OPEB Liabilities are projected to continue to be fully funded in a trust fund established through CalPERS. CADA's current OPEB annual amount is calculated by using the FY 21-22 actuarial report estimated Annual Required Donation (ARD) for Year Ended 2024 and growing the liability 3% per year. The Forecast assumes CADA will continue to reimburse current retirement health benefits from the trust, starting at \$189,000 per year and increasing by 3% per year thereafter.
- The Forecast assumes all the expense categories in Year 1 and Year 2 will be increased by 5% per year to reflect increases in inflation excepted through 2024.
- From Year 3 through Year 10, this Forecast assumes expenses will increase 3% per year. There is one exception within Overhead for CADA's Administrative Office lease. This lease was renegotiated in 2017 as part of the renovation of the space. DGS approved tenant improvements done by CADA and they are being reimbursed through a rent reduction over 10 years totaling \$200,000. This Forecast reflects the negotiated lease terms with rent at the negotiated term of \$87,340 from Years 1 to 2, then from Year 3 to Year 6 rent will increase to \$89,600, the Forecast assumes a 3% increase from Year 7 to Year 10.
- CADA Debt will decrease in Year 1 from the current fiscal year reflecting that the debt payments CADA is making on the first Capitol Lofts Brownfield Loan have ceased in FY 22-23. Thereafter, CADA's continuing debt will consist of the I-Bank loan, the 2017 private placement bond, and the land loan debt paid by CADA to DGS for the East End Gateway Sites 1- 3 projects, until Year 5 when the DGS loans will be paid off.
- Tax Allocation Bond Debt Service includes the debt service payments from the 2020 taxable bond issued in December 2020. This will be a constant expense over the whole ten year Forecast period based on the Bond debt service schedules.
- Also included in the Forecast is the debt service reserve for two Special Management properties, Somerset Parkside and Biele Place. The existing annual reserves contributions are assumed to be \$212,000 and will be set aside to pay the deferred debt CADA will owe to HCD at the end of the revised regulatory periods for these projects. The Forecast assumes the debt reserve will be fully funded to pay the total debt due including interest and estimated accrued HCD fees by FY 27-28 or Year 5.

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

MAJOR CONSTRUCTION

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

Typically, Special Management construction projects are funded through those properties' operations or Replacement Reserves. In this case, three of CADA's Special Management buildings (Somerset Parkside, Biele Place and 17th Street Commons) will use Replacement Reserves to fund anticipated capital improvements projects over the ten-year period.

Major Construction budgets remain active and open for three years and the cash flow for these expenditures is usually expensed over a three-year period. Therefore, from Years 3 to 10, to better reflect the cash flow of CADA's major construction projects, total estimated project expenditures in each Forecast year are expended over a three-year period, generally with 25% expended in the first year, 50% in the following year, and 25% in the 3rd year. These assumptions yield a total Major Construction outlay of \$12.5 million over the ten-year period, with \$8.4 million of these expenditures occurring between Years 1 through 5. This is a similar total construction outlay as estimated in the prior year Forecast.

DEVELOPMENT

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

For the current Forecast, assumptions for each development project are estimates based on information received from CADA project managers as of the end of April 2023. Therefore, changes to development project assumptions that have occurred since April may not be reflected in the Forecast.

Bond proceeds are not included in the general available cash but are used to fund expenses by project in the Development segment of the Forecast. This is because they are assumed to be funds available for development projects and not funding for general operations. This Forecast also assumes all available bond proceeds have been spent by FY 25-26.

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

Current CADA Development Projects

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

For these projects, the Forecast projects \$311,000 in additional cash outflow needed from CADA in Years 1 through 4; this is a \$1.6 million reduction in cash inflow from the prior Forecast. This is due to a net change in the assumptions for purchase of the Site 21 property, which occurred in the current year, and an increase in funding resources from the use of Tax Increment (TI) revenue for the East End Gateway projects.

This is increased by \$3.8 million in the potential Tax Increment to be generated from completed projects and the positive affordable housing impact from new low-income units not managed by CADA, with almost all of this being generated in Years 5 through 10.

Site 21 (the Cypress)

- This Forecast assumes completion of a rental condominium project consisting of 97 market rate units with a small retail component at the northwest corner of the building, at 14th and N Streets.
- Similar to the prior Forecast, tax increment is calculated using annual Net Operating Income (NOI) multiplied by a 5% cap rate. The estimated NOI is unchanged from the prior Forecast.
- The Forecast assumes that construction will be completed in the summer of 2025, the same timing as in the prior Forecast, and assumes the full annual amount of tax increment will begin in FY 26-27.
- The prior Forecast assumed the developer would purchase the land at closing and would pay CADA \$2.4 million. This occurred in the current fiscal year and the funds are incorporated in the available cash balance.
- The negative affordable housing impact resulting from construction of an all-market rate project is assumed to be 26 units, yielding an annual impact of \$118,000 per year increasing at 2% per year starting in FY 24-25. The impact reflects the cost to CADA of having to subsidize 25 market rate units elsewhere in its portfolio down to a below-market rate rental level.
- The Forecast continues to assume a \$400,000 CADA offsite subsidy to be paid in FY 23-24 to the developer from CADA as part of this project.

East End Gateway Site 5/6/7

- The Forecast assumes additional predevelopment expenses of \$200,000 over the next three years for predevelopment expenses for an affordable project potentially financed through tax credit financing.
- There is no assumption for land acquisition as it is assumed this property would fall under the Governor's executive order and will be leased to CADA for \$1.

Sonrisa

- This project is now complete and in the process of conversion to permanent mortgage financing. Sonrisa is a 100% affordable housing project using tax credit financing and bond funds from CADA through the CACDC. This project will meet its own affordable housing requirement and create an additional 42 affordable units in excess of this requirement. The Forecast assumes this positive impact will phase into revenue over the ten-year period.
- In the current fiscal year, this Forecast assumes CADA will contribute \$1,825,000 in additional funding for increases in costs during construction as a loan to the partnership. The gap in financing for construction of the project will be funded through the 2020 bond proceeds.
- There is no assumption for land acquisition because this property falls under the Governor's executive order and will be leased by the State to the project partnership (CFY Development/CACDC) through the CACDC.

Neighborhood and Infrastructure Improvement Projects

Neighborhood and Infrastructure projects currently consist of Roosevelt Park, O Street Streetscape, 16th Street and Fremont Park, the Dean, and the 10th Street Streetscape projects. For these projects, approximately \$582,000 in CADA net resources will be expended during the ten-year period, which is a similar estimate to the prior Forecast.

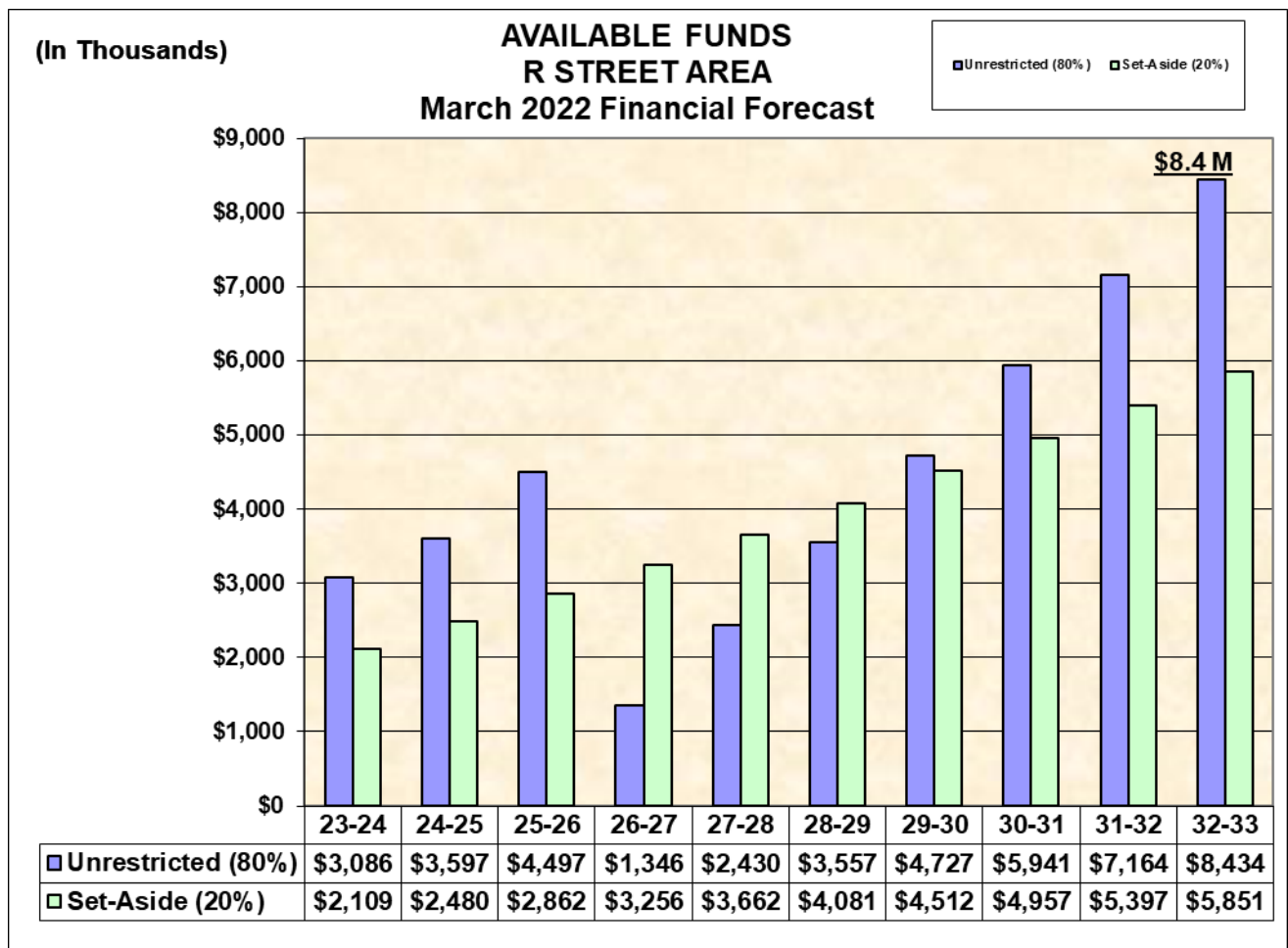
- The infrastructure improvement projects in the Capitol Area – Roosevelt Park, 16th Street and Fremont Park, and 10th Street improvement – are collectively projected to require a \$308,000 investment for potential infrastructure and site improvement costs, expended in Year 1 and Year 2.
- The O Street project's total estimated cost is assumed to be \$4.4 million, with \$2 million funded with the 2020 bond proceeds, and \$2.4 million in possible grant funding.
- The project at the Dean is assumed to expend the current budget in Year 1 for upgrades to the building's exterior electrical service to the transformer.
- The 10th Street Streetscape project reflects site improvements to CADA's commercial buildings on 10th Street to complement improvements planned within and around Roosevelt Park. This project is expected to be completed in Year 1.

R STREET FORECAST (ATTACHMENT 4)

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

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

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



UNRESTRICTED SEGMENT ASSUMPTIONS

- For Tax Increment (TI), revenue in Year 1 is increased to reflect FY 22-23 estimated levels, followed by 2% increase each year thereafter.
- Similar to the prior Forecast, R Street Unrestricted Funds have been incorporated for streetscape improvements at the 900 Block for \$523,000 expended in Year 1, FY 23-24.
- Tax Allocation Bond Debt Service reflects the continuing debt service payments from the 2020 taxable bond issued in December 2020 allocated to R Street's unrestricted funds. This will be a constant expense over the whole ten year Forecast period based on the 2020 Debt Service schedules.
- In this Forecast, two pre-development projects were included in this segment. With both projects in pre-planning, it is assumed they will be funded through 2020 Bond Proceeds and unrestricted TI. They are affordable housing projects, so set-aside funds can become possible funding sources if the project needs additional funding.
 - With the purchase of property at 16th and T Street, the Forecast assumes \$700,000 in predevelopment expenses during the next two fiscal years with possible gap financing in Year 4 for \$4.1 million. These expenditures, including the gap financing, are assumed to be funded through R Street unrestricted TI. No project revenue has been incorporated into the Forecast.

- The 805 R Street project, in partnership with Mutual Housing, assumes \$900,000 in predevelopment expenses will be expensed during the next two fiscal years with gap financing of \$8 million expensed in Years 3 and Year 4. This project is assumed to be funded by 2020 Bond proceeds.
- A new catalyst affordable housing project for the R Street area is proposed in this Forecast at a total cost of \$16.3 million over the next three years for the purpose of securing property in the R Street Area for possible affordable housing projects sites. This would allow CADA to meet its R Street Area mandatory affordable housing requirements.
- Included in the Forecast is possible affordable housing project support to be funded through R Street TI for a total of \$450,000 over the next four years.
- In a change from the prior Forecast, because CADA's reimbursement to the City of Sacramento for the funds it advance f to the R Street Streetscape project for Phase III streetscape improvements has concluded, the annual payment of \$132,550 has been removed from this Forecast.

AFFORDABLE HOUSING SET-ASIDE SEGMENT ASSUMPTIONS

- Tax Increment (TI) revenue in Year 1 is increased to reflect FY 22-23 estimated levels, followed by 2% increases each year thereafter.
- Tax Allocation Bond Debt Service reflects the continuing debt service payments from the 2020 taxable bond issued in December 2020 and allocated to R Street's set-aside funds. This will be a constant expense over the whole ten-year Forecast period based on the 2020 Debt Service schedules.
- For the 1717 S Street project, the Forecast assumes no additional predevelopment or gap financing for this affordable housing project.
- Aside from the Development expenses and assumptions previously mentioned above, the Forecast assumes no other major CADA projects will be funded through the set-aside for the next ten-year period. As a result, remaining funds in the reserve should be approximately \$5.8 million by Year 10.

CONCLUSIONS

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

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

With the continued and anticipated fund balance decline throughout the Forecast period, CADA still needs to remain fiscally viable, so it is imperative that CADA continue to carefully consider its current and future commitments in both the Capitol and R Street Areas, that it secure infrastructure grants and outside development funding whenever possible, and that it undertake actions to continue to keep revenue and expenses aligned to maintain a positive reserve balance into the future.

The R Street Area Forecast indicates the affordable housing set-aside funds will be available for additional funding to current or new projects beyond those that are assumed in this Forecast. Unrestricted funds are available, but will be reduced in Year 1 through Year 4 due to assumption for the 16th and T project.

With much of the current R Street Area project expenses funded through the 2020 Bond proceeds, there still could be funds available to assist new and current projects alike, so it is crucial that careful consideration and discussions occur regarding how the R Street Area resources should be utilized in the future.

STRATEGIC PLAN

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

FINANCIAL IMPACT

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

ENVIRONMENTAL REVIEW

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

CONTRACT AWARD CONSIDERATIONS

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

Attachments:

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

CAPITOL AREA (exclusive of Special Management Operations)	1 to 5 Year Forecast					6 to 10 Year Forecast				
	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-22
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
GENERAL OPERATIONS										
Operation Revenue	\$ 7,954,218	\$ 8,213,212	\$ 8,377,322	\$ 8,544,712	\$ 8,715,447	\$ 8,889,595	\$ 9,067,223	\$ 9,248,401	\$ 9,433,200	\$ 9,621,693
Low Income Subsidy (General Fund Only)	(435,254)	(443,959)	(452,838)	(461,895)	(471,133)	(480,556)	(490,167)	(499,970)	(509,969)	(520,168)
Tax Increment Revenue	4,177,800	4,267,356	4,358,703	4,451,877	4,846,915	4,943,853	5,042,730	5,143,585	5,246,456	5,351,386
Interest Income (from operations & unspent bond proceeds)	532,799	402,076	315,356	237,215	189,112	165,396	149,806	130,435	109,835	87,024
Notes Receivable Repayment	-	-	-	-	-	-	-	-	-	-
Total Revenue	12,229,563	12,438,685	12,598,543	12,771,909	13,280,341	13,518,288	13,769,592	14,022,451	14,279,522	14,539,935
Operation Expense	(10,584,166)	(11,073,813)	(11,395,306)	(11,724,058)	(12,062,675)	(12,411,449)	(12,773,378)	(13,146,163)	(13,530,131)	(13,925,620)
Continuing Debt Service	(172,878)	(172,782)	(172,683)	(172,581)	(172,477)	(39,769)	(39,659)	(39,546)	(39,429)	(39,309)
2016 & 2017 TAB Debt Service	(791,031)	(784,365)	(766,532)	(758,512)	(764,855)	(765,373)	(760,246)	(774,874)	(773,051)	(731,759)
2020 Bond Debt Service	(509,199)	(507,834)	(508,934)	(507,894)	(507,652)	(506,744)	(506,761)	(506,382)	(456,346)	(455,178)
Special management debt reserve	(212,000)	(212,000)	(212,000)	(212,000)	(100,000)	-	-	-	-	-
Total Expenses	(12,269,275)	(12,750,794)	(13,055,455)	(13,375,046)	(13,607,659)	(13,723,335)	(14,080,043)	(14,466,965)	(14,798,957)	(15,151,867)
Annual Net Cash Flow - General Operations	\$ (39,712)	\$ (312,108)	\$ (456,911)	\$ (603,136)	\$ (327,318)	\$ (205,047)	\$ (310,451)	\$ (444,514)	\$ (519,435)	\$ (611,932)
MAJOR CONSTRUCTION										
Annual Net Cash Flow - Major Construction	\$ (2,327,865)	\$ (1,726,066)	\$ (1,479,927)	\$ (1,756,794)	\$ (1,196,458)	\$ (775,330)	\$ (813,847)	\$ (807,132)	\$ (823,158)	\$ (839,692)
Annual Net Cash Flow after Major Construction	\$ (2,367,577)	\$ (2,038,174)	\$ (1,936,838)	\$ (2,359,930)	\$ (1,523,776)	\$ (980,377)	\$ (1,124,298)	\$ (1,251,646)	\$ (1,342,593)	\$ (1,451,624)
DEVELOPMENT (FN 1 - includes revenue loss and/or new debt service)										
CADA Projects										
Site 21 (14th & N)	(400,000)	(118,560)	(120,931)	461,850	471,087	480,509	490,119	499,921	509,920	520,118
East End Gateway - Site 5/6/7, Hand in Hand, Enterprise Site & Simon	50,000	100,000	150,000	-	-	-	-	-	-	-
Courtyard Site 16A	-	9,120	18,605	27,907	37,210	46,512	55,814	65,117	74,419	83,722
	(350,000)	(9,440)	47,674	489,757	508,297	527,021	545,934	565,038	584,339	603,840
Neighborhood and Infrastrcttrue Improvement Projects										
Roosevelt Park	-	(88,700)	-	-	-	-	-	-	-	-
Infrastructure improvements	(70,000)	(150,000)	-	-	-	-	-	-	-	-
The Dean Improvement	(190,000)	-	-	-	-	-	-	-	-	-
	(260,000)	(238,700)	-	-	-	-	-	-	-	-
Interest Expense - Opportunity Cost	(21,350)	(8,685)	1,669	17,142	17,790	18,446	19,108	19,776	20,452	21,134
	(21,350)	(8,685)	1,669	17,142	17,790	18,446	19,108	19,776	20,452	21,134
Annual Net Cash Flow - Development	\$ (631,350)	\$ (256,825)	\$ 49,343	\$ 506,899	\$ 526,087	\$ 545,467	\$ 565,042	\$ 584,814	\$ 604,791	\$ 624,974
ANNUAL NET CASH FLOW										
	(2,998,927)	(2,294,999)	(1,887,496)	(1,853,031)	(997,689)	(434,910)	(559,257)	(666,832)	(737,802)	(826,650)
(IN THOUSANDS)										
ANNUAL NET CASH FLOW	-\$2,999	-\$2,295	-\$1,887	-\$1,853	-\$998	-\$435	-\$559	-\$667	-\$738	-\$827
CUMULATIVE IMPACT ON AVAILABLE OPERATING RESERVES										
Available Operating Reserves -Beginning of Forecast	\$21,962									
Available Bond Funds	\$0	\$0								
Available Operating Reserves - End of Year	\$18,963	\$16,668	\$14,781	\$12,928	\$11,930	\$11,495	\$10,936	\$10,269	\$9,531	\$8,705
Less: Operating Reserve Threshold	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Target Operating Reserve Excess <Shortfall>	\$13,963	\$11,668	\$9,781	\$7,928	\$6,930	\$6,495	\$5,936	\$5,269	\$4,531	\$3,705

Capitol Area Development Authority
2023 Financial Forecast
GENERAL FUND DEVELOPMENT DETAIL

		Current Yr.										
		21-22	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33
CADA Projects												
	D223-01 - Site 21 (14th & N) (D08 Project)											
	FUNDING SOURCES											
2.00%	Affordable Hsg Negative Impact Adj -26 units @ \$380/mo.			(118,560)	(120,931)	(123,350)	(125,817)	(128,333)	(130,900)	(133,518)	(136,188)	(138,912)
	Tax Increment					585,200	596,904	608,842	621,019	633,439	646,108	659,030
	TOTAL FUNDING SOURCES	-	-	(118,560)	(120,931)	461,850	471,087	480,509	490,119	499,921	509,920	520,118
	USES OF FUNDS											
	Developer Subsidy - offsite subsidy		(400,000)	-								
	TOTAL USES OF FUNDS	-	(400,000)	-	-	-	-	-	-	-	-	-
	DEVELOPMENT CIP PROGRAM - Funding Sources, net of Uses	-	(400,000)	(118,560)	(120,931)	461,850	471,087	480,509	490,119	499,921	509,920	520,118
	- Assuming the requirements in the Capitol Area Plan, this would be a condo project with 98 unit with some commercial income											
	- Old project closed with Cerilsih, new neogeated agreement with D&S											
	- CADA has purchased the Site and D&S paid \$2.4M in FY 22-23											
	- Construction beginning FY 12.25.22 24 month construction completed 100% in FY 24-25											
	D233-02 - EEG Site 5, 6 & 7 (D07 Project)											
	FUNDING SOURCES											
	TOTAL FUNDING SOURCES	-	-	-	-	-	-	-	-	-	-	-
	USES OF FUNDS											
4775	Miscellaneous	15,500	50,000	100,000	150,000	-						
	TOTAL USES OF FUNDS	15,500	50,000	100,000	150,000	-	-	-	-	-	-	-
	DEVELOPMENT CIP PROGRAM - Funding Sources, net of Uses	15,500	50,000	100,000	150,000	-	-	-	-	-	-	-
	- A potential 100% Affordable Tax Credit project, including Site 5 (hand-in-hand), Site 6 (Enterprise/Simons) and now Site 7 (Mercury Cleaners site)											
	- Possible 154 unit tax credit project; 25% of 154 units = 39 affordable units required - creates 115 extra affordable units.											
	- AHSC funding award Oct 2020; Tax Credit award - Feb/Apr 2022; Const start Aug 2022 - Oct 2022, Fin Dec 2024 - Mar 2025											
	- Revenue loss Enterprise, Simons Site) starts in the year Const starts FY 21-22; Mercury Cleaners and Hand in Hand revenue has been removed.											
	- This project assume to be a 4% tax credit like 1717 S, there may be deveopment fees and on going rental revenue, Since the project is still preliminary these revenue items are to uncertain											
	- Will create 115 additional affordable - will phase the revenue over mulit years- 2 additional each year											
	- Land acq follows the excutive order there the land will be leased to CADA and not sold.											
	- Assume use Bond funds for predev, then at close exp refunded to be used as part of a total \$7 mill soft loan											

Capitol Area Development Authority
2023 Financial Forecast
GENERAL FUND DEVELOPMENT DETAIL

		Current Yr.										
		21-22	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33
	D224-25 - Sonrisa (Courtyard) (D19)											
	FUNDING SOURCES											
2.0%	Offset for Affordable Hsg Positive Impact Adj - 17 units @ \$380/mo. Covers it's ownen requirement with no extra		-	9,120	18,605	27,907	37,210	46,512	55,814	65,117	74,419	83,722
	TOTAL FUNDING SOURCES	1,825,000	-	9,120	18,605	27,907	37,210	46,512	55,814	65,117	74,419	83,722
	USES OF FUNDS											
	CADA Soft GAP Loan	(1,825,000)	-	-			-					
	TOTAL USES OF FUNDS	(1,825,000)	-	-	-	-	-	-	-	-	-	-
	DEVELOPMENT CIP PROGRAM - Funding Sources, net of Uses	-	-	9,120	18,605	27,907	37,210	46,512	55,814	65,117	74,419	83,722
	- Assume CACDC would develop this project with contributions from CADA.											
	- Assume this would be 100% affordable with funding from tax credits with 57 units - one manager											
	- Affordable units for the building is 15 (57*25%) will create 42 additional affordable units - phase in 26 units for the affordable uniteds need for the Cypress project. Then will phase the remaining over mul year - 2 per year for attrition											
	- There is no acq - under excutive order these will be ground leases to CADA for a \$1											
	10th Street Commerical (D19 Proposed Project)											
	FUNDING SOURCES											
	TOTAL FUNDING SOURCES	-	-	-	-	-	-	-	-	-	-	-
	USES OF FUNDS											
4703	Site Improvements - new awnings	(54,401)				-	-					
4758	Other Professional Services - concept drawings	(6,097)	-									
4775	Miscellaneous	(66)	-			-	-					
5343	Permit and Fees	(22,806)	-	-	-	-	-					
	TOTAL USES OF FUNDS	(83,370)	-	-	-	-	-	-	-	-	-	-
	DEVELOPMENT CIP PROGRAM - Funding Sources, net of Uses	(83,370)	-	-	-	-	-	-	-	-	-	-
	- For improvements to CADA's commerical units along 10ths street with proposed new metal awnings and signage; small artistic directory and other streetscape improvments											

Capitol Area Development Authority
2023 Financial Forecast
GENERAL FUND DEVELOPMENT DETAIL

		Current Yr.										
		21-22	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33
Neighborhood and Infrastructure Improvement Projects												
	D807-00 - Roosevelt Park (D15 Project)											
	FUNDING SOURCES											
	TOTAL FUNDING SOURCES	-	-	-	-	-	-	-	-	-	-	-
	USES OF FUNDS											
4758	Site Improvements - Streetlights	-	-	(55,000)	-	-	-	-				
4758	Other Professional Services	-	-	(30,700)								
4775	Miscellaneous	-	-	(3,000)	-	-	-					
	TOTAL USES OF FUNDS	-	-	(88,700)	-	-	-	-	-	-	-	-
	DEVELOPMENT CIP PROGRAM - Funding Sources, net of Uses	-	-	(88,700)	-	-	-	-	-	-	-	-
- In partnership with the City assume CADA will completed baseball field improvments in FY 19-20 and additional improvments of planitngs strip on the SE edge (\$50k) and Q st (\$50k) and a new entry on the south Side (\$75)												
- Assume the City will improve the ball field lighting, sidewalks on 9th and P Stree, and new fencing along the park												
- Project improvements to the pedestrian spaces, athletic field and other improvements for signage; landscaping; and walkways												
	D801-00 - O Street Streetscape (D09 Project)											
	FUNDING SOURCES											
	Bond Funds		-	1,030,000	960,000	10,000	-					
3872	D&A Grant Proceeds - infrastructure grant		-	1,200,000	1,200,000		-					
	TOTAL FUNDING SOURCES	-	-	2,230,000	2,160,000	10,000	-	-	-	-	-	-
	USES OF FUNDS											
4703	Site Improvements - CADA funded - murals	-	-	(500,000)	(500,000)	-	-					
4703	Site Improvements - grant funded			(1,200,000)	(1,200,000)							
4709	Fundraising	-	-	(5,000)	(5,000)	(5,000)						
4751	Legal (Review of RT agreements	-	-	(5,000)	(5,000)	(5,000)						
4758	Other Prof. Svcs - CADA funded - Const concept and drawings	-	-	(350,000)	(300,000)	-	-					
4775	Miscellaneous Expense		-	(170,000)	(150,000)	-	-	-				
	TOTAL USES OF FUNDS	-	-	(2,230,000)	(2,160,000)	(10,000)	-	-	-	-	-	-
	DEVELOPMENT CIP PROGRAM - Funding Sources, net of Uses	-	-	-	-	-	-	-	-	-	-	-
- Assume CADA receives grant funding of \$2.4 mill for Site Improvements with CADA covering predevelopment expenase												
- Project improvements to the pedestrian spaces and other improvements for signage; landscaping; Murals, and walkways.												

Capitol Area Development Authority
2023 Financial Forecast
GENERAL FUND DEVELOPMENT DETAIL

		Current Yr.										
		21-22	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33
D804-00 - 16th Street Streetscape (D10 Project)												
FUNDING SOURCES												
TOTAL FUNDING SOURCES		-	-	-	-	-	-	-	-	-	-	-
USES OF FUNDS												
4703	Site Improvements - refresh stormwater plant	-	(70,000)	(150,000)	-		-	-		-	-	-
TOTAL USES OF FUNDS		-	(70,000)	(150,000)	-	-	-	-	-	-	-	-
DEVELOPMENT CIP PROGRAM - Funding Sources, net of Uses		-	(70,000)	(150,000)	-	-	-	-	-	-	-	-
- Funds for improvements to Fremont Park \$20k for protection around plantings;\$50k replanting;\$150k for restroom improvements												

Capitol Area Development Authority (CADA)
2023 Long-Range Forecast
R STREET AREA FORECAST

		22-23	1 to 5 Year Forecast					6 to 10 Year Forecast				
			23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33
		Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection	Cash Flow Projection
R STREET AREA (80% Unrestricted Portion)		2,230,000										
Unrestricted (80%)												
Revenue			-									
Tax Increment Revenue (2% annual increase)			2,274,600	2,320,092	2,366,494	2,413,824	2,462,100	2,511,342	2,561,569	2,612,800	2,665,056	2,718,358
			-									
Expenses												
2016 Bond Debt Service			(34,885)	(34,904)	(34,012)	(33,611)	(33,928)	(33,954)	(33,698)	(34,429)	(34,338)	(34,430)
2020 Bond Debt Service			(983,250)	(981,812)	(983,938)	(981,929)	(981,461)	(979,704)	(979,737)	(979,006)	(1,014,103)	(1,011,507)
1% Assistance to General Fund (Staffing Salaries & Benefits)			(216,000)	(222,480)	(229,154)	(236,029)	(243,110)	(250,403)	(257,915)	(265,653)	(273,622)	(281,831)
General R Street Projects			-	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)
R Street Improvement - 900 Block		-	(523,000)	-	-	-	-	-	-	-	-	
16th & T Street Possible Housing Project		-	(350,000)	(350,000)	-	(4,093,000)	-	-	-	-	-	
Affordable Housing Project Support		-	(150,000)	(100,000)	(100,000)	(100,000)	-	-	-	-	-	
		(1,234,135)	(2,378,690)	(1,809,196)	(1,467,105)	(5,564,569)	(1,378,499)	(1,384,062)	(1,391,350)	(1,399,088)	(1,442,063)	(1,447,768)
Cash Flow		995,865	(104,090)	510,896	899,389	(3,150,746)	1,083,601	1,127,281	1,170,219	1,213,713	1,222,994	1,270,590
Cash Reserves Available - July 1, 2017		2,194,610										
CUMULATIVE YEAR END FUNDS AVAILABLE		3,190,475	\$ 3,086,385	\$ 3,597,281	\$ 4,496,670	\$ 1,345,925	\$ 2,429,526	\$ 3,556,806	\$ 4,727,025	\$ 5,940,738	\$ 7,163,731	\$ 8,434,321
R STREET SET-ASIDE (20% Portion)		558,000										
Affordable Housing Related												
Revenue												
Tax Increment Revenue (2% annual increase)			569,160	580,543	592,154	603,997	616,077	628,399	640,967	653,786	666,862	680,199
Expenses												
2016 Bond Debt Service			(6,977)	(6,981)	(6,803)	(6,723)	(6,786)	(6,791)	(6,740)	(6,886)	(6,868)	(6,887)
2020 Bond Debt Service			(203,431)	(203,134)	(203,573)	(203,158)	(203,061)	(202,697)	(202,704)	(202,553)	(219,722)	(219,160)
			(210,408)	(210,115)	(210,376)	(209,881)	(209,847)	(209,488)	(209,444)	(209,439)	(226,590)	(226,047)
Cash Flow		347,592	370,429	381,778	394,116	406,230	418,910	431,522	444,347	440,271	454,152	
Cash Reserves Available - July 1, 2017		1,403,412	-									
CUMULATIVE YEAR END FUNDS AVAILABLE		1,751,004	\$ 2,109,437	\$ 2,479,866	\$ 2,861,644	\$ 3,255,760	\$ 3,661,990	\$ 4,080,900	\$ 4,512,423	\$ 4,956,770	\$ 5,397,041	\$ 5,851,193

R STREET DEVELOPMENT PROJECTS

[illegible]

R STREET DEVELOPMENT PROJECTS

		22-23	23-24	24-25	25-26	25-26	27-28	28-29	29-30	30-31	31-32	32-33
	2000 16th Street - Possible Housing Project											
	FUNDING SOURCES											
	TOTAL FUNDING SOURCES	-	-	-	-	-	-	-	-	-	-	-
	USES OF FUNDS											
4601	Build/Land Acquisition	-			(93,000)							
	Project funding	-	(350,000)	(350,000)	(4,000,000)							
	TOTAL USES OF FUNDS	-	(350,000)	(350,000)	-	(4,093,000)	-	-	-	-	-	-
	DEVELOPMENT CIP PROGRAM - Funding Sources, net of Uses	-	(350,000)	(350,000)	-	(4,093,000)	-	-	-	-	-	-
Assume predevelopment of a project with current budgeted in the next two fiscal year												
Const on an affordable project in FY 25-26 - use remaining \$93,000 budget funds in F10 for disposition of the property												
Assume project may need \$4 mil in Financing with this funded by the 2020 bond												
	Affordable Housing Project Support											
	FUNDING SOURCES											
	TOTAL FUNDING SOURCES	-	-	-	-	-	-	-	-	-	-	-
	USES OF FUNDS											
	Development Loan Funding		(150,000)	(100,000)	(100,000)	(100,000)						
	TOTAL USES OF FUNDS	-	(150,000)	(100,000)	(100,000)	(100,000)	-	-	-	-	-	-
	DEVELOPMENT CIP PROGRAM - Funding Sources, net of Uses	-	(150,000)	(100,000)	(100,000)	(100,000)	-	-	-	-	-	-
Loan funding for other development projects in the Sacramento area \$150K could poss cover three loans												
	Catalyst Affordable Housing Project											
	FUNDING SOURCES											
7560	Bond funds		5,000,000	5,000,000	6,300,000	-						
	TOTAL FUNDING SOURCES	-	5,000,000	5,000,000	6,300,000	-	-	-	-	-	-	-
	USES OF FUNDS											
4601	Build/Land Acquisition	-	(5,000,000)	(5,000,000)	(6,300,000)	-						
	TOTAL USES OF FUNDS	-	(5,000,000)	(5,000,000)	(6,300,000)	-	-	-	-	-	-	-
	DEVELOPMENT CIP PROGRAM - Funding Sources, net of Uses	-	-	-	-	-	-	-	-	-	-	-
Reviewing the possiblity of multipal site purchases in and around the R Street Area for Affordable Housing Project												



May 12, 2023

TO: CADA Board of Directors

SUBJECT: **May 19, 2023 Board Meeting**
AGENDA ITEM 6

CAPITAL IMPROVEMENTS PROGRAM (CIP) STATUS REPORT & FIVE-YEAR NEEDS ASSESSMENT

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

RECOMMENDATION: For review and information only.

CIP STATUS REPORT AND FIVE-YEAR CIP NEEDS ASSESSMENT

Twice each year, in May and October, CADA staff prepares a Capital Improvement Program (CIP) Status Report and Five-Year Needs Assessment and presents it to the Board. This timing allows the Board to take into consideration the physical needs of CADA's building stock when reviewing staff's June and December budget proposals.

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

The report can be found in **Attachment 1 - CIP Status Report - May 2023**. The report is summarized below.

Status of Budgeted CIP Projects

Budgeted projects are shown in the first three shaded columns of Attachment 1, labeled "Current Budget C21 FY 2020/21, Current Budget C22 FY 2021/22, and Current Budget C23 FY 2022/23." CADA's multi-year capital budgeting process provides for fiscal year budgets to remain open for 3 years, so at any given time, the CIP Status Report includes fiscal year budgets for 3 years. The CIP Status Report is a working tool that enables staff to keep track of the status of the various projects and is presented to the Board to report on project status and to show the level of investment in individual buildings during those three fiscal years.

Completed projects for each fiscal year starting in FY20/21 are shown in the columns marked "Completed," with the expenditures to date. The open projects remaining to be finished are shown in the "Open" columns.

The report presents the following information about each budgeted project:

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

CADA's current CIP priorities include window replacement, roof replacement, repairing dry-rot, electrical service upgrades, exterior painting and general carpentry. These repair priorities reflect the continued aging of CADA's 51 apartment buildings and 21 commercial spaces and CADA's efforts to modernize building systems and make them more energy and water efficient. As has been reported previously, the boilers at 1317 O Street and 1521 12th Street are among CADA's three least energy-efficient, largest carbon footprint, boilers.

As illustrated in **Table 1** below, to date CADA has completed \$705,588.52 in CIP projects budgeted within fiscal years 20/21 through 22/23 out of a budget of \$4,524,920.00, leaving \$3,819,331.48 in open projects. Of the open projects, the largest include the following, which will be completed in the 23-24 fiscal year and should eliminate the FY 21/21 and FY 21/22 remaining balance:

• 1228 O	New windows, window molding, sills and paint	\$ 69,915
• 1228 O	Rear stairwell replacement	\$200,000
• 1521 12 th	Boiler and roof replacement	\$201,415
• 1500 15 th	Site work, dry rot, lighting, stairway and decks	\$ 46,670
• 1512 13 th	Stucco replacement, window replacement and paint	\$301,000
• 1317/1327 O	Boiler and building main door replacement	\$155,525
• 1522 N	Windows, floors, interior paint, stairs and decks	\$161,700
• 1500 N	Floors, interior paint, and awnings	\$119,000
• 1506 O	Wood dry rot, paint and stairway/deck replacement \$193,000	
• 1330 O	Roof replacement	\$220,000
		\$1,668,225

Table 1 – Budgeted_CIP Projects Status Report Summary for FY 20/21 through FY 22/23*

	FY 20/21 CIP Budget		FY 21/22 CIP Budget		FY 22/23 CIP Budget		Grand Total
	Completed	Open	Completed	Open	Completed	Open	
General Fund	485,227.47	704,832.53	189,633.05	834,866.95	11,806.00	\$1,625,695.00	3,852,061.00
Special Mgt.	-	-	-	-	18,922.00	653,937.00	672,859.00
TOTAL COMPLETED	485,227.47		189,633.05		30,728.00		705,588.52
TOTAL OPEN	-	704,832.53	-	834,866.95	-	2,279,632.00	3,819,331.48
GRAND TOTAL (COMPLETED AND OPEN)	1,190,060.00		1,024,500.00		2,310,360.00		4,524,920.00

**Note: Expenses are indicated as projects are initiated, rather than invoiced, and therefore the project budgets may not match the financial reports due to timing differences from the start of project to invoicing.*

CADA's Construction Manager, Frank Czajka, his manager, Russ Juneau, CADA's Facility Maintenance Manager, and the Maintenance Department are focusing on routine maintenance, time-critical CIP projects such as the inspection and repairs/upgrades of the balconies of CADA's buildings; identifying buildings where dry rot has become an issue; and replacement of several roofs. Tremco Roofing performed a survey to help us identify and prioritize roofs that should be replaced/repared in the next 5 years. In this current fiscal year, a total of 7 roofs will have been replaced. Water and energy conservation upgrades are being made when apartments turn.

Utility Monitoring

Staff continues to use a utility tracking and benchmarking software package known as WegoWise which has done the following:

- Helped reduce costs through managing utility usage
- Reduced the labor costs of collecting and managing utility bill information by shifting to electronic invoicing and bill payments
- Prioritized Retrofit Savings Opportunities through assessing which buildings will realize the strongest return on investment from conservation measures and retrofits
- Identified spikes in usage and cost, equipment failure, and utility billing errors

Since proceeding with WegoWise, we have been able to closely monitor utility usage and improve CADA's conservation efforts by quickly identifying spikes in usage and cost of utilities. This capacity has helped CADA to identify faulty equipment, leaks, etc. which has resulted in significant reductions in water usage, for example, in buildings with broken irrigation systems. During first half of FY 23/24, staff will prepare and submit to the Board a report showing CADA's overall energy and water consumption and trends over time, which will place CADA's utility monitoring program into context. In the meantime, we can report that CADA's overall progress in reducing consumption in these three areas has been good.

Other Projects

The Maintenance Department's Computerized Maintenance Management System (CMMS) continues to streamline management of maintenance work orders and simplify the process of monitoring the status of open work orders. Most maintenance staff members are using their smartphone to access and manage their work orders. Maintenance Staff has loaded preventative maintenance tasks into the system to generate reminders to Maintenance Department management staff concerning when preventative maintenance of building systems needs to be performed. Tasks will continue to be added. The Resident Services Representatives (RSRs) are all currently submitting work orders via their smartphones. This saves time and frees up our office staff from constantly answering phone calls. Invites have been sent to allow residents to sign up for access to the system to submit work orders to Maintenance via the web-based Maintenance Connection portal (work currently in progress as of May 1, 2023). Currently, CADA is implementing CMMS system upgrades that will allow CADA residents to submit work orders via smart phone and the CADA website, starting with an email invitation the week of May 1 to all CADA residents with email addresses on file inviting them to sign up for to use the service. Of the approximately 800 invitations sent, to date, we have received 112 sign-ups and 378 bounce-backs. Staff is working to procure working email addresses and will re-issue the invitation once our email list has been updated.

In FY 23/24 Maintenance plans to use the system to maintain an inventory of parts, equipment and building materials the Maintenance Department has in stock and needs to purchase. We will do this after CADA begins leasing additional warehouse space at 712 R Street, in July, has

culled unusable items from its existing stock of parts and appliances from its several scattered-site storage spaces, and has moved the remaining items into the new warehouse. Overall, the system will help staff make good data-driven business maintenance and equipment purchasing decisions. CADA's Construction Manager, Frank Czajka, is continuing to oversee the evolution of the new system.

Five-Year CIP Needs Assessment

Facilities Manager Russ Juneau is continuing to perform exterior inspections of CADA residential properties in an effort to more proactively identify and correct deficiencies and improve the appearance of CADA's properties. The inspections are used to adjust the Five-Year CIP Assessment. See **Attachment 2 – Five-Year CIP Needs Assessment (2024 – 2028)**.

Table 2 below summarizes the Five-Year Needs Assessment for CADA's 51 apartment buildings/complexes and projected future Capital Improvement Program (CIP) spending the buildings will require. It reflects proposed spending of \$9,089,489.00 over the next five years, starting with FY 23/24 which begins on July 1, 2023 and running through FY 27/28. The majority of this need (\$7,207,240.00 of the \$9, 089,489.0) is for General Fund buildings. The remaining \$1,882,249.00, is for Special Management Program buildings, which are buildings CADA operates under affordable housing regulatory agreements with various state and local public agencies. CIP projects for the succeeding five years provide the basis for future budgetary planning and consideration. Details of the future projects are shown in the **Attachment 2 – Five-Year CIP Needs Assessment (2024 – 2028)**.

Table 2 – Five-Year CIP Needs Assessment Summary of Proposed Expenditures

	FIVE YEAR CIP NEEDS ASSESSMENT					
	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	Total
General Fund	\$1,807,949.00	\$2,358,823.00	\$1,252,091.00	\$639,320.00	\$1,149,057.00	\$7,207,240.00
Special Mgt.	\$702,034.00	\$226,513.00	\$224,617.00	\$309,617.00	\$419,468.00	\$ 1,882,249.00
GRAND TOTAL	2,509,983.00	2,585,336.00	1,476,708.00	948,937.00	1,568,525.00	9, 089,489.00

Similar to the priorities reflected in **Attachment 1 – CIP Status Report - May 2023**, **Attachment 2 – Five-Year CIP Needs Assessment (2024 – 2028)**, reflects a focus on upgrading aging building systems.

The projected five years' needs will become the basis for budget preparation in 2023 and each year thereafter. The FY 23/24 numbers shown above reflect the budget that staff will be asking the Board to approve at the June 2023 Board meeting. Projects may be added or removed based on the needs at the time of the new budget proposal.

POLICY

Staff presents the Five-Year CIP Needs Assessment to the Board bi-annually for information and discussion to ensure that these needs are appropriately and adequately addressed during the annual and mid-year budgeting processes. The Board approves the CIP budget for the

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

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

FINANCIAL IMPACTS

Current and estimated future financial impacts are shown in Tables 1 & 2 above.

STRATEGIC PLAN

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

Attachments:

1. CIP Status Report - May 2023
2. Five-Year CIP Needs Assessment (2024 – 2028)

PROPERTY CODE	CONSTR CODE	Project Address Building Name * = Future Development Site	WORK TYPE	SCOPE OF WORK	Current Budget C21 FY 20/21		Current Budget C22 FY 21/22		Current Budget C23 FY 22/23	
GL Acct 5820					Completed	Open	Completed	Open	Completed	Open
C172-15A	007.00	1317 - 15th St., Lombard	Res	Thermal & Moisture Protection - Roof	50,900.77	-				
C172-15A	009.6	1317 - 15th St., Lombard	Res	Finishes-Flooring		6,000.00				
C172-15A	009.9	1317 - 15th St., Lombard	Res	Finishes-Paint/Coatings		6,000.00				
C172-15A	010.3	1317 - 15th St., Lombard	Res	Fireplaces/Stoves/Ext Spec etc		9,500.00				
C172-15A	010.30	1317 - 15th St., Lombard	Res	Stairways/Decking/Walkways		23,600.00				
C172-15A	019.6	1317 - 15th St., Lombard	Res	Structural Rehabilitation		7,000.00				
C222-09	008.5	1228 O St, Gibson Arms	Res	Windows	75,584.37	63,915.63				
C222-20A	002.10	1209 P St., Wing Manor	Res	Sitework-Fences, Gates		14,000.00				
C222-23	007.3	1521 12th St	Res	Shingles, Roof Tiles, etc	38,780.00	2,910.00				
C222-23	013.3	1521 12th St	Res	Sp Constr - Boilers		159,725.66				
C223-09B	008.00	1329/1331 O St, Mud Pie Stand	Com	Door & Windows		20,000.00				
C223-10	002.5	1327 O St., Capri	Res	Sitework-Utilities	17,208.86	1,791.14				
C223-12	007.3	1327/1317 O St	Res	Shingles, Roof Tiles, etc	10,600.00	(600.00)				
C225-01	010.30	1400 N St, The Dean	Res	Stairways/Decking/Walkways		27,700.00				
C226-07	006.3	1420 O St	Res	Wood-Dry Rot		10,500.00				
C226-07	010.10	1420 O St	Res	Awnings	13,209.38	0.62				
C226-08	002.2	1500 15th St-Auslander	Res	Sitework-Site Prep		10,000.00				
C226-08	010.30	1500 15th St-Auslander	Res	Stairways/Decking/Walkways		31,700.00				
C226-08	016.5	1500 15th St-Auslander	Res	Lighting		14,960.00				
C226-10	006.3	1514 15th St	Res	Wood-Dry Rot	1,392.57	18,607.43				
C226-24	010.30	1400-04 O St, Greentree/Carr Path	Res	Stairways/Decking/Walkways		16,500.00				
C229-07	002.9	1316 O St	Res	Site-Planting/Rehab, etc.		25,000.00				
C231-07	010.30	1522 N St, Judith Manor	Res	Stairways/Decking/Walkways		23,700.00				
C231-24	007.00	1500 N St., Brannan Court	Res	Thermal & Moisture Protection - Roof	193,573.57	-				
C231-24	002.7	1500 N St., Brannan Court	Res	Sitework-Pavement, Bases, etc	18,029.86	(2,529.86)				
C232-01	010.30	1501 15th, Douger	Res	Stairways/Decking/Walkways		36,900.00				
C232-18D	006.3	1510 O St., Don Carlos (2 units)	Res	Wood-Dry Rot	2,635.04	16,164.96				
C233-06	010.30	1616 N St, Grantwood	Res	Stairways/Decking/Walkways		24,900.00				
C233-27	002.8	1401 16th St	Com	Sitework-Improvements/Amenities		15,000.00				
C233-27	019.5	1401 16th St	Com	Commercial Tenant Improvements	12,800.00	(300.00)				
C234-24	009.9	1615 P St, Lanai	Res	Finishes-Paint/Coatings		25,000.00				
C234-24	010.10	1615 P St, Lanai	Res	Awnings		11,500.00				
C234-27	006.3	17th Street Commons	Res	Wood-Dry Rot	545.37	(545.37)				
C281-06	002.9	1216-18 P St	Res	Sitework-Planting/Rehab, etc.		11,735.00				
C293-18	006.3	1619 Q-Rooming House	Res	Wood-Dry Rot	899.33	-				
C222-09	010.30	1228 O St, Gibson Arms	Res	Stairways/Decking/Walkways			8,700.25	165,799.75		
C222-09	008.5	1228 O St, Gibson Arms	Res	Structural Rehabilitation				17,500.00		
C222-11	008.5	1512 13th St	Res	Windows				8,000.00		
C222-11	008.5	1512 13th St	Res	Structural Rehabilitation				175,000.00		
C222-22	006.3	1201 P St, Del Capri	Res	Wood-Dry Rot			49,900.00	-		
C222-22	008.5	1201 P St, Del Capri	Res	Windows			6,278.00	22,722.00		
C223-12	008.2	1327/1317 O St	Res	Wood & Plastic Doors				25,500.00		
C173-15A	013.3	1317 O St	Res	Sp Constr - Boiler				130,000.00		
C226-08	008.5	1500 15th St-Auslander	Res	Windows				76,500.00		
C232-18B	006.3	1506 O St, Johnston House	Res	Wood-Dry Rot				25,000.00		
C232-18B	010.30	1506 O St, Johnston House	Res	Stairways/Decking/Walkways				10,000.00		
C233-07	010.30	1622 N St, Shelly Arms	Res	Stairways/Decking/Walkways				20,000.00		
C233-14	006.3	1625 O St	Res	Wood-Dry Rot				12,500.00		
C234-24	009.9	1615 P St, Lanai	Res	Finishes-Paint/Coatings				24,000.00		
C234-24	019.6	1615 P St, Lanai	Res	Structural Rehabilitation				4,000.00		
C281-07	008.5	1220 P St, Deus	Res	Windows				26,000.00		
C330-07	019.5	Bagel Time - 1607 10th St.	Com	Commercial Tenant Improvements			109,246.84	(24,246.84)		
C330-14	019.5	OB 2000 - 1603 10th St.	Com	Commercial Tenant Improvements				17,000.00		

C172-14	002.8	1325 - 15th St., Park Mansion	Res	Sitework-Improvements/Amenities							4,000.00
C172-15A	002.8	1317 - 15th St., Lombard	Res	Sitework-Improvements/Amenities							8,000.00
C172-15A	009.6	1317 - 15th St., Lombard	Res	Finishes-Flooring							6,000.00
C222-09	019.6	1228 O St, Gibson Arms	Res	Structural Rehabilitation							7,000.00
C222-20A	002.9	1209 P St., Wing Manor	Res	Sitework-Planting/Rehab, etc.							8,000.00
C222-23	008.5	1521 12th St	Res	Windows							45,000.00
	010.10	1521 12th St	Res	Awnings							12,000.00
	013.3	1521 12th St	Res	Sp Constr - Boilers							61,000.00
C223-02	007.3	1316 N. St., Le Chateau	Res	Shingles, Roof Tiles, etc							40,000.00
C223-09B	002.1	1329/1331 O St, Mud Pie Stand	Com	Sitework - Site remediation					2,635.00		59,365.00
C223-10	009.9	1327 O St., Capri	Res	Finishes-Paint/Coatings							30,000.00
C226-09	002.1	1420 O St	Res	Sitework - Site remediation							50,000.00
C226-08	009.6	1500 15th St-Auslander	Res	Finishes-Flooring							10,000.00
C226-09	010.30	1510 15th St.	Res	Stairways/Decking/Walkways							6,000.00
C226-24	010.30	1400-04 O St, Greentree/Carr Path	Res	Stairways/Decking/Walkways							7,000.00
C231-07	008.5	1522 N St, Judith Manor	Res	Windows							90,000.00
	009.6	1522 N St, Judith Manor	Res	Finishes-Flooring							27,000.00
	009.9	1522 N St, Judith Manor	Res	Finishes-Paint/Coatings							21,000.00
C231-19	012.4	1421 15th St., Biele Place	Res	Furnishings-Flooring							(3,687.00)
C231-23B	002.1	1414 16th St., Luna's	Com	Sitework - Site remediation					3,687.00		62,000.00
C231-23C	019.6	1412 16th St., Urban Yoga	Com	Structural Rehabilitation							20,000.00
C231-24	009.6	1500 N St., Brannan Court	Res	Finishes-Flooring							10,000.00
	009.9	1500 N St., Brannan Court	Res	Finishes-Paint/Coatings							52,000.00
	010.10	1500 N St., Brannan Court	Res	Awnings							57,000.00
C232-16	002.9	16th Street Commerical	Com	Sitework-Planting/Rehab, etc.					3,668.00		37,333.00
C232-18B	006.3	1506 O, Johnston House	Res	Wood-Dry Rot							127,000.00
	009.9	1506 O, Johnston House	Res	Finishes-Paint/Coatings							56,000.00
	010.30	1506 O, Johnston House	Res	Stairways/Decking/Walkways							10,000.00
C233-27	002.10	1401 16th St., Enterprise	Com	Sitework - Site remediation							15,000.00
C234-24	006.3	1615 P St, Lanai	Res	Wood-Dry Rot							17,000.00
	007.3	1615 P St, Lanai	Res	Shingles, Roof Tiles, etc							75,000.00
	010.10	1615 P St, Lanai	Res	Awnings							12,000.00
C234-27	007.3	17th Street Commons	Res	Shingles, Roof Tiles, etc							15,000.00
	010.30	17th Street Commons	Res	Stairways/Decking/Walkways							11,000.00
C281-07	007.3	1220 P St, Deus	Res	Shingles, Roof Tiles, etc							27,000.00
	008.5	1220 P St, Deus	Res	Windows							26,000.00
	010.30	1220 P St, Deus	Res	Stairways/Decking/Walkways							17,500.00
C284-10	007.3	1330 P St, Palm Manor	Res	Shingles, Roof Tiles, etc							220,000.00
C293-18	007.3	1619 Q-Rooming House	Res	Shingles, Roof Tiles, etc							74,000.00
	009.9	1619 Q-Rooming House	Res	Finishes-Paint/Coatings							21,000.00
C330-07	002.1	1607 10th St., Bagel Time	Com	Sitework - Site remediation							30,000.00
C333-11	002.1	1036 P St., Le Croissant	Com	Sitework - Site remediation							5,000.00
Various Address Budget Line Items		C888-88	General Major Construction		Completed	Open	Completed	Open	Completed	Open	
Various	001.6	Various		Energy Reduction/Sustainability	-	-	-	15,000.00	-	15,000.00	
Various	002.7	Various		Sitework-Pavement, Bases, etc	-	27,500.00	-	20,000.00	-	20,000.00	
Various	019.1	Various		Contingency	-	34,465.67	-	42,100.00	-	50,000.00	
Various	019.2	Various		Accessibility	-	10,000.00	-	10,000.00	-	10,000.00	
Various	019.3	Various		Fire & Safety	11,400.00	200.00	-	8,000.00	-	8,000.00	
Various	019.4	Various		Toxic Abatement	18,053.09	1,946.91	15,507.96	4,492.04	-	20,000.00	
Various	019.5	Various		Commercial Tenant Improvements	19,615.26	384.74	-	-	1,816.00	18,184.00	
GRAND TOTAL MAJOR CONSTRUCTION - GENERAL FUND:					\$ 485,227.47	\$ 704,832.53	\$ 189,633.05	\$ 834,866.95	\$ 11,806.00	\$ 1,625,695.00	
					C21 GF Total	\$ 1,190,060.00	C22 GF Total	\$ 1,024,500.00	C23 GF Total	\$ 1,637,501.00	

Special Management Properties									C23 - FY 22/23	
									Completed	Open
36 Somerset Parkside										
Special Management Account										
C330-00	010.8	Somerset	Res	Bath, kitchen & Laundry					9,657.00	57,343.00
	015.4	Somerset	Res	Plumbing						100,000.00
SUBTOTAL:									9,657.00	157,343.00
37 Biele Place										
Special Management Account										
C231-19	003.9	Biele Place	Res	Concrete-Restorartion/Cleaning						42,000.00
	012.4	Biele Place	Res	Furnishing & Accessories					1,553.00	6,447.00
SUBTOTAL:									1,553.00	48,447.00
38 17th Street Commons										
Special Management Account										
C234-27	006.3	17th Street Commons	Res	Wood-Dry Rot						
	001.30	17th Street Commons	Res	Stairways/Decking/Walkways						72,759.00
SUBTOTAL:										72,759.00
41 Fremont/Wilshire Apts										
Special Management Account										
C-286-00	002.9	Fremont/Wilshire Apts	Res	Sitework-Planting/Rehab, etc.						4,000.00
	008.5	Fremont/Wilshire Apts	Res	Windows						67,600.00
	001.30	Fremont/Wilshire Apts	Res	Stairways/Decking/Walkways					2,912.00	22,088.00
	006.3	Fremont/Wilshire Apts	Res	Wood-Dry Rot						31,000.00
	010.8	Fremont/Wilshire Apts	Res	Bath, Kitchen & Laundry					4,800.00	250,700.00
SUBTOTAL:									7,712.00	375,388.00
TOTAL SPECIAL MANAGEMENT FUNDS:									18,922.00	653,937.00
GRAND TOTAL ALL FUNDS (GENERAL + SPECIAL MGMT)*:					485,227.47	704,832.53	189,633.05	834,866.95	30,728.00	2,279,632.00

Completed	1,190,060.00 41%	Completed	1,024,500.00 19%	Completed	2,310,360.00 1%
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Project Address Building Name * = Future Development Site	SCOPE OF WORK	Future Budget C24 FY 23/24	Future Budget C25 FY 24/25	Future Budget C26 FY 25/26	Future Budget C27 FY 26/27	Future Budget C28 FY 27/28
GL Acct 5820		Contractor Cost	Contractor Cost	Contractor Cost	Contractor Cost	Contractor Cost
701 S St., Maintenance Warehouse	Fencing / black top	123,500.00				
1201 P St, Del Capri	Carpet/flooring	23,000.00				
1201 P St, Del Capri	Landscape	135,000.00				
1228 O St, Gibson Arms	Paint	85,000.00				
1317 O St - The Valencia	Lobby Ceiling	16,680.00				
1325 15th St-Park Mansion	Mail Boxes	53,985.00				
1400 N St, The Dean	Awnings	11,600.00				
1420 O St., The Statesman	Windows	105,950.00				
1420 O St., The Statesman	Landscape	95,000.00				
1424 P St., The Wilshire	Paint (Exterior)	32,160.00				
1500 15th St-Auslander	Dry rot, windows, paint	155,000.00				
1500 N St, Brannon Court	Awnings (metal)	12,500.00				
1506 13th St, McCaferty Manor	Windows	185,520.00				
1506 13th St, McCaferty Manor	Carpet/flooring	22,494.00				
1510 15 St., The Victorian	Fencing	23,420.00				
1510 O St., Don Carlos	Walkways	101,708.00				
1512 13th St, Southwark	Stucco repair	174,832.00				
1512 13th St, Southwark	Windows	94,300.00				
1514 15 St., The Victorian	Stairs	11,600.00				
1521 12th St,	Boiler replace	159,725.00				
1625 O St.	Windows	157,975.00				
1216-18 P St	Landscape	27,000.00				
1521 12th St	HVAC		34,560.00			
1521 12th St	Windows		58,400.00			
1521 12th St	Rewire		220,375.00			
1512 13th St	Awnings		20,604.00			
1500 15th St-Auslander	Paint (Interior)		15,852.00			
1501 15th St., Dager Manor	Carpet/flooring		16,700.00			
1501 15th St., Dager Manor	Stucco repair		28,150.00			
1501 15th St., Dager Manor	Windows		42,975.00			
1501 15th St., Dager Manor	Dry rot/windows		78,900.00			
1317 15th St., The Lombard	Paint (interior)		21,627.00			
1514 15th St. The Victorian	Dry rot & paint		85,393.00			
1510 15 St., The Victorian	Siding		17,060.00			
1400 N St, The Dean	Paint (Interior)		17,947.00			

1510 O St., Don Carlos	Windows		55,340.00			
1510 O St., Don Carlos	Electrical		182,515.00			
1228 O St, Gibson Arms	Awnings		47,556.00			
1228 O St, Gibson Arms	Paint (Exterior)		44,335.00			
1228 O St, Gibson Arms	Stucco repair		34,690.00			
1228 O St, Gibson Arms	Windows		36,239.00			
1506 O St, Johnston House	Front Porch		12,871.00			
1515 O St, Morgenson Manor	Dry Rot		38,970.00			
1420 O St., The Statesman	Stucco repair		11,445.00			
1420 O St., The Statesman	Dry rot		24,420.00			
1317 O St - The Valencia	HVAC		362,946.00			
1317 O St - The Valencia	electrical		323,540.00			
1215 P St., Gibbs Arms	Overhang		3,265.00			
1215 P St., Gibbs Arms	Stucco repair		16,850.00			
1615-23 P St., Lanai Apts	Fencing		10,000.00			
1615-23 P St., Lanai Apts	Paint (Exterior)		30,138.00			
1615-23 P St., Lanai Apts	Decking		23,520.00			
1615-23 P St., Lanai Apts	Fencing		10,000.00			
1330 P St., Palm Mansion	siding/gutters		384,210.00			
1330 P St., Palm Mansion	Windows		31,330.00			
1330 P St., Palm Mansion	Decking		16,100.00			
1500 15th St-Auslander	Roof			175,000.00		
1510 15th St. The Victorian	Paint (Exterior)			44,650.00		
1616 N St, Grantwood	Awnings			59,250.00		
1616 N St, Grantwood	Windows			49,854.00		
1622 N St, Shelly Arms	Windows			306,065.00		
1622 N St, Shelly Arms	Dry rot/windows			69,750.00		
1228 O St, Gibson Arms	Carpet/flooring			19,639.00		
1515 O St, Morgenson Manor	Windows			245,610.00		
1317 O St - The Valencia	Fencing			3,119.00		
1317 O St - The Valencia	Paint			60,532.00		
1317 O St - The Valencia	Stucco repair			36,365.00		
1317 O St - The Valencia	Dry rot/windows			86,475.00		
1316 O St.	Paint (Exterior)			32,151.00		
1316 O St.	Dry Rot			12,431.00		
1623 P St. Lanai Apts	Fencing			51,200.00		

1517 12th St	Paint				37,435.00	
1517 12th St	Stucco repair				18,115.00	
1228 O St, Gibson Arms	Balcony				37,440.00	
1317 O St - The Valencia	Awnings				37,319.00	
1201 P St, Gibbs Arms	Doors				15,088.00	
1201 P St, Gibbs Arms	Paint (Exterior)				28,503.00	
1201 P St, Gibbs Arms	Windows				106,201.00	
1617 P St. Lanai Apts	Roof				59,700.00	
1209 P St., Wing Manor	Paint (Exterior)				28,084.00	
1209 P St., Wing Manor	Windows				106,201.00	
1209 P St., Wing Manor	Dry rot				48,200.00	
1212-14 P St	Walkways/stairs				61,700.00	
1326 P St	Brick (Entryway)				21,970.00	
1321 Q St.	Paint (Exterior)				19,564.00	
1321 Q St.	Dry rot				13,800.00	
1501 15th St., Dauger Manor	Paint (Exterior)					77,307.00
1327 O St, Capri	Doors (Exterior)					17,222.00
1414 O St, Moor Manor	Dry Rot/Windows					74,900.00
1400 N St, The Dean	Garage Doors					37,333.00
1400 N St, The Dean	Paint (Exterior)					5,539.00
1500 N St, Brannon Court	Lighting					23,790.00
1220 P St, Deus	Paint (Exterior)					39,219.00
1506 13th St, McCaferty Manor	Paint (Exterior)					72,471.00
1506 13th St, McCaferty Manor	Windows					175,423.00
1615 P St, Lanai Apts	Paint (Exterior)					31,311.00
1617 P St. Lanai Apts	Paint (Exterior)					35,677.00
1617 P St. Lanai Apts	Awnings					17,940.00
1201 P St, Del Capri	Windows					40,839.00
1201 P St, Del Capri	Paint (Exterior)					29,994.00
1201 P St, Del Capri	Awnings					26,112.00
1209 P St., Wing Manor	Roof					141,500.00
1215 P St., Gibbs Arms	Roof					134,000.00
1228 O St, Gibson Arms	Roof					71,781.00
1316 O St,	Windows					96,699.00
		\$ 1,807,949.00	\$ 2,358,823.00	\$ 1,252,091.00	\$ 639,320.00	\$ 1,149,057.00
General Fund 5 YearTotal						\$ 7,207,240.00

Special Management Properties						
Somerset	Walkways					6,222.00
	Remodel/Rebuild Bathrooms & Kitchen Cabinets	117,309.00				
	Plumbing (Cast Iron)	136,213.00				
SUBTOTAL:		253,522.00	-			6,222.00
Biele Place	Elevator				85,000.00	
	Roof					135,315.00
SUBTOTAL:		-	-	-	85,000.00	135,315.00
17th Street Commons	Stairs	37,059.00				13,076.00
	Decking		118140	118,140.00	17,689.00	49,530.00
	Meter Roof					17,340.00
	Awnings (metal)	94,151.00				
	Remodel/Rebuild (Post)	5,652.00				
	Paint (Exterior)		58,879.00	62,973.00	38,050.00	
	Dry rot/windows			58,860.00		
	Roofs		49,494.00		80,073.00	197,985.00
	Windows	155,750.00			88,805.00	
SUBTOTAL:		292,612.00	226,513.00	224,617.00	224,617.00	277,931.00
Fremont/Wilshire Apts	Stairs	155,900.00				
SUBTOTAL:		155,900.00	-			
		702,034.00	226,513.00	224,617.00	309,617.00	419,468.00
Special Management Properties 5 Year Total						1,882,249.00
		2,509,983.00	2,585,336.00	1,476,708.00	948,937.00	1,568,525.00

5 Year Needs Assessment Total 9,089,489.00



May 12, 2023

TO: CADA Board of Directors

SUBJECT: **May 19, 2023 Board Meeting**
AGENDA ITEM 7

**ADOPT A RESOLUTION APPROVING THE MIDDLE-INCOME HOUSING
MODEL AND PROGRAM POLICY**

CONTACT: Danielle Foster, Executive Director
Todd Leon, Development Director

RECOMMENDED ACTION:

Staff is recommending the Board approve a resolution (**Attachment 1**) 1) authorizing a Middle-Income Housing Model and Program Policy (**Attachment 2**) and 2) directing staff to return to the Board in the new fiscal year with a Request for Proposals under this new model.

BACKGROUND

Sacramento middle-income households, with incomes at 80-120% of Area Median Income, are experiencing increasing rents and fewer affordable housing opportunities due to increased housing demand and limited state and local resources. The majority of affordable housing programs are now focused on serving lower income households, with incomes below 80% of Areawide Median Income (AMI). This housing gap requires new policy tools to avoid an expanded affordability crisis, limited workforce pool, increased commuting, and resulting household displacement. Middle-income households, particularly those at 80% of the Area Median Income, have been impacted the most by increasing rents within the Sacramento downtown area because the majority are not in regulated affordable housing and are quickly getting priced out by the strengthened market demand.

Over the last six months, CADA staff and local partners have been exploring an option for the provision of low-income housing units at 80% of Area Median Income and moderate-income units at 120% of Area Median Income with minimal public subsidy. Through this model, the following pieces come together to provide housing affordable to middle income households without the use of typical state and federal subsidies:

- Housing that is developed efficiently and cost effectively so that the financing and operational costs can be supported by low-income and moderate-income rents, smaller unit sizes are more conducive to the model
- Private equity and a traditional bank loan, such as a Community Reinvestment Act (CRA) loan, to finance the project; and

- Partnership from a local public agency through a loan and regulatory agreement (CADA's role in this model)
- A for-profit or non-profit Administrative General Partner (AGP) to put together the equity and the financing, contribute capital and structure the deal, as well as manage the asset over time
- Partnership from a non-profit to fulfill the role of Managing General Partner (MGP) with the AGP to achieve the annual certification of the affordable housing units and the resulting welfare tax exemption that's necessary for project sustainability

This model is able to provide deed-restricted low-income housing units with minimal public investment aside from the welfare tax exemption. It also provides a new type of affordable housing, further diversifying the community and the available affordability options. Use of this creative partnership approach also marshals a range of local organizations working together in solving local housing needs, which is critical to long-term comprehensive solutions.

OVERVIEW OF THE MIDDLE-INCOME MODEL AND POLICY

The Middle-income Housing Policy is broken into several sections which include:

- Policy Goals
- Application Process, and
- Underwriting Criteria

A brief summary of each section is outlined below.

Policy Goals

- 1) Housing Production and Conversion: Produce deed-restricted middle-income units that remain affordable over time to serve local housing needs and maximize Affordable Housing credit for CADA and the Regional Housing Needs Allocation (RHNA) credit for the City.
- 2) Housing Affordability: Seek new methods to provide affordable housing at 80%-120% of Area Median Income, utilize minimal direct subsidy and ensure affordability for a minimum of 55 years.
- 3) Other Community Benefits: Additional benefits to the community will be encouraged such as projects that provide rapid conversion of units to Middle-Income Housing, projects that stimulate the receipt of other tax revenues (e.g. ground floor commercial uses), projects that include other local economic and sustainability benefits (e.g., jobs, transit-oriented development, etc.), projects that reinvest in an aging building, and projects that help revitalize a blighted or underutilized area.

Application Process

CADA staff will prepare a Request for Proposals process for Board consideration on Middle-Income Housing Model requests per the Policy. Review of the proposals will include the following steps:

- 1) Submittal of Proposals, 2) Application Completeness Review and Analysis, 3) Proposal Interviews (as needed), and 4) Consideration by the CADA Board.

Underwriting Criteria

The following information will be reviewed by CADA staff as part of the application review process:

1. Limited Partnership Resources and Experience, 2. Project Location and Financing, 3. Tenant Protections & Occupancy Process, 4. Reporting Requirements, and 5. Basic Underwriting Standards.

ANALYSIS

When considering the merits of this project model, staff analyzed the existing housing market downtown and the need for this type of middle-income housing. Current market rate development is focused at or above 120% of Area Median Income for Sacramento households, with the majority of housing downtown, particularly one-bedroom housing units or larger, focused on households making \$100,000-\$150,000 annually. This proposed project will be able to provide housing to our downtown workforce working in entry-level professional jobs and to a range of workforce members, particularly smaller households, with annual incomes of \$57,000-\$80,000. Jobs that fit into this income category might include administrative assistants, assistant planners, building/parks maintenance staff, custodians, dispatchers, parking lot attendants, teachers, sales clerks, and librarians. Staff is excited to support the offering of this housing affordability level that is not currently being served by typical affordable housing development or by conventional market rate development.

This program fills a gap in local housing options and does so through an innovative public-private-non-profit partnership that can be replicated throughout Sacramento. There may be zip codes where this housing model can also be paired with Housing Choice Vouchers going forward, providing additional opportunity for a range of incomes. Having middle income housing units within the downtown will provide additional neighborhood stability, reduce local carbon footprint for workforce households otherwise forced to commute, and increase workforce employee options available to downtown businesses in times where it has been challenging to recruit, such as at the present time. Holding a Regulatory Agreement on this housing type also ensures that projects developed or acquired under this program will either start out as or transition to low-income and moderate-income tenants and rents, maintain its affordability over time despite market changes, and tenants will have a transitional year to exit their unit if their income exceeds low- or moderate-income thresholds.

To initiate this program and inform the development community of its availability, staff will return in the new fiscal year with a Request for Proposals process and budgeted allocation of funding for outreach and use of this model or similar models that require minimal subsidy and can yield low-income and moderate-income units.

FINANCIAL IMPACT

This amount will vary per project, but staff would recommend setting aside funds each year for this program. Staff will include a budget for this program as part of the upcoming fiscal year budget.

POLICY

Providing this program supports CADA's work in building and serving a vibrant Capitol Park Neighborhood. Having a variety of housing types and affordability levels within the wider Central City area benefits the commercial and residential stability of downtown and furthers the community health by broadening the available range of household types and income levels that the housing is able to serve.

STRATEGIC PLAN

This program and its policy fulfil the following components of the CADA Strategic Plan: fiscal responsibility, collaboration, urban development leadership, creativity and community stewardship in the provision of mixed-income housing. Utilizing partnerships in the completion of our mission has been and continues to be a hallmark of CADA's work. The strategic plan called for studying the downtown market to identify CADA's niche and this income band at 80% to 120% AMI is currently an underserved demographic. This model also further combines the environmental sustainability with housing development by weaving together local workforce needs and housing options, and it supports new innovation and a complex infill concept.

ENVIRONMENTAL IMPACT

This action is exempt under the California Environmental Quality Act (CEQA) as the provision of a funding program. CEQA review of project developments would go through the necessary City review process.

CONTRACT AWARD CONSIDERATIONS

Not applicable.

Attachments:

1. Resolution
2. Middle-Income Housing Model and Program Policy

Attachment 1

RESOLUTION NO. 23 - 15

May 19, 2023

Adopted by the Capitol Area Development Authority

RESOLUTION APPROVING A MIDDLE-INCOME HOUSING MODEL AND PROGRAM POLICY AND DIRECTING STAFF TO RETURN TO THE BOARD WITH A FORMAL REQUEST FOR PROPOSALS UNDER THIS POLICY IN THE NEW FISCAL YEAR

WHEREAS, providing middle-income housing addresses a significant community need, supports community diversity and a stable workforce downtown that will support the economic vitality of the Capitol Area and the City;

WHEREAS, staff has learned of a new approach to providing middle income housing that could provide great benefit to the community with very little public subsidy on a per unit basis while providing affordable rental opportunities to low- and moderate- income households;

WHEREAS, CADA has the opportunity to continue its legacy of private-public partnerships while furthering an innovative model that could be replicated throughout the City; and

WHEREAS, making a CADA loan to this type of middle-income development created under this Policy ensures the ongoing affordability of the housing through long-term regulatory agreements, creating housing market stability and furthering local anti-displacement.

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

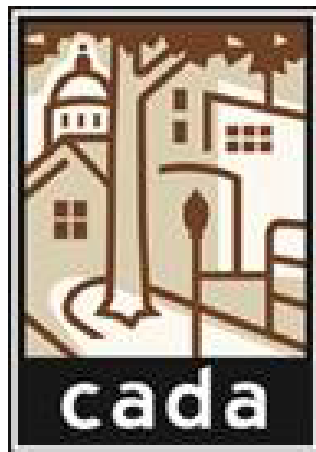
1. The attached Middle-Income Housing Model and Program Policy is approved; and
2. The Executive Director of CADA is directed to return to the Board in the new fiscal year with a Request for Proposals under this new policy.

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors

Middle Income Housing Model and Program Policy



Adopted on May 19, 2023

1. Introduction and Policy Goals

Middle-income households in Sacramento have experienced increasing rents and risk of displacement, indicating a growing issue that requires new policy tools to reduce expansion of the affordability crisis faced by lower income groups. Adoption and implementation of a Middle-Income Housing Model and Program Policy allows public-private-non-profit partnerships to form and creatively respond to this local need for Middle Income (80% to 120% Area Median Income) Housing.

For each approved Middle-Income Housing Project under this model, CADA will provide a small loan and enter into a regulatory agreement to monitor maintenance, affordability and upkeep of the units. CADA will assist the project partnership that will typically include both a private for-profit and housing non-profit in order to accomplish the affordability goals of the project.

The goals of this Policy are to:

- **Housing Production and Conversion:** Produce deed-restricted middle-income units that remain affordable over time to serve local housing needs and maximize Affordable Housing credit for CADA and the Regional Housing Needs Allocation (RHNA) credit for the City.
- **Housing Affordability:** Seeking new methods to provide affordable housing at 80%-120% of Area Median Income, utilizing minimal direct subsidy and ensuring affordability for a minimum of 55 years.
- **Other Community Benefits:** Additional benefits to the community will be encouraged such as projects that provide rapid conversion of units to Middle-Income Housing, projects that stimulate the receipt of other tax revenues (e.g. ground floor commercial uses), projects that include other local economic and sustainability benefits (e.g., jobs, transit-oriented development, etc.), projects that reinvest in an aging building, and projects that help revitalize a blighted or underutilized area.

2. Application Process and Timeline

CADA staff will prepare a Request for Proposals process for Board consideration on Middle-Income Housing Model requests per the Policy. Review of the proposals will include the following steps: 1) Submittal of Proposals, 2) Proposal Completeness Review and Analysis, 3) Proposal Interviews (as needed), and 4) Consideration by the Board.

1. **Submittal of Proposals.** The Partnership provides all the information listed in the Middle-Income Housing Proposal Information Checklist.
2. **Proposal Completeness Review and Analysis.** CADA staff reviews the proposal and required information and make a “completeness” determination within 30 days. Applicants will be notified if their application is complete, or if deemed incomplete, what additional information is required to deem the application complete.
3. **Proposal Interviews (as needed).** Interviews will be conducted to learn more about the proposal and the applicants.
4. **Proposal Consideration by the Board.** When CADA staff determines that the proposal has been reviewed and all necessary information has been gathered, the matter will be scheduled for a Board meeting for action.

3. Underwriting Standards

To achieve Policy goals and objectives, Middle-Income Housing transactions will be reviewed against the following underwriting standards. After the program Request for Proposals, CADA will consider proposals on a rolling basis to accommodate market transactions.

Limited Partnership Resources and Experience

The following professional experience parameters for members of the Limited Partnership is required:

1. Managing General Partner (MGP) with experience in providing affordable housing and similar types of housing units, including experience with processing the welfare tax exemption and reporting on affordability.
2. Administrative General Partner with adequate and assembled resources, in partnership with the MGP, to develop or acquire the housing contained in the proposal.
3. Property Manager shall have successful experience managing similar types of housing and shall understand how to complete affordability reporting with the Managing General Partner.

Project Location, Feasibility and Financing

1. Project Location: CADA will review the project location for need for the unit types being proposed and for the benefits provided to the surrounding neighborhood and area.
2. Financing: Financing of the project must be fully secured prior to the release of CADA funding.
3. Cash Flow and Pro Forma: Analysis must show the project is feasible by analysis of the project operational budget, debt, and partner obligations

Tenant Protections & Occupancy Process

For acquisition of existing projects, the Partnership is required to take the following measures to avoid involuntary displacement of existing tenants within the 12 months following a property's acquisition:

1. Noticing: Each tenant shall be provided with a written notice advising them of their rights under the terms of the approved transaction and deed restrictions and ongoing compliance procedures to maintain their eligibility to reside in any market-rate or income and rent restricted units by category, as applicable. The notice shall include procedures for the conversion of tenants of any market-rate units to deed-restricted units in a way that does not cause involuntary displacement of existing tenants.
2. Maximum Household Income: Following conversion to deed-restricted rents of all occupied market-rate units at the commencement of lease-up, no units shall continue to be rented to tenants with incomes that exceed 120 percent of AMI.
3. Existing Tenants: Existing tenants who meet household income requirements should be transitioned first into income-qualifying units at their option, prioritizing those with the highest proportion of income spent on rent payments.
4. Section 8: In accordance with SB 329, the Property Manager shall not discriminate in renting units to Housing Choice or VASH (for veterans) voucher holders including those receiving rental assistance from any local, federal, state, or non-profit agency.
5. Renters Insurance: Owners may not make payment of rental insurance premiums a condition of occupancy.

Reporting Requirements

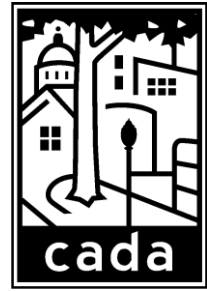
The following annual reporting is required:

1. **Property Condition:** The Property Management Company shall continually maintain the affordable units in a condition which, at a minimum, satisfies the Uniform Physical Conditions Standards promulgated by the Department of Housing and Urban Development (24 CFR §5.705). CADA will periodically inspect a sample of units to ensure housing quality.
2. **Tenant Summary:** The property manager will provide an annual rent roll summary of tenant attributes including household size, income and rent information on a form acceptable to the CADA.
3. **Requests for Other Information:** The Partnership team shall respond within 10 calendar days in writing to any reasonable written request from CADA for other information about the project's property maintenance conditions or leasing practices.

Basic Underwriting Standards

All applications will be reviewed against the following basic underwriting standards.

1. **Additional Debt:** After initial assistance, CADA debt will need to be repaid prior to additional debt on the property. CADA will also be informed of any additional debt.
2. **Annual Monitoring Fee:** All projects will be required to pay the CADA's annual monitoring fee.
3. **Annual Rent Growth:** Rents charged on all units shall be based on 30% of the monthly targeted income, minus any utilities paid by tenant.
4. **Debt Service Coverage Ratio Minimum:** The financing package, including all series of bonds where relevant, must have a minimum debt service coverage ratio of 1.00 in each year the bonds for the project are outstanding.
5. **Deed Restriction:** The affordability restrictions will include a 55-year deed restriction for all projects, and otherwise be subject to review and approval by CADA.
6. **Asset Management and Replacement Reserves:** For new and existing buildings, reserves for asset management fees and replacement items shall be adequately funded based on the needs of the property.
7. **Partnership Fees:** Ensuring that fees collected by the partnership are reasonable and consistent with industry standards.
8. **Ongoing Fees:** The total ongoing fees to all entities potentially including the owner, property administrator, property manager shall be evaluated to ensure they do not exceed market standards.
9. **Operating Expense Growth:** Expenses should be projected to grow at a minimum of three percent per year. Accumulated capital reserves should be used to conduct major renovation as laid out in the capital repairs Policy, as well as address unplanned emergencies.
10. **Vacancy:** Vacancy should be assumed at no less than five percent.
11. **Debt Obligations:** There shall be no additional debt obligations issued on the property without notice to CADA.



May 12, 2023

TO: CADA Board of Directors

SUBJECT: **May 19, 2023 Board Meeting**
AGENDA ITEM 8

1901 8TH STREET MIDDLE INCOME HOUSING LOAN AND REGULATORY AGREEMENT

CONTACT: Danielle Foster, Executive Director
Todd Leon, Development Director

RECOMMENDED ACTION:

Staff is recommending the Board approve the attached resolution (Attachment 1), First, authorizing the Executive Director, or her designee, to execute the attached form of Promissory Note, Deed of Trust, and Regulatory Agreement, substantially consistent with the enclosed drafts to provide: (1) a \$100,000, five-year loan at three percent interest to the 1901 8th Street Investors Limited Partnership for acquisition and operation of the development at 1901 8th Street; (2) a 55-year Regulatory Agreement to the property for the provision of 72 low- and moderate- income housing units for households at or below 80% and 120% of the Area Median Income (AMI); and completion of any other related documents necessary to this transaction. Second, approve a budget amendment to the R Street Development CIP Budget for \$100,000 from the R Street Affordable Housing Reserve to fund this loan.

BACKGROUND

In December 2022, the Capitol Area Development Authority (CADA) was approached by the developers of 1901 8th Street, Urban Elements and Fulcrum Properties, about the potential opportunity to provide low- and moderate- income housing units through their downtown development at 1901 8th Street. At the time CADA was hesitant to directly purchase the property due to the demand it would place on CADA's limited available capital if it were to self-finance acquisition of the project.

Subsequently, CADA was approached by Urban Capital regarding the possibility of a new model that would create a private-public partnership for the provision of low-income and moderate-income housing units at 80% and 120% of Area Median Income. Under this proposal, the following pieces come together to provide housing affordable to low- and moderate- income households without the use of typical state and federal subsidies:

- Housing designed and developed efficiently at the cost of approximately \$200,000 per unit.
- Private equity and a traditional bank loan, possibly as a Community Reinvestment Act (CRA) loan to finance the project

- Participation from a local public agency that provides a small loan and regulatory agreement to secure the low-income and moderate-income rents. (CADA's role in this proposal)
- Partnership with a non-profit to fulfill the role of Managing General Partner (MGP) with the for-profit Administrative General Partner (AGP) to qualify for and achieve the annual certification of the affordable housing units and the resulting welfare tax exemption to significantly reduce the project's property tax bill.

While CADA considered acquisition and participation in this project through its non-profit arm, the Capitol Area Community Development Corporation (CACDC), it ultimately felt this development model and in particular, this project, would be better served by an outside nonprofit that could bring additional resources and support to bear. Subsequently, the project partnership identified Pacific Housing, Inc. to act as the non-profit MGP partner for this project. Pacific Housing has completed 148 affordable housing projects during the course of its work and is strongly committed to low-income housing products, like the proposed for this project. Pacific Housing is structured to partner on these types of products and serve as MGP. So, the project partnership will include Urban Capital acting as the Administrative General Partner and Pacific Housing as the Managing General Partner. They are finalizing the equity partner for the project and have secured a debt commitment for the project through Key Bank. CADA's loan and regulatory agreement will finish off the needs for the project to proceed with this middle-income housing model.

ANALYSIS

When considering the merits of this project proposal, staff analyzed the existing housing market downtown and the need for this type of middle-income housing. Current market rate development is focused at or above 120% of Area Median Income for Sacramento households, with the majority of housing downtown, particularly one-bedroom housing units or larger, focused on households making \$100,000 - \$150,000 annually. This proposed project will be able to provide housing to our downtown workforce working entry-level professional jobs, particularly smaller households with annual incomes of \$57,000 - \$80,000.

Staff is excited to support the offering of this housing affordability level that is not currently being served by typical affordable housing development nor by conventional market rate development. While the recommended project is just outside the CADA Capitol Area Plan and R Street Project Area, development of these types of units will greatly benefit CADA's project areas and the downtown community overall while not relying heavily on assistance from CADA. Providing CADA R Street Area funds to this project through a five-year loan will provide a half unit credit back to CADA for each unit assisted. So, for 72 units, CADA will receive a 36-unit credit for the R Street Project Area.

This project fills a gap in currently-available local housing options and does so through an innovative public-private-non-profit partnership that can be replicated throughout Sacramento. Since this project is currently getting leased up in anticipation of the upcoming Certificate of Occupancy, there may be need for the transitioning of units to low- and moderate- income households and rents over the first year as the property qualifies towards welfare tax exemption. Holding a Regulatory Agreement on this project ensures the following:

- that all units will transition to low- and moderate- income tenants and rents within the first year;

- the site will uphold affordability overtime amidst market changes; and
- tenants will have a transitional year to exit their unit if their income exceeds low- or moderate- income thresholds for the project.

If tenant incomes do exceed the low-income threshold, those units will lose the property tax exemption until the unit is refilled with a new income-qualifying household. During this time, the unit will be rented at a market comparable rent to the household until they move out in order to cover the property taxes. Because the differential between the 80% rent and the market rate rent for one- and two-bedroom units is so great, the project will be renting those 21 units in the project to moderate income households ranging from 100-120% AMI so they will not have to be pushed to market rate rents, a much greater increase, since this rent will cover property taxes. The other 51 units will be rented to 80% AMI households.

FINANCIAL IMPACT

CADA will provide a five-year three-percent \$100,000 loan to this project funded from the R Street Affordable Housing Development Reserve. The loan will assist the bridge costs of the property by paying the property taxes until the welfare tax exemption has been processed and approved by the Board of Equalization and the County Assessor's Office. This loan will be repaid through project operations and returned to the R Street fund where it can be used for a subsequent project through the Request for Proposals process, if CADA identifies another project. There is adequate cash within existing CADA R Street reserves for the completion of this loan without impairing any other existing CADA commitments.

POLICY

Provision of this loan and regulatory agreement to the 1901 8th Street Investors Limited Partnership supports CADA's work in building and serving a vibrant Capitol Neighborhood. Having a variety of housing types and affordability levels within the Central City benefits the commercial and residential stability of downtown and furthers the community health by broadening the available range of household types and income levels that the housing is able to serve.

STRATEGIC PLAN

This project recommendation fulfils the following components of the CADA Strategic Plan: fiscal responsibility, collaboration, urban development leadership, creativity and community stewardship in the provision of mixed-income housing. Utilizing partnerships in the completion of our mission has been and continues to be a hallmark of CADA's work. The strategic plan called for studying the downtown market to identify CADA's niche, and this income band at 80% AMI is currently an underserved demographic. This proposal also further combines environmental sustainability with housing development by weaving together local workforce needs and housing options, and it supports new innovation and a complex infill concept.

ENVIRONMENTAL IMPACT

This action is exempt under the California Environmental Quality Act (CEQA) as it involves only the provision of funding for a project that has already undergone CEQA review. CEQA review of the project development itself was completed by the City of Sacramento through the planning entitlement review process.

CONTRACT AWARD CONSIDERATIONS

Not applicable.

Attachments:

1. Resolution
2. Form of Promissory Note
3. Form of Deed of Trust
4. Form of Regulatory Agreement

RESOLUTION NO. 23 - 16

May 19, 2023

Adopted by the Capitol Area Development Authority

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A \$100,000 CADA LOAN TO THE 1901 8TH STREET INVESTORS LIMITED PARTNERSHIP PURSUANT TO A PROMISSORY NOTE SECURED BY A DEED OF TRUST AND TO EXECUTE AND RECORD THE NECESSARY ACCOMPANYING REGULATORY AGREEMENT FOR THE PROVISION OF 72 LOW- AND MODERATE- INCOME HOUSING UNITS FOR 55 YEARS AND AMENDING THE CADA R STREET DEVELOPMENT CIP BUDGET TO FUND THE LOAN

WHEREAS, the development at 1901 8th Street is a unique opportunity to test a new middle-income housing model that relies upon the welfare tax exemption and cost-efficient housing design to provide housing affordability; and

WHEREAS, the 1901 8th Street Investors Limited Partnership will utilize this loan and regulatory agreement to provide 72 units to low-income and moderate-income households at 80% and 120% of the Area Median Income within the downtown;

WHEREAS, provision of this middle-income housing addresses a significant community need, supports community diversity and provides a stable workforce downtown that will support the economic vitality of the Capitol Area and the City; and

WHEREAS, providing a CADA loan to this development and encumbering the property with a Regulatory Agreement ensures the ongoing affordability of the housing and its provision of middle-income housing for fifty-five years.

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

1. The R Street Development CIP budget is amended to include up to \$100,000 funded from the R Street Affordable Housing Reserve to provide a loan to the 1901 8th Street Investors Limited Partnership; and
2. The Executive Director of CADA is authorized to take any and all actions on behalf of CADA to close on financing for the project to the 1901 8th Street Investors Limited Partnership, including execution of all necessary documents and project loans including the attached Promissory Note, Deed of Trust, and Regulatory Agreement, substantially consistent with the attached form documents.

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors

PROMISSORY NOTE

\$100,000.00

_____, 2023
Sacramento, California

1. Obligation. FOR VALUE RECEIVED, the **1901 8th Street Investors Limited Partnership**, a California limited partnership ("Borrower"), hereby unconditionally promises to pay to the **Capitol Area Development Authority**, a California joint powers agency ("Lender"), at **1522 14th Street, Sacramento, CA 95814**, or at such other place as Lender may from time to time designate in writing to Borrower, the principal sum of One Hundred Thousand Dollars (\$100,000.00), together with interest thereon, to be paid in lawful money of the United States of America according to the terms set forth below (the "Note").
2. Interest Rate. The interest rate per annum to be applied to the unpaid principal balance of this Note will be a fixed rate of three percent (3.00%) simple interest. Under no circumstances shall the interest rate on this Note be more than the maximum rate allowed by applicable law.
3. Payment of Principal. No principal payments shall be due or payable until the Maturity Date, at which time, the entire outstanding principal balance, and all accrued, but unpaid principal, accrued interest and other amounts outstanding on this Note shall be due and payable. Each payment made hereunder, including prepayments allowed under Section 6, shall be credited first on interest then due and the remainder on principal.
4. Maturity Date. This Note shall become due in full, including any outstanding principal and interest, 60 months from date of this Note.
5. Collateral. This Note is secured by a Deed of Trust of even date herewith by Borrower, as trustor, for the benefit of Lender, as beneficiary, covering certain real property owned by Borrower located at 1901 8th Street, in Sacramento, California, as more specifically described therein (the "Property"). This Note is also guaranteed by _____, the Administrative General Partner(s) for the Borrower, pursuant to that certain Guaranty dated the same date herewith.
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: 1901 8th Street Investors Limited Partnership

If to Lender: Capitol Area Development Authority
1522 14th 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.

17. Due on Sale. The obligations of the undersigned under this Note are subject to the terms of the Deed of Trust of even date herewith. The Deed of Trust contains the following due on sale provision:

DUE ON SALE - CONSENT BY LENDER. If Trustor shall sell, convey, or alienate the Property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the prior written consent of Beneficiary, Beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing same, immediately due and payable. To "sell, convey or alienate" means the conveyance of the Property or any right, title or interest in the Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, or by any other method of conveyance of an interest in the Property.

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

Borrower:

1901 8th Street Investors Limited Partnership,
a California limited partnership

By: _____
Name: _____
Title: _____

**No recording fee required pursuant to
Government Code Section 27383**

**Recording Requested by and
When Recorded Return to:**

Capitol Area Development Authority
1522 14th Street
Sacramento, CA 95814
Attn: Executive Director

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST
ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FIXTURE FILING**

(1901 8th Street)

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust"), made _____, 2023, between **1901 8th Street Investors Limited Partnership**, a California limited partnership ("Trustor"), _____ ("Trustee"), and **Capitol Area Development Authority**, a California joint powers authority ("Beneficiary").

Trustor is the fee interest owner of that certain real property located in the County of Sacramento, State of California, described in Exhibit A attached hereto ("Property"), containing a development of seventy-two (72) units of rental housing, all of which are rent restricted as described in that certain Regulatory Agreement dated the same date herewith (collectively, "Improvements").

Trustor intends to grant Beneficiary this Deed of Trust encumbering its fee interest in the Property as security for a loan made by Beneficiary to Trustor to be used for the development of the Property.

Trustor, in consideration of the indebtedness referred to below, irrevocably grants, transfers, conveys, and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale, the Property.

TOGETHER WITH:

(a) all right, title and interest (including any claim or demand in law or equity) which Trustor now has or may hereafter acquire in or to such property; all development rights or credits and air rights; all water and water rights (whether or not appurtenant to such property) and shares of stock pertaining to such water or water rights, ownership of which affects such property; Trustor's interest in all minerals, oil, gas, and other hydrocarbon substances and rights thereto in, on, under, or upon such property and all royalties and profits from any such rights or shares of stock; and all adjacent lands within enclosures or occupied by buildings partly situated on such property;

(b) all buildings, structures, improvements, fixtures and appurtenances now and hereafter placed on such property, including, without limitation, all apparatus and equipment, whether or not physically affixed to the land or any building, used to provide or supply air-cooling, air conditioning, heat, gas, water, light, power, refrigeration, ventilation, laundry, drying, dish washing, garbage disposal or other services; and all elevators, escalators and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, partitions, ducts, compressors, plumbing, ovens, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennas, pools and spas and pool and spa operation and maintenance equipment and apparatus, trees and plants located on such property, all of which, including replacements and additions thereto, shall conclusively be deemed to be affixed to and be part of the real property conveyed to Trustee hereunder.

(c) all intangible property and rights related to the aforesaid property or the operation thereof or used in connection therewith including, without limitation, permits, licenses, plans, specifications, construction contracts, subcontracts, bids, deposits for utility services installations, refunds due Trustor, trade names, trademarks and service marks.

(d) all rents, issues, profits and other income from the property, including, but not limited to, all proceeds of sale or lease of the property.

(e) the personal property collateral described in Exhibit B.

Trustor agrees to execute and deliver, from time to time, such further instruments, including but not limited to, Security Agreements, Assignments, and UCC Financing Statements, as may be requested by Beneficiary to confirm the lien of this Deed of Trust on any of the aforementioned property.

All Property, both real and personal, conveyed to Trustee hereunder shall be referred to herein as the "Property".

This Deed of Trust secures the following obligations:

1.1 (a) Promissory Note entered into by Trustor, of even date herewith (and any and all renewals or extensions thereof) in the amount of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00), with interest thereon according to the terms of said note ("Note"), which Trustor covenants and agrees to pay.

(b) Payment and Performance of every obligation, covenant, promise and/or agreement contained in this Deed of Trust.

(c) Payment and Performance of every obligation, covenant, promise and/or agreement contained in the Regulatory Agreement entered into by Trustor of even date herewith.

(d) Payment and performance of every obligation, covenant, promise and agreement contained in any other written instrument executed by Trustor in favor of Beneficiary if, but only if, the written instrument expressly states that the instrument is secured by this Deed of Trust.

(e) For the purposes of this Deed of Trust, any reference to a Note contained herein shall be deemed to refer to each and every note secured by this Deed of Trust, and any default under any note secured by this Deed of Trust shall constitute a default under every other note so secured, and shall additionally constitute a default under this Deed of Trust.

For the purpose of protecting and preserving the security of this Deed of Trust, Trustor promises and agrees:

2. Obligations of Trustor. Trustor shall promptly pay when due, all installments, payments, charges or other obligations due under the Note; and all other monetary obligations secured by this Deed of Trust.

3. Repair and Maintenance of the Property. Trustor will: (a) keep the Property in good condition and repair; (b) not substantially alter, remove or demolish the Property or any building or other improvements thereon, except (i) when approved in writing by Beneficiary; or (ii) when incident to the replacement of fixtures, equipment, machinery or appliances with items of like kind; (c) restore and repair to the equivalent of its original condition, all or any part of the Property which may be damaged or destroyed, including, but not limited to, damage from termites and dry rot, soil subsidence and construction defects, whether or not insurance proceeds are available to cover any part of the cost of such restoration and repair; (d) pay when due all claims for labor performed and materials furnished in connection with the Property and not permit any mechanic's or materialman's lien to arise against the Property or furnish loss or liability under such mechanic's lien claims; (e) comply with all laws affecting the Property or requiring that any alterations, repairs, replacements, or improvements be made thereon; (f) not commit or permit waste on or to the Property, or commit, suffer or permit any act or violation of law to occur upon the Property; (g) not abandon the Property; (h) cultivate, irrigate, fertilize, fumigate and prune; (i) if required by Beneficiary, provide for the management satisfactory to Beneficiary under a management contract approved by Beneficiary; (j) notify the Beneficiary in writing of any condition at or on the Property which may have a significant and measurable effect on its market value; and (k) if the Property is rental Property, generally operate and maintain the Property in such manner as to realize the maximum rental potential thereof and do all other things which the character or use of the Property may reasonably render necessary to maintain the Property in the same condition (reasonable wear and tear expected) as it was at the date of this Deed of Trust.

4. Insurance.

4.1 Property Insurance. Trustor shall provide and maintain insurance as required below covering all buildings, structures and improvements now situated or which hereafter may be erected or placed upon said Property, against loss or damage by fire and other casualties (special broad-form perils) with the valuation clause reflecting replacement costs basis and to carry such and, in the event said Property or any part thereof now lies or hereafter lies in an area designated by the Federal Emergency Management Agency as located within a flood insurance rate map or flood hazard boundary map, or which is designated by the Department of Housing and Urban Development as a flood zone, to carry flood insurance; all as required below or as the Beneficiary may from time to time require. All such insurance shall be in forms, and with companies and in sums (not less than sufficient to avoid any claim on the part of the insurers for co-insurance or other penalties for insufficient limits) satisfactory to the Beneficiary. All insurance policies shall be held by and be for the benefit of Beneficiary, and shall name Beneficiary as loss payee. Beneficiary shall accept as satisfying the requirements of this Section 3.1 any insurance policy in the amount of the replacement cost of buildings, structures,

and improvements located on said Property. At least fifteen (15) days before the expiration of each such policy, Trustor shall deliver to the Beneficiary a new and sufficient policy to take the place of the one so expiring. In the event of a loss, the amount collected, under any policy of insurance on said Property may, at the sole option of the Beneficiary (1) except to the extent expressly limited or prohibited by statutory or case law in effect as of the date of this Deed of Trust, be applied by Beneficiary upon any indebtedness and/or obligation secured hereby whether the same be then matured or unmatured, and in such order as Beneficiary may determine; (2) be used in replacing or restoring the improvements partially or totally destroyed to a condition satisfactory to said Beneficiary; (3) be used by the Beneficiary to fulfill any of the covenants contained herein as the Beneficiary may determine; or (4) be released to the Trustor. In any of the foregoing events neither the Trustee nor the Beneficiary shall be obligated to see to the prior application thereof, nor shall the amount so released or used under clauses (2), (3), or (4) above be deemed a payment on any indebtedness secured hereby. Such application, use, and/or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. The Trustor hereby irrevocably appoints the Beneficiary as its attorney in fact to assign each such policy in the event of the foreclosure of this Deed of Trust or other transfer of the title to the granted Property in extinguishment, in whole or in part, of the debt secured hereby. No insurance shall be required hereunder in excess of that allowed by Civil Code Section 2955.5.

4.2 General Liability Insurance. Trustor shall purchase and continuously maintain comprehensive general liability with terms and conditions that are at least as broad as the Insurance Service Office (ISO) Form 00 01 and with limits not less than \$5,000,000 each occurrence. Such insurance shall include the Beneficiary as an additional insured arising out of the named insured's ongoing and completed operations. Such insurance shall have an endorsement stating that for any claims related to this Property, the Trustor's insurance shall be primary insurance as respects the Beneficiary to the extent the Beneficiary is an additional insured. Such insurance shall also state that any insurance or self-insurance maintained by the Beneficiary shall be in excess of the Trustor's insurance and shall not contribute with it. The Trustor's insurance shall also provide that the Beneficiary shall receive at least thirty (30) days' written notice prior to cancellation, non-renewal, or modification thereof during this Deed of Trust term. Such insurance policies as are required by this Section 4.2 shall be approved and held by Beneficiary.

5. Defense of Deed of Trust; Litigation. Trustor will give Beneficiary immediate written notice of any action or judicial proceeding (including, with limitation, any judicial or non-judicial proceeding to foreclose the lien of a junior or senior mortgage or deed of trust) affecting or purporting to affect the Property, this Deed of Trust, Beneficiary's security for the performance of Trustor's obligations under the Note, or the rights or powers of Beneficiary or Trustee under the Note or this Deed of Trust. Notwithstanding any other provision of this Deed of Trust, Trustor hereby agrees that Beneficiary or Trustee may (but neither is obligated to) commence, appear in, prosecute, defend, compromise and settle, in Beneficiary's or Trustor's name, and as attorney-in-fact for Trustor, any action or proceeding, whether judicial or non-judicial, reasonably necessary to preserve or protect, or affecting or purporting to affect, the Property, this Deed of Trust, Beneficiary's security for the performance of Trustor's obligations under the Note, or this Deed of Trust. If neither Beneficiary nor Trustee elects to do so, Trustor will commence, appear in, prosecute and defend any such action or proceeding. Beneficiary may incur necessary costs and expenses including attorneys' fees, in any such action. Trustor will pay all costs and expenses of Beneficiary and Trustee, including costs of evidence of title and reasonable attorneys' fees, in any such action or proceeding in which Beneficiary or Trustee may appear or for which legal counsel is sought, whether by virtue of being made a party defendant or

otherwise; and whether or not the interest of Beneficiary or Trustee in the Property is directly questioned in such action or proceeding, including, without limitation, any action of the condemnation or partition of all or any portion of the Property and any action brought by Beneficiary to foreclose this Deed of Trust or to enforce any of its terms or provisions.

6. Use of Property. Unless otherwise required by applicable law or unless Beneficiary otherwise consents in writing, Trustor will not allow changes in the use of the Property from that which is contemplated by Trustor and Beneficiary at the time of execution of this Deed of Trust, as specified in the documents executed by Trustor in connection with obtaining the loan secured hereby, including the Regulatory Agreement ("Loan Documents"). Trustor will not initiate or acquiesce in a change in the zoning classification of the Property without Beneficiary's prior written consent.

7. Taxes and Assessments. Trustor agrees (a) to pay all taxes and assessments affecting the Property, including assessments on appurtenant water stock, and any accrued interest, cost and/or penalty thereon and submit receipts therefor to the Beneficiary, at least ten (10) days before default or delinquency; (b) to pay when due all encumbrances (including any debt secured by deed of trust), ground rents, liens, and/or charges, with interest, on said Property or any part thereof which appear to be prior or superior hereto, and to pay immediately and in full all such encumbrances, liens and/or charges, if any, which may now be due or payable; (c) to pay when due all costs, fees and expenses of these trusts, including cost of evidence of title and Trustee's fees in connection with sale, whether completed or not, which amounts shall become due upon delivery to Trustee of a declaration of default.

8. Assessment Bonds. Trustor agrees to pay any and all assessments against said Property at least ten (10) days before any bond or bonds could or would be issued in connection therewith, unless Beneficiary determines in its sole discretion that its security would not be impaired if the assessments were not paid in full.

9. Assessments on Water Bonds. Trustor agrees to pay before delinquency all assessments upon the stock of any water company which stock may be used in connection with said Property, and all rents, assessments or charges for water appurtenant to or used in connection with said Property and/or for the flumes, ditches, pipes or aqueducts in which such water may be furnished or delivered; and all such stock is hereby expressly made a part of the security hereof.

10. Reimbursement of Lender's Expenses. Trustor agrees to pay immediately upon demand after expenditure, all sums expended or expense incurred by Trustee and/or Beneficiary, including reasonable attorney's fees, under any of the terms of this Deed of Trust, with interest from date of demand at the rate of ten per cent (10%) per annum. Without in any way limiting the foregoing, Trustor shall pay to or reimburse Beneficiary for any costs, fees and expenses (including without limitation reasonable attorneys' fees and any administrative fees or overhead or other indirect costs and expenses) incurred or charged by Beneficiary in protecting its security hereunder or the Property or Beneficiary's interest under this instrument, or in responding, processing, reviewing or reviewing or otherwise dealing with the demands or claims or requests of Trustor or third parties who claim an interest in the Property or an interest adverse to Beneficiary's interests under this instrument.

11. Beneficiary Statement. Trustor agrees to pay to the Beneficiary any reasonable amount charged by the Beneficiary, not to exceed the maximum allowed by law, for any statement regarding the obligation secured hereby furnished by the Beneficiary upon demand by the

Trustor, the charge for each such statement to be payable immediately upon furnishing of the statement.

12. Assignment of Rents and Leases.

12.1 Trustor does hereby immediately and absolutely assign, transfer and set over to the Beneficiary all the rents, issues, proceeds and profits which may be or may become due or to which the Trustor may now or hereafter become entitled, arising or issuing out of, under or by virtue of any and all leases and/or rental agreements, and any and all extensions or renewals thereof, now or hereafter entered into for the parking structure located on the Property or any part thereof, or for any improvements located thereon, and all other rents, issues, proceeds and profits due or accruing from the Property or any part thereof or the improvements located thereon. Trustor hereby gives to and confers upon Beneficiary the right, power and authority to collect such rents, issues, proceeds and profits. The assignment herein contained and all rights provided to Beneficiary by this Section are granted without regard to the adequacy of the Property as security for payment of the indebtedness secured by this Deed of Trust. This assignment is delivered as a present, immediate and absolute assignment of the rights contained herein; provided, however, that so long as no default shall exist under this Deed of Trust or the indebtedness secured hereby, the Trustor shall have the right to manage and operate the Property and all improvements thereon, and to collect, receive and apply for its own account all rents, issues and proceeds accruing by virtue of any lease or rental agreement and to execute and deliver proper receipts thereof. Immediately upon the occurrence of any default under this Deed of Trust or the indebtedness secured hereby, and until such default shall have been cured, the right of the Trustor to manage and operate the Property and to collect and receive rents shall cease and terminate and in such event the Beneficiary is hereby expressly and irrevocably authorized to enter into and take possession of the Property and the improvements located thereon by actual physical possession, or by appointment of a receiver or by a competent court or by written notice served personally upon or sent by registered mail to the Trustor, as the Beneficiary may elect, or by any other legal means, and to exclude the Trustor and all other persons therefrom. Following such entry and taking of possession the Beneficiary may operate and manage the Property and rent and lease the same and collect any and all rents, issues, income and profits therefrom, and from time to time apply same or accumulate same for application, in such order and manner as Beneficiary, in its sole discretion shall consider advisable. Beneficiary may apply such amounts to (i) the necessary and proper costs of upkeep, maintenance, repair and/or operation of the Property; (ii) the repayment of any sums theretofore or thereafter advanced pursuant to the terms of this Deed of Trust; (iii) the interest then due or next to become due upon said indebtedness; (iv) the taxes and assessments upon the Property then due or next to become due; (v) the unpaid principal of said indebtedness; and (vi) any other obligations secured by this Deed of Trust. The collection and/or receipt of rents, issues, income and/or profits from the Property by Beneficiary after declaration of default and election to cause the Property to be sold pursuant to the terms of this Deed of Trust shall not affect or impair such default or declaration of default or election to cause the Property to be sold or any sale proceeding predicated thereon, but such proceedings may be conducted and sale effected notwithstanding the receipt and/or collection of any such rents, issues, income and/or profits. Any such rents, issues, income and/or profits in the possession of said Beneficiary at the time of sale and not theretofore applied as herein provided, shall be applied in the same manner and for the same purposes as the proceeds of the sale. In addition to Beneficiary's rights under this Section, Beneficiary shall have all of the rights and remedies to which Beneficiary is entitled under California Civil Code Section 2938, and nothing contained in this Section 12 shall be construed as a limitation or waiver of any such rights or remedies.

12.2 Trustor agrees to assign to the Beneficiary, upon request, as security for the indebtedness secured hereby, the Trustor's interests in any or all leases, and the Trustor's interests in all agreements, contracts, licenses and permits affecting said property, such assignments to be made by instruments in form reasonably satisfactory to the Beneficiary; but no such assignment shall be construed as a consent by the Beneficiary to any lease, agreement, contract, license or permit so assigned, or to impose upon the Beneficiary any obligations with respect thereto.

13. Modification and Termination of Leases and Rent Pre-payment. Except in the ordinary course of business, Trustor agrees not to cancel any of the leases assigned or subject to assignment to Beneficiary pursuant to Section 11.2 hereof, nor terminate or accept a surrender thereof (except in accordance with the terms of the assignment) or reduce the payment of the rent thereunder or modify any of said leases (except in accordance with the terms of the assignment) or accept any prepayment of rent therein without first obtaining, on each occasion, the written approval of the Beneficiary.

14. Performance of Leases. Trustor agrees to faithfully keep and perform all of the obligations of the landlord under all of the leases assigned or subject to assignment to the Beneficiary pursuant to Section 11 above and not to permit to accrue to any tenant under any such lease any right to prepaid rent pursuant to the terms of any lease other than the usual prepayment of rent as would result from the acceptance by the landlord on the first day of each month for the rent for the ensuing month, according to the terms of the various leases.

15. Rent Roll. Trustor agrees to deliver to Beneficiary within ninety days after the expiration of each calendar year, a rent roll of the Property showing the name and street address of all tenants in occupancy, the rent currently owed, the respective lease commencement and expiration dates, the amount of common area or expense contribution, if any, for each tenant, as well as whether there are any concessions, free rent periods or rebates.

16. Use. Trustor agrees to operate such Property at all times in the manner permitted by the Regulatory Agreement.

17. Due on Sale – Consent by Lender. If Trustor shall sell, convey, or alienate the Property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the prior written consent of Beneficiary, Beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing same, immediately due and payable. To "sell, convey or alienate" means the conveyance of the Property or any right, title or interest in the Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, or by any other method of conveyance of an interest in the Property.

18. Licenses. As of the date of this Deed of Trust and at all times thereafter during the term of the loan Trustor shall have and maintain in full force and effect such certificates, consents, licenses, approvals and permits from the proper authorities as are required to operate the Property for the purpose(s) set forth in Section 15 above. A failure on the part of the Trustor or any subsequent owner to maintain any such required certificate, consent, license, approval, or permit in effect or a failure to obtain renewal thereof prior to expiration, shall constitute a default under the terms of this Deed of Trust for which the Beneficiary shall have the right, as its option,

upon the expiration of any cure periods, to declare the entire indebtedness evidenced by said Note and hereby secured to be immediately due and payable.

19. Security Interest in Personal Property. Trustor hereby grants to Beneficiary a security interest in and to all personal Property described as the Collateral in Exhibit B. This Deed of Trust constitutes a security agreement with respect to all of the Collateral, and Beneficiary shall have all of the rights and remedies of a secured party under the California Uniform Commercial Code as well as all other rights and remedies available at law or in equity. Trustor hereby agrees to execute, acknowledge and deliver on demand, and hereby irrevocably appoints Beneficiary as its attorney-in-fact, with full power of substitution, to execute, acknowledge, deliver and, if appropriate file with the appropriate filing officer or office, such security agreements, financing statements, continuation statements or other instruments as Beneficiary may reasonably require in order to impose, perfect or continue the perfection of, the lien or security interest created hereby. The above power of attorney is coupled with an interest and shall survive the death or incapacity of Trustor. Trustor shall pay all costs and expenses in connection with any such documents or of any record searches for financing statements that Beneficiary may require.

20. Fixture Filing. This Deed of Trust constitutes a financing statement filed as a fixture filing in the real estate records of the county in which the Real Property is located with respect to any and all fixtures now or hereafter owned by Trustor and used in connection with the operation, occupancy and maintenance of the Property described in this Deed of Trust and with respect to any goods or other personal property owned by Trustor that may now be or hereafter become such fixtures.

21. Foreclosure on Collateral. Without limiting any other rights or remedies which Beneficiary or Trustee may have hereunder or under applicable law, including the right to conduct a unified foreclosure sale of real and personal Property, upon any default not cured within applicable cure periods Beneficiary or Trustee may conduct a public or private sale of the Collateral under the California Uniform Commercial Code pursuant to this Deed of Trust, and Trustor, upon demand by Beneficiary, shall assemble the Collateral and make it available to Beneficiary at the Property, a place which is hereby deemed to be reasonably convenient to Beneficiary and Trustor. Beneficiary shall give Trustor at least twenty (20) days prior written notice of the time and place of any public sale or other disposition of the Collateral, or of the time of or after which any private sale or other disposition of the Collateral is to be made; if such notice is sent to Trustor in accordance with the procedures for the mailing of notices set forth in the last Section of this instrument, it is hereby deemed that such notice shall be and is reasonable notice to Trustor.

22. Maintenance of Fixtures and Collateral. At all times during the term hereof Trustor shall maintain a sufficient level of fixtures and Collateral to properly operate the said Property, which shall in any event not be materially less than that existing on the date hereof. Notwithstanding anything to the contrary in this Deed of Trust, during any time when not in default hereunder, Trustor shall have the right, subject to the prior concurrent satisfaction of the conditions set forth in the next sentence, to substitute and replace Collateral and fixtures in the ordinary course of business. To the extent the replacement Collateral and fixtures are of the same general type and are of at least the same value and upon acquisition of the substitute Collateral and fixtures by Trustor and placement thereof on the said real Property, the replaced Collateral and fixtures shall be deemed released from the lien hereof.

23. Maps and Restrictions. Trustor agrees that it will not without the consent of Beneficiary after the date hereof file or cause to be filed any subdivision or condominium map or plan, or any deed, plan or agreement for cooperative ownership of the Property, or any other covenants or restrictions affecting the Property.

24. Environmental Covenants. Trustor will at all times comply with the following requirements:

24.1 No Use, Disposal or Storage. Trustor shall not cause, permit or suffer any Hazardous Material (as defined in Section 25.3 to be brought upon, treated, kept, stored, disposed of, discharged, released, produced, manufactured, generated, refined or used upon, about or beneath the Property or any portion thereof by Trustor, its agents, employees, contractors, invitees, tenants, or any other person, except to the extent commonly used in the day to day operation of the Property and then only so long as in compliance with all Environmental Requirements (as defined in Section 25.2).

24.2 Compliance with Environmental Requirements. Trustor shall not cause, permit or suffer the existence or the commission by Trustor, its agents, employees, or contractors of a violation of any Environmental Requirements upon, about or beneath the Property or any portion thereof and Trustor shall use its best efforts to prevent any such violation of any Environmental Requirements by any invitees, tenants or any other person. Trustor shall notify Beneficiary in writing of any release of Hazardous Materials at, on, under or within the Property in violation of any Environmental Requirements, or of the presence of Hazardous Materials at the Property in violation of any Environmental Requirements, promptly upon discovery of such release or presence.

24.3 Environmental Liens. Trustor shall not create or suffer to exist with respect to the Property, or permit any of its agents to create or suffer to exist any lien, security interest or other charge or encumbrance of any kind, including without limitation, any lien imposed pursuant to Section 107(f) of the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. Section 9607(1)) or any similar state statute, and Trustor shall use its best efforts to prevent the creation of any such lien, security interest, charge or encumbrance by any of its tenants and shall not permit any of such tenants to suffer to exist any of such items.

24.4 Mitigation. Notwithstanding the obligation of Trustor to indemnify pursuant to Section 25 Trustor shall, at its sole cost and expense, promptly take all actions required by any federal, state or local governmental agency or political subdivision or which are otherwise reasonably necessary in the sole reasonable discretion of Beneficiary to mitigate Environmental Damages (as defined in Section 25.1) arising from the presence upon, about or beneath the Property of a Hazardous Material, or from a violation of Environmental Requirements. Such actions shall include, but not be limited to, the investigation of the environmental condition of the Property, the preparation of any feasibility studies, reports or remedial plans, and the performance of any cleanup, remediation, containment, operation, maintenance, monitoring or restoration work, whether on or off of the Property. Trustor shall take all actions necessary to restore the Property to the condition existing prior to the introduction of Hazardous Material upon, about or beneath the Property, notwithstanding any lesser standard of remediation allowable under applicable law or governmental policies. Trustor shall proceed continuously and diligently with such investigatory and remedial actions, provided that in all cases such actions shall be in accordance with all applicable requirements of governmental entities. Any such actions shall be performed in a good, safe and workmanlike manner and shall minimize any impact on the business conducted at the Property. Trustor shall pay all costs in connection

with such investigatory and remedial activities, including but not limited to all power and utility costs, and any and all taxes or fees that may be applicable to such activities. Trustor shall promptly provide to Beneficiary copies of testing results and reports that are generated in connection with the above activities. Promptly upon completion of such investigation and remediation, Trustor shall permanently seal or cap all monitoring wells and test holes to industrial standards in compliance with applicable federal, state and local laws and regulations, remove all associated equipment, and restore the Property to the maximum extent possible, which shall include, without limitation, the repair of any surface damage, including paving, caused by such investigation or remediation hereunder.

24.5 Notice of Environmental Risks. If Trustor shall become aware of or receive notice or other communication concerning any actual, alleged, suspected or threatened violation of Environmental Requirements, or liability of Trustor for Environmental Damages in connection with the Property or past or present activities of any person thereon, including but not limited to notice or other communication concerning any actual or threatened investigation, inquiry, lawsuit, claim, citation, directive, summons, proceeding, complaint, notice, order, writ, or injunction, relating to same, and including without limitation any notice or other communication from any tenant, then Trustor shall deliver to Beneficiary, within ten (10) days of the receipt of such notice of communication by Trustor, a written description of said violation, liability, correcting information or actual or threatened event or condition, together with copies of any documents evidencing same. Receipt of such notice shall not be deemed to create any obligation on the part of beneficiary to defend or otherwise respond to any such notification.

24.6 Notice of Test Results. Trustor shall promptly provide to Beneficiary the results of any tests and copies of all registration permits regarding any underground storage tanks located on the Property and Trustor shall comply with the same.

24.7 Right to Enter and Inspect. In the event Beneficiary reasonably believes that there has been a release or threatened release of a Hazardous Material on the Property or a breach of an Environmental Requirement or in the event of any default under this Deed of Trust or under the Note, Beneficiary shall have the right in its sole and absolute discretion, but not the duty, to enter upon the Property at any reasonable time, at the expense of Trustor, to conduct an inspection of the Property, including invasive tests, to determine compliance with all Environmental Requirements and the existence of any Environmental Damages as a result of the condition of the Property or any surrounding properties and activities thereon. Trustor hereby grants to Beneficiary, and the agents, employees, consultants and contractors of Beneficiary, the right to enter upon the Property and to perform such tests on the Property as are necessary to conduct such reviews and investigations in accordance with the preceding sentence. Beneficiary shall use its best efforts to minimize interference with the business of Trustor and to restore the condition of the Property, but Beneficiary shall not be liable for any interference caused thereby or failure to restore if Beneficiary determines in its sole discretion that it is not economically practicable. Beneficiary shall reimburse Trustor for the cost of repair of any physical injury to the Property caused by the entry and inspection to the extent required by Civil Code Section 2929.5(c).

24.8 Reimbursement of Lender. In the event of any default under this Deed of Trust or under the Note, Trustor shall promptly reimburse Beneficiary for any environmental studies or tests which Beneficiary deems necessary to ascertain the presence and/or level of any Hazardous Materials on the Property.

25. Definitions of Environmental Terms. For the purposes of this Deed of Trust, the following terms shall have the following meanings:

25.1 "Environmental Damages" means all claims, judgments, damages (including without limitation, punitive damages), losses, penalties, fines, liabilities (including strict liability), encumbrances, liens, costs and expenses of investigation and defense of any claim, whether or not such is ultimately defeated, and of any settlement or judgment, of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, including without limitation reasonable attorneys' fees and disbursements and consultants' fees, any of which are incurred at any time as a result of the existence of Hazardous Material upon, about, beneath the Property or migrating or threatening to migrate to or from the Property, or the existence of a violation of Environmental Requirements pertaining to the Property regardless of whether the existence of such Hazardous Material or the violation of Environmental Requirements arose prior to the present ownership or operation of the Property, and including, without limitation:

25.1.1 damages for personal injury, or injury to Property or natural resources occurring upon or off the Property, foreseeable or unforeseeable, including, without limitation, lost profits, consequential damages, the cost of demolition and rebuilding of any improvements on real property, interest and penalties including but not limited to claims brought by or on behalf of employees of Trustor, with respect to which Trustor waives, for the benefit of Beneficiary only, any immunity to which it may be entitled under any industrial or worker's compensation laws;

25.1.2 fees incurred for the services of attorneys, consultants, contractors, experts, laboratories and all other costs incurred in connection with the investigation, cleanup or remediation of such Hazardous Materials or violation of Environmental Requirements including but not limited to, the preparation of any feasibility studies or reports or the performance of any cleanup, remedial, removal, abatement, containment, closure, restoration or monitoring work required by any federal state or local governmental agency or political subdivision, or reasonably necessary to make full economic use of the Property or any other Property or otherwise expended in connection with such conditions, and including without limitation any attorneys' fees, costs and expenses incurred in enforcing this Deed of Trust or collecting any sums due hereunder; and

25.1.3 liability to any person or entity to indemnify such person or entity for costs expended in connection with the items referenced in sub-Section 24 hereof.

25.2 "Environmental Requirements" means all applicable present and future statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, concessions, franchises and similar items, of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof and all applicable judicial and administrative and regulatory decrees, judgments and orders relating to the protection of human health or the environment, including, without limitation:

25.2.1 all requirements, including but not limited to those pertaining to reporting, licensing, permitting, investigation and remediation of emissions, discharges, releases or threatened releases of Hazardous Materials, chemical substances, pollutants, contaminants or hazardous or toxic substances, materials or wastes whether solid, liquid or gaseous in nature, into the air, surface water, groundwater or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials,

pollutants, contaminants or hazardous or toxic substances, materials, or wastes, whether solid, liquid or gaseous in nature; and

25.2.2 all requirements pertaining to the protection of the health and safety of employees or the public.

25.3 "Hazardous Materials" means any substance:

25.3.1 the presence of which requires investigation or remediation under any federal, state or local statute, regulation, rule, ordinance, order, action or policy; or

25.3.2 which is or becomes defined as a "hazardous waste" or "hazardous substance" or "pollutant" or "contaminant" under any federal, state or local statute, regulation, rule, or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. section 9601 et seq.) or the Resource Conservation and Recovery Act (42 U.S.C. section 6901 et seq.); or

25.3.3 which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, any State of the United States, or any political subdivision thereof; or

25.3.4 the presence of which on the Property causes or threatens to cause a nuisance upon the Property or to adjacent properties or poses or threatens to pose a hazard to the Property or to the health or safety of persons on or about the Property; or

25.3.5 which contains volatile organic compounds such as gasoline, diesel fuel or other petroleum hydrocarbons; or

25.3.6 which contains polychlorinated biphenyls (PCBs) or asbestos or asbestos-containing materials or urea formaldehyde foam insulation; or

25.3.7 radon gas.

26. Environmental Indemnity. Trustor agrees to indemnify, reimburse, defend, exonerate, pay and hold harmless (a) Beneficiary, its affiliates and their respective successors and assigns who acquire all or any portion of the loan secured by this Deed of Trust or the Property in any manner, including but not limited to, purchase at a foreclosure sale, acceptance of a deed in lieu thereof or otherwise through the exercise of the rights and remedies of Beneficiary under this Deed of trust and (b) the directors, officers, shareholders, employees, successors, assigns, agents, contractors, subcontractors, experts, licensees, affiliates, lessees, mortgagees, trustees, and invitees of Beneficiary and such other persons or entities, from and against any and all Environmental Damages arising from the presence of Hazardous Materials upon, about or beneath the Property or migrating to or from the Property, or arising in any manner whatsoever out of the violation of any Environmental Requirements pertaining to the Property and the activities thereon, or the breach of any warranty or covenant or the inaccuracy of any representation of Trustor contained in this Deed of Trust unless and to the extent such Environmental Damages exist solely as a result of the gross negligence or willful misconduct of Beneficiary. This obligation shall include, but not be limited to, the burden and expense of defending all claims, suits and administrative proceedings (with counsel chosen by Trustor and reasonably approved by the indemnified parties), even if such claims, suits or proceedings are

groundless, false or fraudulent, and conducting all negotiations of any description, and paying and discharging, when and as the same become due, any and all judgments, penalties or other sums due against such indemnified persons. Trustor's obligations hereunder shall not apply with respect to Environmental Damages caused after Beneficiary has purchased the Property at a foreclosure sale unless caused by Trustor, either solely or jointly with others, including Beneficiary.

27. Environmental Remedies. Notwithstanding anything to the contrary in this Deed of Trust, the rights of Beneficiary and the obligations of Trustor created under the foregoing Sections 23, 25, and 26 shall be in addition to those other rights and obligations, respectively, created or imposed by statutory, common or case law.

28. Provisional Remedies on Default. Should Trustor fail or refuse to make any payment or do any act which it is obligated hereunder to make or do, at the time and in the manner herein provided, or if any representation of Trustor in this Deed of Trust, or other document referred to herein is incorrect, then Trustee and/or Beneficiary, each in its sole discretion, may, without notice to or demand upon Trustor, and without releasing Trustor from any obligation hereof:

28.1 Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, either Trustee or Beneficiary being authorized to enter upon and take possession of said Property for such purposes;

28.2 Commence, appear in and/or defend any action or proceedings purporting to affect the security hereof, and/or any additional or other security therefor, the interest, rights, powers and/or duties of Trustee and/or Beneficiary hereunder, whether brought by or against Trustor, Trustee or Beneficiary;

28.3 Pay, purchase, contest or compromise any claim, debt, lien, charge or encumbrance which in the judgment of either may affect or appear to affect the security of this Deed of Trust, the interest of Beneficiary or the rights, powers and/or duties of Trustee and/or Beneficiary hereunder;

28.4 Enter into and upon and take and hold possession of any or all Property covered hereby and exclude the Trustor and all other persons therefrom;

28.5 Operate, and manage the said Property and rent and lease the same and collect any and all rents, issues, income and profits therefrom, the same being hereby assigned and transferred to Beneficiary, and from time to time apply same and/or accumulate same for application, in such order and manner as Beneficiary in its sole discretion shall consider advisable, to or upon the following: The necessary and proper costs of upkeep, maintenance, repair, and/or operation of said Property, the repayment of any sums theretofore or thereafter advanced pursuant to the terms of this Deed of Trust, the interest then due or next to become due upon said indebtedness, the taxes and assessments upon said Property then due or next to become due, the unpaid principal of said indebtedness, or any other obligation secured by this Deed of Trust.

28.5.1 The collection and/or receipt of rents, issues, income and/or profits from said Property by Beneficiary after declaration of default and election to cause said Property to be sold under and pursuant to the terms of this Deed of Trust shall not affect or impair such default or declaration of default or election to cause said Property to be sold or any sale proceedings predicated thereon, but such proceedings may be conducted and sale effected

notwithstanding the receipt and/or collection of any such rents, issues, income and/or profits. Any such rents, issues, income and/or profits in the possession of said Beneficiary at the time of sale and not theretofore applied as herein provided, shall be applied in the same manner and for the same purposes as the proceeds of the sale.

28.5.2 Neither Trustee nor Beneficiary shall be under any obligation to make any of the payments or do any of the acts above mentioned, but, upon election of either or both so to do, employment of an attorney is authorized and payment of such reasonable attorneys' fees and of all other necessary expenditures is hereby secured.

29. Condemnation. All moneys and awards payable as damages and/or compensation for the taking of title to or possession of, or for damage to, any portion of the Property subject to this Deed of Trust by reason of any condemnation, eminent domain or other similar proceeding shall be paid to Beneficiary, and such moneys and awards are hereby assigned to Beneficiary, and judgment therefor shall be entered in favor of Beneficiary, and when paid, may, at the option of the Beneficiary, (a) be applied, in whole or in part, by Beneficiary upon any indebtedness or obligation secured hereby, whether the same be matured or unmatured, and in such order as Beneficiary may determine, (b) be used in whole or in part to replace or restore the Property to a condition satisfactory to the Beneficiary, (c) be used in whole or in part to fulfill any of the covenants contained herein as the Beneficiary may determine, or (d) be released to the Trustor; and the Trustor hereby covenants and agrees, upon request by the Beneficiary, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning the aforesaid moneys and awards to the Beneficiary free, clear and discharged of any and all encumbrances of any kind or nature whatsoever.

Notwithstanding the foregoing, in the event of any fire or other casualty to the Property or eminent domain proceedings resulting in condemnation of the Property or any part thereof, Trustor shall have the right to rebuild the Property, and to use all available insurance or condemnation proceeds therefor, provided that (a) such proceeds are sufficient to keep the Loan in balance and rebuild the Property in a manner that provides adequate security to Beneficiary for repayment of the Loan or if such proceeds are insufficient then Trustor shall have funded any deficiency, (b) Beneficiary shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, and (c) no material default then exists under the Loan Documents. If the casualty or condemnation affects only part of the Property and total rebuilding is infeasible, then proceeds may be used for partial rebuilding and partial repayment of the Loan in a manner that provides adequate security to Beneficiary for repayment of the remaining balance of the Loan.

30. Acceptance of Late Payments. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its rights either to require prompt payment when due of all other sums so secured or to declare default as herein provided for failure so to pay.

31. Waivers and Authorizations. At any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note or Notes secured hereby for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of said Property, Trustee may reconvey any part of said Property; consent in writing to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof. Trustor, for itself and its successors and assigns (including without limitation any

subsequent or other junior creditor of any part or all of the Property), waives any right to object to such reconveyance, mapping, easement or agreement with respect to such Property and waives any right to require that the value of such Property be applied upon the debt secured hereby (other than the amount, if any, actually received by Beneficiary in connection with any such transaction).

32. Release, Modification and Reconveyance, Waiver of Marshalling. Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any property not then or theretofore released as security, for the full amount of all unpaid obligations, Beneficiary may from time to time, and without notice release any person so liable, extend the maturity or alter any of the terms of any such obligation, or grant other indulgences, release or reconvey, or cause to be released or reconveyed at any time at Beneficiary's option any parcel or portion or all of the Real Property described herein, take or release any other or additional security for any obligation herein mentioned, and/or make composition or other arrangements with debtors in relation thereto. Trustor waives any right to object to the release or reconveyance of such Property and waives any right to require that the value of any Property so released or reconveyed be applied upon the debt secured hereby (other than the amount, if any, actually received by Beneficiary in connection with any such release). Trustor agrees that if the Beneficiary at any time holds any additional security for any obligations secured hereby, it may enforce the sale thereof or otherwise realize upon the same at its option, either before or concurrently therewith or after a sale is made hereunder.

33. Substitution of Trustee. Beneficiary hereunder may, from time to time, appoint another trustee or trustees to execute the trusts hereby created; and upon the recordation of such appointment in the Office of the County Recorder of the County where such Property is situated, the new trustee or trustees shall be vested with all the title, interest, powers, duties, and trusts in the premises hereby vested in the Trustee first above named.

34. Reconveyance by Trustee. Upon written request of Beneficiary stating that all sums secured hereby have been paid and upon surrender to Trustee of this Deed of Trust and the Note or Notes secured hereby for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled hereto."

35. Right of Entry. The Beneficiary is authorized by itself, its agents or workmen, to enter at any time upon any part of said Property and the improvements thereon situated for the purpose of inspecting the same, and for the purpose of performing any of the acts it is authorized to perform under the terms of this Deed of Trust. Beneficiary shall reimburse Trustor for the cost of repair of any physical injury to the Property caused by Beneficiary's gross negligence or willful misconduct during the entry, inspection, and acting on the Property pursuant to this Section.

36. Default, Acceleration and Private Sale.

36.1 Notice of Default. Should breach or default be made by Trustor in payment of any indebtedness secured hereby or in performance of any obligations, covenant, promise or agreement hereunder which breach or default is not cured within and applicable cure periods set forth below, or any representation of Trustor in this Deed of Trust, or other document

referred to herein is incorrect, Beneficiary may declare all sums secured hereby immediately due and payable, and in such case, shall execute and deliver to Trustee a written declaration of default and demand for sale and written notice of default and election to cause to be sold said Property, and shall surrender to Trustee this Deed of Trust, the Note or Notes secured hereby and all documents evidencing any expenditures hereunder. Thereafter such notice of default and election to cause said Property to be sold to satisfy the obligations hereof shall be duly filed for recordation. The applicable cure periods for breach or default shall be as follows: (i) if a breach or default results from Trustor's non-payment of any sums due to Beneficiary, Trustor shall cure the breach or default within ten (10) days following receipt of notice of default from Beneficiary, and (ii) for any other default, Trustor shall cure the default within thirty (30) days following receipt of notice of default from Beneficiary; provided, that if the default cannot reasonably be cured within said thirty (30) day period, Trustor shall commence curing the default within said period and complete curing the default within the time period reasonably necessary to cure said default, not to exceed ninety (90) days, unless extended by Beneficiary in its sole discretion.

If a monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder Lender shall give Trustor and each of the general and limited partners of the Trustor simultaneous written notice of such default at the addresses set forth below in the Request for Notice of Default section. Trustor shall have a period of ten (10) days after such notice is given within which to cure the default prior to exercise of remedies by Beneficiary under the Loan Documents.

If a non-monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder Beneficiary shall give Trustor and each of the general and limited partners of the Trustor simultaneous written notice of such default at the addresses set forth below in the Request for Notice of Default section. If the default is reasonably capable of being cured within thirty (30) days, Trustor shall have such period to effect a cure prior to exercise of remedies by Beneficiary under the Loan Documents. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and if Trustor (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary. In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given.

Beneficiary hereby agrees that any cure made or tendered by any of Trustor's limited partners shall be deemed a cure by Trustor, and shall be accepted or rejected on the same basis as if made or tendered by Trustor.

36.2 Right to Rescind. Beneficiary, from time to time before Trustee's sale, may rescind any such notice of breach or default and of election to cause to be sold said Property by executing and delivering to Trustee a written notice of such rescission, which notice, when recorded, shall also constitute a cancellation of any prior declaration of default and demand for sale. The exercise by Beneficiary of such right of rescission shall not constitute a waiver of any breach or default then existing or subsequently occurring, or impair the right of Beneficiary to execute and deliver to Trustee, as above provided, other declarations of default and demand for sale, and notices of breach or default, and of election to cause to be sold said Property to satisfy the obligations hereof, nor otherwise affect any provision, covenant or condition of said Note or

Notes and/or of this Deed of Trust or any of the rights, obligations, or remedies of the parties thereunder.

36.3 Private Sale. At least three (3) months having elapsed after recordation of notice of default, without demand on Trustor, said Trustee, having first given notice of sale as then required by law, shall sell said Property at the time and place of sale fixed by it in the notice of sale at public auction to the highest bidder for cash, payable at time of sale. The whole of the trust estate shall be sold in a single lot or parcel and as an entirety unless the Beneficiary shall, in writing, direct the Trustee to sell said trust estate in separate parcels and shall direct the Trustee as to the parcels into which the trust estate shall be divided for purposes of sale and the order in which said parcels shall be offered for sale. Trustor, for itself and its successors and assigns (including without limitation any subsequent or other junior creditor of any part or all of the Property), waives any right to marshalling of assets or any right to require any part of the Property to be sold prior to any other part of the Property or any right to require the Property to be sold in parcels rather than as a whole. Trustee may postpone sale of all or any portion of said Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Without further notice Trustee may make such sale at the time to which same shall be so postponed. Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied, and the recitals in such deed or deeds of any matters or facts affecting the regularity or validity of said sale shall be conclusive (except as against the parties hereto) proof of the truthfulness thereof; also such deed or deeds shall be conclusive (except as against the parties hereto) against all persons as to all matters or facts therein recited. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

36.4 Application of Sale Proceeds. Trustee shall apply the proceeds of any such sale to payment of:

36.4.1 All costs, fees, charges and expenses of Trustee and of these trusts, reasonable fees of any attorneys employed by Trustee and/or Beneficiary pursuant to the provisions hereof, Trustee's fees in connection with sale, and all expenses of sale, including cost of procuring guarantee or evidence of title in connection with the sale proceedings and other costs associated with the Trustee's Deed;

36.4.2 All other sums then secured hereby, including indebtedness described herein, all sums advanced or expended under the terms hereof and not then repaid, the interest on each of the foregoing items, all in such manner and order of priority or preference as the Beneficiary may in its sole and absolute discretion determine;

36.4.3 The remainder, if any, to the person or persons legally entitled thereto, upon proof satisfactory to the Trustee of such right.

37. Successors and Assigns. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall mean the owner and holder, including Pledgees, of the Note secured hereby, whether or not named as Beneficiary herein.

38. Severability. If any provision hereof should be held unenforceable or void, then such provision shall be deemed separable from the remaining provisions and shall in no way affect the validity of this Deed of Trust.

39. Acceptance by Trustee. Trustee accepts these trusts when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

40. No Notice by Trustee. Trustee shall be under no obligation to notify any party hereto of any action or proceeding of any kind in which Trustor, Beneficiary and/or Trustee shall be a party, unless brought by Trustee, or of any pending sale under any other Deed of Trust.

41. Number and Gender. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

42. Waiver of Statute of Limitations. The right to plead any and all statutes of limitations as a defense to any demand secured by this Deed of Trust is hereby waived to the full extent permissible by law.

43. Trust Irrevocable. The Trust created hereby is irrevocable by the Trustor.

44. Interpretation. The term "and/or" as used herein means one or the other or both, or any one or all, of the things or persons in connection with which the words are used. Section headings are for reference only and shall not be considered in the interpretation of this Deed of Trust.

45. Maximum Interest Rate. Notwithstanding any provision herein or in said Note, the total liability for payments in the nature of interest shall not exceed the limits now imposed by the usury laws of the State of California.

46. Request for Notice of Default. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the following address:

1901 8th Street Investors Limited Partnership

Attention: _____

with a copy to:

Attn: _____

47. Materiality. Each and every provision, covenant, term and condition, representation and warranty herein contained is agreed to be a material provision hereof, and any breach thereof shall constitute a sufficient ground for acceleration of the due date of the indebtedness secured hereby and a sufficient ground for foreclosure in the event of failure of Trustor either to cure said breach within the time periods, if any, herein provided or to pay in full the indebtedness hereby secured.

48. Subordination to Extended Use Agreement. Notwithstanding anything to the contrary contained in this Deed of Trust or in the Loan Documents, the lien of this Deed of Trust shall at all times be subordinate to any “extended low-income housing commitment” (as such term is defined in Section 42(h)(6)(B) of the Internal Revenue Code) recorded against the Property in accordance with Section 42(h)(6)(E) of the Internal Revenue Code.

49. Lender Forbearance. Notwithstanding anything contained herein or in the Loan Documents to the contrary, until the later to occur of (a) the end of the Compliance Period (as defined in the Partnership Agreement) and (b) the date that the Investor Limited Partner (as defined in the Partnership Agreement) or its affiliate is no longer a partner of Trustor (the later of (a) and (b) being referred to as the “Standstill Period”), Lender will not declare a default or event of default, or commence default proceedings under any of the Loan Documents, including but not limited to accelerating the loan, collecting rents, appointing or seeking appointment of a receiver or exercising any other rights or remedies hereunder or under the Loan Documents; provided, however, that if any other Project lender declares a default and/or commences default proceedings against Borrower under its loan documents, then the Standstill Period described herein shall not apply to Lender if Borrower is also in default under the terms of this Note, and Lender shall have the right to declare a default and/or commence default proceedings under this Note (subject to any applicable subordination agreement). Lender waives no rights or remedies it may have hereunder or under the Loan Documents, but, except as allowed above, merely agrees not to enforce those rights or remedies until the end of the Standstill Period.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the date first above written.

TRUSTOR:

1901 8th Street Investors Limited Partnership,
a California limited partnership

By: _____
Name: _____
Title: General Partner

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT A

Legal Description of the Property

EXHIBIT B**PERSONAL PROPERTY COLLATERAL****PAGE 1 OF 2**

The Property which is covered by this Deed of Trust specified in Exhibit "A" and the Collateral are together sometimes referred to in this instrument as the "Property".

The Collateral shall consist of:

1. All Trustor's interest in and to all existing and future goods located on or about the real property described above in Exhibit "A" (the "Real Property") which are used in the operation or occupancy of the Real Property or in any development of or construction on the Real Property, including but not limited to all apparatus, fixtures and articles of personal property now or any time hereafter attached to, placed in or upon or used in any way in connection with the Real Property, and including but not limited to all furniture, refrigerators, freezers, stoves, ovens, ranges, hoods, vents and fans, disposals, dishwashers, washing machines, dryers, air conditioners, cabinets, carpeting, drapes, screens, awnings, storm windows and doors, window shades, blinds, floor coverings, boilers, tanks, furnaces, radiators, fire alarm and other security systems, music systems, machinery, motors, compressors, and all heating lighting, plumbing, gas electric, ventilating refrigerating, air-conditioning, sprinkler and incinerating equipment, transformers, water wells, storage tanks, landscaping, pool equipment and furniture, dumpsters (or, to the extent leased, Trustor's leasehold interest therein) and parking lot and other common area sweeping and cleaning equipment, and equipment and furnishings in or for the recreation room, halls, entry rooms and all other common areas; and including inventory, construction tools and equipment, appliances, furniture and furnishings, building service equipment, and building materials, supplies and equipment of any kind.

2. All general intangibles, chattel paper, instruments, documents and accounts owned by Trustor and relating to the development, use or occupancy of or construction on the Real Property, including but not limited to all governmental licenses, map rights, approvals and permits, all materials prepared for filing or filed with any public or quasi-public governmental entities or any public utilities and all of Trustor's rights under any contract whether or not otherwise specifically assigned to Beneficiary.

3. All of the right, title and interest of Trustor in and to (i) all sales contracts applicable to any portion of the Real Property, together with any and all modifications thereof, and also together with all deposits or other payments made in connection therewith; (ii) all refundable or returnable fees, bonds, securities or other Property held by any public or quasi-public governmental entities, utility companies or others; (iii) all leases of any part or all of the Real Property now or hereafter entered into and all right, title and interest of Trustor thereunder, including (to the extent permitted by law) but not limited to cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder, whether said cash or securities are to be held until the expiration of the terms of said leases or applied to one or more of the installments of rent coming due immediately prior to the expiration of said terms; (iv) all advance payments of insurance premiums made by Trustor with respect to any part of the

EXHIBIT B

PAGE 2 OF 2

Real Property and claims or demands relating to insurance; (v) all advance payments by Trustor of any kind for the benefit of the Real Property including but not limited to those under maintenance or service contracts, property taxes, advertising expenses and commissions; (vi) all funds deposited by Trustor with Beneficiary under this Note; and (vii) all take out or similar agreements or commitments in connection with the loan to Trustor or the Real Property.

4. All rights of Trustor in and to all furniture, furnishings, fixtures and equipment now or hereafter located upon or used in connection with the above-described Real Property.

5. All refunds, proceeds of financing and other payments, and all rights thereto, received by Trustor or to which it is entitled as a result of any assessment bonds issued in connection with the secured Property or property adjacent thereto.

6. The products and proceeds of all of the above.

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____

On _____, before me, _____, (here insert name and title of the officer), personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____

On _____, before me, _____, (here insert name and title of the officer), personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

**[THIS DOCUMENT IS EXEMPT FROM
RECORDING FEES PURSUANT TO § 27383
OF THE CALIFORNIA GOVERNMENT CODE]**

RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL TO:

Capitol Area Development Authority
c/o Executive Director
1522 14th Street
Sacramento, CA 95814

SPACE ABOVE THIS LINE FOR RECORDER'S USE

REGULATORY AGREEMENT
(The Kind Project Downtown - 1901 8th Street)

This Regulatory Agreement ("Agreement") is made _____, 2023 (the "Effective Date"), by and among between **1901 8th Street Investors, LP**, a California limited partnership ("Owner"), and **Capitol Area Development Authority**, a California joint powers agency ("Authority") (collectively, the "Parties").

RECITALS

A. Owner is acquiring a seventy-two (72) unit multifamily rental housing development (the "Project") located at 1901 8th Street, Sacramento, California, as legally described in Exhibit A (the "Property"), of which seventy-two (72) units shall be rented at rents affordable to Qualified Households according to the schedule contained in Exhibit B (the "Regulated Units").

B. The Authority is providing a permanent loan to Owner for acquisition and operation of the Project pursuant to the terms of a Promissory Note secured by a Deed of Trust Assignment of Rents, Security Agreement and Fixture Filing dated the same date herewith (the "Authority Loan").

C. As further consideration for the Authority's funding and to further the public interests of Authority in seeing the Project maintained as affordable housing, Owner has agreed to enter into and record this Agreement. The purpose of this Agreement is to regulate and restrict the occupancy, rents, operation, ownership, and management of the Project for the benefit of Project occupants and the surrounding neighborhood. The covenants in this Agreement are intended to run with the land and be binding on Owner and Owner's successors-in-interest to the land for the full term of this Agreement.

NOW, THEREFORE, Owner and Authority hereby agree as follows:

1. **DEFINITIONS**

The following terms have the meanings set forth in this section wherever used in this Agreement or attached exhibits.

1.1 **"AFFORDABLE RENTS"** shall mean the following:

1.1.1 For all Seventy-Two (72) of the units, the monthly charge for occupancy and use of a Regulated Unit shall not exceed the product of thirty percent (30%) times eighty percent (80%) of the Area Median Income or thirty percent (30%) times one-hundred twenty percent (120%) of the Area Median Income, adjusted for family size appropriate for the Unit, as shown in Exhibit B.

1.1.1.1 If Owner requires occupants of Regulated Units to reimburse Owner for utilities pursuant to this Agreement, the tenants of those units shall receive a utility allowance based on the then-current allowance established by a Utility Letter as defined within. If a Utility Letter is not available, the utility allowance shall be based on the Sacramento Housing Authority (or its successor) for units of a comparable size and type.

1.1.1.2 For purposes of this definition, "adjusted for family size appropriate for the Unit" shall mean the adjustments required in order to comply with state and federal laws and regulations governing projects receiving low income housing tax credits (which at the time of execution of this Agreement presume a household size of number of bedrooms plus one. This would mean one person for a studio, two for a one-bedroom, three for a two-bedroom, etc.)

1.2 **"AUTHORITY"** means the Capitol Area Development Authority, a California joint powers agency.

1.3 **"AREA MEDIAN INCOME"** ("AMI") means the median income for the Metropolitan Statistical Area which includes the City of Sacramento ("MSA"), with adjustments for household size, as determined from time to time by the U.S. Department of Housing and Urban Development ("HUD") pursuant to Section 8(f)(3) of the United States Housing Act of 1937 as amended, and the California Department of Housing and Community Development ("HCD"), or such other method of median income calculation applicable to the City of Sacramento that HUD or HCD may hereafter adopt in connection with said Act. If HUD should cease making such determination, Authority may designate another fair method of calculation of AMI used by any federal or state agency and applicable to the City of Sacramento.

1.4 **"DEED OF TRUST"** means the Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing placed on the Property as security for the Loans with Owner as Trustor and Authority as Beneficiary, as well as any amendments to, modifications of, and restatements of said deed of trust.

1.5 **"LIMITED PARTNERSHIP AGREEMENT"** means that certain Partnership Agreement of Owner dated [REDACTED], 2023.

1.6 **"LOAN"** means the loan of funds provided by Authority to Owner pursuant to the Note and Deed of Trust.

1.7 **"LOAN DOCUMENTS"** means collectively this Agreement, the Note, and Deed of Trust for the Project, as they may be amended, modified, or restated from time to time, along with all exhibits and attachments to these documents.

1.8 **"NOTE"** means the Promissory Note in the amount of \$100,000, executed by Owner in favor of Authority evidencing the Loan for acquisition and construction of the Project, as well as any amendments to, modifications of, or restatements of said Note. The Note is on file with Authority.

1.9 **“OWNER”** means 1901 8th Street Investors, LP, a California limited partnership, and all assigns, successors-in-interest, and transferees.

1.10 **“PROJECT”** means the development and operation of the Property for residential use according to the terms of the Limited Partnership Agreement and this Agreement.

1.11 **“PROPERTY”** means the real property described in the attached Exhibit A, which is hereby incorporated into this Agreement by this reference, and any buildings or improvements now or hereafter situated on such real property.

1.12 **“QUALIFIED HOUSEHOLD”** means a household in which household income does not exceed the percentage of AMI prescribed for the applicable housing unit by Exhibit B to this Agreement.

1.13 **“REGULATED UNITS”** means the seventy-two (72) rental dwelling units constructed for the Project, having the composition and affordability breakdown shown in Exhibit B.

1.14 **“SENIOR DEED OF TRUST”** means the first position Deed of Trust, Assignment of Leases and Rents, Assignment of Contracts, Security Agreement, and Fixture Filing, for the benefit of [insert senior lender].

1.15 **“SENIOR LENDER”** means [insert senior lender], a _____.

1.16 **“SUBORDINATION AGREEMENT”** means that certain Subordination Agreement by and between Owner, Authority, and [insert senior lender], dated the same date herewith.

1.17 **“UTILITY LETTER”** means a letter produced by the applicable third-party utility company providing electricity and natural gas to the Property. The Letter will establish a reasonable utility allowance for each Regulated Unit type based on Authority-approved building plans and state energy codes.

2. **OWNER’S GENERAL OBLIGATIONS**

2.1 **COMPLIANCE WITH LOAN DOCUMENTS.** Owner’s actions with respect to the Property and the use of Loan funds shall at all times be in full conformity with the requirements of the Loan Documents.

2.2 **TERM OF AGREEMENT.** This Agreement shall commence upon execution and shall remain in full force and effect for fifty-five (55) years. The obligations in this Agreement shall remain effective and fully binding on Owner for this full term regardless of any expiration of the term of any Loan, any payment or prepayment of any loan, any assignment of a Note, any reconveyance of a Deed of Trust, or any sale, assignment, transfer, or conveyance of the Property, unless terminated earlier by Authority in a recorded writing or extended by mutual consent of the Parties or unless terminated due to foreclosure as provided in the Subordination Agreement; provided however, that the obligations in this Agreement are and shall be subordinate in all respects to the liens, terms, covenants, and conditions of the Senior Deeds of Trust, as more fully set forth to the extent and in the manner provided in the Subordination Agreement. If, due to changes in State law, the Welfare Tax Exemption from the State of

California is no longer available or the Project no longer qualifies for the Welfare Tax Exemption, and there is no similar successor program or replacement State tax subsidy, then Authority agrees to remove the Regulatory Agreement from title upon Owner's full repayment of the Authority Loan.

3. **PROJECT OCCUPANCY AND RENTS**

3.1 **OCCUPANCY OF REGULATED UNITS.** Regulated Units shall be made available to and occupied by Qualified Households at Affordable Rents according to the schedule contained in Exhibit B herein and the following requirements:

3.1.1 Initial Occupancy of Regulated Units. The income levels and other qualifications of applicants required by this Agreement shall be confirmed by Owner or its manager prior to such person's initial occupancy in conformance with Owner's management procedures manual, the Authority's rules and Tax Credit Allocation Committee (TCAC) rules governing income certification, as these rules may be amended from time to time, unless otherwise approved by Authority.

3.1.2 Transition of Units from Market to Affordable Regulated Units. The Authority acknowledges that at the time of execution of this Agreement some of the Regulated Units may be pre-leased to households not qualifying for incomes identified for the Regulated Units. By no later than the end of the first year of occupancy, upon the conclusion of the initial 1-year lease terms, Owner shall ensure all non-qualifying units convert to income-qualified households and corresponding rents for Regulated Units. Owner will certify to Authority the actual number of compliant Regulated Units upon initial acquisition of Property and will ensure full conversion and compliance to Regulated Units requirements no later than September 1, 2024. Prior to transition to a Regulated Unit, the monthly charge for occupancy and use of non-qualifying units occupied by households with incomes over 80% of Area Median Income or 120% of Area Median Income, respectively, may be limited to thirty percent (30%) of the gross household income.

3.1.3 Households That Exceed Income Qualification after Initial Occupancy. Households that initially qualify as Qualified Households for Regulated Units and whose incomes exceed the qualifying income after initial occupancy will have one year to transition to other housing and may be charged at market rate rents for occupancy and use of the unit until their transition to other housing.

3.2 **RENTS FOR REGULATED UNITS.** Rents for Regulated Units shall not exceed Affordable Rents.

3.3 **CONVERSION OF PROJECT FROM RENTAL TO CONDOMINIUM.** Owner shall not convert Regulated Units to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Regulated Units during the term of this Agreement without the prior written consent of Authority, which consent may be withheld for any reason.

3.4 **NONDISCRIMINATION.** Owner shall not discriminate or segregate in the use, enjoyment, occupancy, conveyance, lease, sublease, or rental of Project units on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, age (except to the extent necessary to qualify the tenant as a senior citizen), marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-

related conditions (ARC), or any other arbitrary basis. Owner shall include a statement in all advertisements, notices, and signs for the availability of Project units for rent to the effect that Owner is an Equal Housing Opportunity Provider.

3.5 MANAGEMENT RESPONSIBILITIES. Owner is specifically responsible, subject to its obligations herein, for all management functions with respect to the Property, including without limitation the selection of tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. Authority shall have no responsibility over management of the Property.

3.6 MANAGEMENT ENTITY. Authority shall have the right to review and approve the management entity chosen by Owner for the Property and subject to the rights of the Senior Lenders and the equity investors, the right to require a change in the management agent for reasonable cause at any time during the term of this Agreement. Any contracting of management services by Owner shall not relieve Owner of its primary responsibilities for proper performance of management duties.

3.7 FINAL MANAGEMENT PLAN. Within thirty (30) business days of filing this Agreement, Owner shall submit final management plan ("Final Management Plan") and marketing plans (collectively "Final Plans" or "Plans") to Authority for its review and approval, which shall not be unreasonably withheld. The Plans shall include but are not limited to provisions as set forth directly below:

3.7.1 Annual inspections of individual units to ensure continued compliance with state and local housing codes. Results of the inspections, including corrective actions, must be documented in a report, and copies may be requested by the Authority. The Authority may also independently schedule during a calendar year, one or more property inspections;

3.7.2 Audited annual financial statements prepared by a certified public accountant, approved in advance, in writing, by Lender, which reflect the status of the reserve fund for maintenance and replacement activities. Copies of audited annual financial statements must be provided to the Authority within ninety (90) days of the fiscal year-end date;

3.7.3 A maintenance and replacement schedule for the common areas and housing units;

3.7.4 A marketing strategy to outline methods to be used to achieve full and continuing lease up of the housing units on the Property and conformance with any applicable state and federal affirmative fair housing marketing guidelines;

3.7.5 A plan for certifying the eligibility of the households, including annual verification of tenant income and measures to take in the event a tenant exceeds the maximum income;

3.7.6 A tenant selection process that includes but is not limited to the following:

3.7.6.1 Review of the following criteria in tenant selection:

3.7.6.1.1 history of habitual rent delinquencies or evictions;

3.7.6.1.2 history of drug or alcohol abuse;

3.7.6.1.3 history of criminal or drug-related offenses, including but not limited to assault, battery, abuse, destructive or violent behavior;

3.7.6.2 Prospective tenants will be required to fill out an application form, verify income/employment, attend a private interview with the property management firm, consent to a credit check and agree to abide by property management rules for Property;

3.7.6.3 Selected tenants will be given a set of “rules and regulations” for the Property, and

3.7.6.4 Leases with tenants will provide that non-compliance with building rules shall be an Event of Default on the lease and grounds for eviction;

3.7.7 On-site management of the Project;

3.7.8 The duties of the manager regarding operation of the Project;

3.7.9 Tenant occupancy rules and regulations; and

3.7.10 A sample lease form.

3.7.11 Authority shall have the right to review and approve any changes to the management company, any new management contracts, and any substantive changes in the Final Management Plan during the term of this Agreement. Authority may also require the Owner to update the Final Management Plan not more than once every three (3) years. If Authority has not responded to any submission of the Final Management Plan or management contract (including amendments) by Owner within thirty (30) days of receipt of such Plan or contract by Authority, the Plan or contract (including amendments) shall be deemed approved by Authority.

4. PROJECT OPERATIONS

4.1 MAINTENANCE AND SECURITY.

4.1.1 Owner shall at its own expense maintain the Property in good condition, in good repair, and in decent, safe, sanitary, habitable, and tenantable living condition for the benefit of Project occupants. Owner shall not commit or permit any waste on or to the Property, and shall prevent and/or rectify any physical deterioration of the Property. Owner shall provide adequate ongoing security equipment and services for Project occupants. Owner shall maintain the Property in conformance with all applicable state, federal, and local laws, ordinances, codes, and regulations and the Final Management Plan; but Owner’s maintenance obligations shall not be limited only to the standards contained in these laws or the Plan.

4.1.2 In the event Owner fails to maintain the Property in accordance with these standards and after thirty (30) days’ prior written notice to Owner, and subject to the rights of the Senior Lenders and equity partners, Authority or its agent may, but shall be under no obligation to, enter upon the Property, make such repairs or replacements as are deemed necessary in Authority’s reasonable discretion, and provide for payment thereof. Any amount advanced by Authority to make such repairs, together with interest thereon from the date of such advance at

the same rate of interest as specified in the Note for the Project (unless payment of such an interest rate would be contrary to applicable law, in which case interest shall accrue at the rate then allowed by applicable law), shall become an additional obligation of Owner to Authority and shall be secured by the Deed of Trust.

4.2 UNIT VACANCIES. Owner shall use its best efforts to fill vacancies in the Regulated Units as quickly as possible.

4.3 INSPECTION AND RECORDS. Owner shall maintain records which clearly document Owner's performance of its obligations to operate the Property under the terms of this Agreement. Owner shall submit any records to Authority within twenty (20) business days of Authority's request. Owner shall permit Authority to enter and inspect the Property for compliance with obligations under this Agreement upon seven (7) days' prior written notice of such visit by Authority to Owner or Owner's management agent and to tenants of any inspected Project units, subject to the provisions of the lease regarding inspection and entry rights.

4.4 ANNUAL REPORT.

4.4.1 Owner shall submit an annual report to Authority, which shall include at a minimum for each Regulated Unit the initial and current rental rates and the income and household size of the occupants at the time such occupants initially take occupancy. The income information required under this report shall be supplied by the tenant in a certified statement on a form provided by Authority. Owner shall complete any additional monitoring or other form provided by Authority, and shall provide Authority a copy of the annual reports submitted to the County Assessor's office.

4.4.2 Owner shall pay to Authority an annual monitoring fee of \$7,500.00 (the "Monitoring Fee") which amount shall be due and payable in advance commencing on the Effective Date and on each [May 1] thereafter.

4.5 FEES, TAXES, AND OTHER LEVIES. Without limiting its right to require the same to be reimbursed by tenants (but subject to Owner's obligation to provide tenants of Regulated Units the utility allowance referred to in Section 1.1.1.1 Owner requires reimbursement by tenants), Owner shall be responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property, and shall pay such charges prior to delinquency. However, Owner shall not be required to pay any such charge so long as (a) the legality thereof is being contested in good faith and by appropriate proceedings, and (b) Owner maintains reserves adequate to pay any contested liabilities.

4.6 INSURANCE COVERAGE. Owner shall cause to have in full force and effect during the term of this Agreement insurance coverage as required in the Deed of Trust.

4.7 PROPERTY DAMAGE OR DESTRUCTION. Subject to the terms and conditions of the Senior Deed of Trust, and subject to the availability of insurance proceeds, if any building or improvements erected by Owner on the Property is damaged or destroyed, Owner shall, at its own cost and expense, repair or restore the Property consistent with the original Plans and Specifications for the Project. Also, subject to the terms and conditions of the Senior Deed of Trust, such work shall commence within thirty (30) days, or up to one hundred eighty (180) days with written approval of Authority, after the damage or loss occurs and shall be completed within

a timely manner thereafter, as agreed to with the Authority. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration.

5. GENERAL PROVISIONS

5.1 RESTRICTIONS ON TRANSFER.

5.1.1 Transfer of Property. Prior to completion of the Project by Owner, Owner shall not, either voluntarily or by operation of law, sell, assign or otherwise transfer the Property, or any interest therein, without the express written consent of Authority. Any attempted sale, assignment or other transfer in violation of this Section shall constitute a material default of the terms of this Agreement. Notwithstanding, the foregoing, neither the withdrawal, removal, replacement, and/or addition of a general partner of the Owner pursuant to the terms of the Limited Partnership Agreement, nor the withdrawal, replacement, and/or addition of any of its limited partners or its limited partner's general partners or members, shall constitute a default under this Agreement, provided that any required substitute general partner is reasonably acceptable to the Authority and is selected with reasonable promptness.

5.1.2 Authority Approval. Any approvals or consents of Authority provided for herein are subject to the sole discretion of Authority, and must be in writing, and approved by the Board of Authority in the manner provided for by law, as required.

5.1.3 Request for Consent. In evaluating any request for consent or approval as contemplated herein, Authority may consider, among other factors it deems relevant, the operational and financial qualifications of any proposed assignee or transferee. If Authority approves a request for consent or approval, it may impose such conditions as it deems reasonably necessary to protect Authority's interest and the Project.

5.1.4 Assumption by Transferee. Upon any assignment or transfer approved by Authority, such approved assignee or transferee shall be required to expressly assume in writing the provisions of this Agreement in a form acceptable to Authority and its counsel.

5.2 **DEFAULT AND REMEDIES.** In the event of any breach or violation of any agreement, obligation, or warranty under this Agreement, Authority shall give written notice to Owner by specifying: (a) the nature of the breach or violation; (b) the action required to cure the breach or violation, if an action to cure is possible; and (c) a date, which shall not be less than ninety (90) calendar days from the mailing of the notice, by which such action to cure must be taken, if an action to cure is possible. Prior to exercising any remedies hereunder, Authority shall give Senior Lenders and equity investors of Owner simultaneous written notice of such default and they shall have the same cure rights as the Owner. If Owner fails to cure the breach or violation within the time frame specified in the notice, or if a cure is not possible, Authority may proceed with any of the following remedies:

5.2.1 Bring an action for equitable relief seeking the specific performance by Owner of the terms and conditions of this Agreement, and/or enjoining, abating, or preventing any violation of said terms and conditions, and/or seeking declaratory relief;

5.2.2 Enter upon, take possession of, and manage the Property, either in person, by agent, or by a receiver appointed by a court, and collect any rents, income, deposits, or reserves and apply them to operate the Property, and continue in possession until such time

as Authority determines that Owner is in a position to operate the Property in compliance with this Agreement;

5.2.3 After notice provided for herein, make such repairs or replacements to the Property as are necessary and provide for payment thereof; or

5.2.4 For violations of Owner's obligations with respect to occupancy restrictions, Project maintenance, impose as liquidated damages a charge upon Owner in an amount of five hundred dollars (\$500) per day for each Project unit that is not operated in compliance with this Agreement; or

5.2.5 For violations of Owner's obligations with respect to Project rents, impose as liquidated damages a charge upon Owner in an amount equal to three times the actual amount Owner has collected from any Qualified Household in excess of the Affordable Rent; or

5.2.6 Pursue any other remedy allowed at law or in equity.

The Parties agree that the sums and formulas designated herein as liquidated damages represent a reasonable approximation of the damages Authority is likely to suffer from violations of the respective terms. Owner agrees to pay in full any accrued liquidated damages to Authority within thirty (30) business days of a written demand by Authority for such payment.

5.3 **NON-LIABILITY OF OFFICIALS, EMPLOYEES, AND AGENTS.** No member, official, director, employee, or agent of Authority shall be personally liable to Owner or third-party beneficiaries for any obligation created under the terms of this Agreement.

5.4 **INDEMNITY.** Notwithstanding the insurance coverage required herein, Owner shall indemnify and hold Authority, its members, officials, directors, employees, and agents harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including attorneys' fees) which Authority may incur as a result of (a) Owner's failure to reasonably perform any material obligations as required by this Agreement; (b) a failure of any of Owner's representations or warranties under this Agreement to be true and complete in any material respect; or (c) any material breach, act or omission by Owner, management agent, Owner's contractors, subcontractors, or suppliers with respect to the Project or the Property, except if the loss is caused by the sole negligence or willful misconduct of Authority. Owner shall pay immediately upon Authority's demand any amounts owing under this indemnity. The duty of the Owner to indemnify includes the duty to defend Authority in any court action, administrative action, or other proceeding brought by any third party arising from the Project or the Property. Owner's duty to indemnify Authority shall survive the term of this Agreement.

5.5 **GOVERNING LAW.** This Agreement shall be interpreted under and governed by the laws of the State of California, except for those provisions preempted by federal law. However, the laws of the State of California shall not be applied to the extent that they would require or allow the court to use the laws of another state or jurisdiction. Owner agrees that all actions or proceedings arising in connection with this Agreement shall be tried and litigated only in the state and federal courts located in the State of California, except that Lender, in its sole discretion, may elect that all such actions or proceedings be tried and litigated in the County of Sacramento or the United States District Court for the Eastern District of California.

5.6 **ATTORNEYS' FEES AND COSTS.** In the event that a legal or administrative action is brought to interpret or enforce the terms of this Agreement, the prevailing party shall be entitled to recover all reasonable attorneys' fees and costs incurred in such action.

5.7 **TIME.** Time is of the essence in this Agreement.

5.8 **CONSENTS AND APPROVALS.** Unless otherwise stated to the contrary herein, any consent or approval required under this Agreement shall not be unreasonably withheld.

5.9 **NOTICES, DEMANDS, AND COMMUNICATIONS.** Formal notices, demands, and communications between Owner and Authority shall be given by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal offices of Owner and Authority as follows, or if any such office is relocated, to the new address specified by the relocated party:

Owner:

Attention: _____

With a copy to:

Urban Capital LLC
1017 L St. #738
Sacramento, CA 95816
Attn: John Vignocchi
John@UrbanCapitalCA.com
(415) 735-6228

Authority: Capitol Area Development Authority
1522 14th Street
Sacramento, CA 95818
Attn: Executive Director

5.10 **BINDING UPON SUCCESSORS.** Except as set forth in the Subordination Agreement, all provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferees, and assigns of Owner and Authority, and shall run with the land for the full term of this Agreement, regardless of any assignment, payment, prepayment, expiration, extinguishment of the Loan or Note, any reconveyance of the Deed of Trust, or any conveyance or transfer of the Property. Any successor-in-interest to Owner and any purchaser or transferee of the Property shall be subject to all the duties and obligations imposed on Owner under this Agreement for the full term of this Agreement.

5.11 **RELATIONSHIP OF PARTIES.** The relationship of Owner and Authority for this Project during the term of this Agreement shall not be construed as a joint venture, equity venture, or partnership. Authority neither undertakes nor assumes any responsibility or duty to Owner or to any third party with respect to the operation of the Property or the actions of Owner.

Except as Authority may specify in writing, Owner shall have no authority to act as an agent of Authority or to bind Authority to any obligation.

5.12 **WAIVER.** Any waiver by Authority of any obligation in this Agreement must be in writing. No waiver will be implied from any delay or failure by Authority to act on any breach or default of Owner or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to Owner to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by Authority to any act or omission by Owner shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for Authority's written consent to future waivers.

5.13 **OTHER AGREEMENTS.** Owner represents that it has not entered into any agreements that would restrict or compromise its ability to comply with the terms of this Agreement. Owner shall not enter into any agreements that are inconsistent with the terms of this Agreement without a written waiver by Authority, which shall not be unreasonably withheld.

5.14 **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to this Agreement must be in writing, and shall be effective only if executed by both Owner and Authority.

5.15 **SEVERABILITY.** Every provision of this Agreement is intended to be severable. If any provision of this Agreement is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

OWNER:

1901 8th Street Investors, LP,
a California limited partnership

By: **1901 8th Street Investors, LLC,**
a California limited liability company
its Administrative General Partner

By: _____
(name, title)

By: **Pacific Housing, Inc.,**
a California non-profit public benefit corporation,
its Managing General Partner

By: _____
Mark Wiese, Chairman

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
)ss
COUNTY OF SACRAMENTO)

On _____, 202_, before me, _____, a
Notary Public, personally appeared _____, who proved
to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed
to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument,
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ACKNOWLEDGEMENT

[illegible]

On _____, 202_, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

AUTHORITY:

Capitol Area Development Authority,
a California joint powers agency

By: _____
Danielle Foster, Executive Director

APPROVED AS TO FORM:

By: _____
Jeffrey Mitchell, legal counsel

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
)ss
COUNTY OF SACRAMENTO)

On _____, 202_, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

**EXHIBIT A
TO THE REGULATORY AGREEMENT**

LEGAL DESCRIPTION

The land herein in the City of Sacramento, County of Sacramento, State of California, described as follows:

**EXHIBIT B
TO REGULATORY AGREEMENT**

**OCCUPANCY AND RENT RESTRICTIONS
1901 8th Street Apartments**

Unit Mix and Affordability				
	Studio	1-Bedroom	2-Bedroom	Total Units
Less than 80% AMI	51	0	0	51
Less than 120% AMI	0	14	7	21
Total	51	14	7	72*

*Rather than having a manager's unit, one unit's resident will receive a stipend for after-hours management company response.



May 12, 2023

TO: CADA Board of Directors

**SUBJECT: May 19, 2023, Board Meeting
AGENDA ITEM 9
APPROVAL OF CHANGE ORDERS TO VARIOUS MAINTENANCE CONTRACTS**

CONTACT PERSON: Russ Juneau, Facilities Maintenance Manager
Frank Czajka, Construction & Rehabilitation Manager

RECOMMENDATION:

Staff recommends the Board adopt a resolution that:

1. Ratifies the following adjustments requested by CADA upon extension of the contracts at the beginning of FY 22-23:
 - a. Elite Service Experts in the amount of \$112,010 for Landscape, Tree and Lawn Care Services
 - b. RCO Flooring (California Renovations) in the amount of \$90,992 for Floor Covering Repair/Replacement
2. Authorizes the Executive Director to enter into change orders with
 - a. Elite Service Experts in the amount of \$29,000 for Landscape, Tree and Lawn Care Services
 - b. RCO Flooring (California Renovations) in the amount of \$105,000 for Floor Covering Repair/Replacement
 - c. Miracle Method in the amount of \$39,000 for Bathtub & Sink Refinishing

BACKGROUND

Elite Service Experts

In June 2019, CADA awarded a maintenance contract to Elite Service Experts in the amount of \$114,000 for Landscape, Tree and Lawn Care Services. The contract includes optional annual extension(s) for up to an additional 4 years. Because Elite provided satisfactory service, staff opted to extend the contract for fiscal years 20-21, 21-22 and 22-23 and amended the contract in each of those years due to overages related to the increasing costs of labor, materials and gas. In FY 20-21 the contract was increased by way of a change order from \$114,000 to \$230,000. In FY 21-22 the contract was initially increased by 3.5% (\$3,990) of the allowed 5% upon extension from \$114,000 to \$117,990. In May of 2022 the contract was again increased in the amount of \$100,000 as a result of a change order increasing the contract amount from \$117,990 to \$217,990. In FY 22-23, the contract was increased in the amount of \$112,010 from \$117,990 to \$230,000 by CADA's request

upon extension. Each increase was made consistent with allowable increases under the terms of the contract; however, since staff is unable to locate a record of the Board's approval of the FY 22-23 extension increase, staff is recommending that the Board formally ratify the increase now. Staff further recommends that the Board approve a change order in the amount of \$29,000. This brings the final contract amount for the FY 22-23 to \$259,000.

In addition to regular landscape services, Elite tackled projects such as replacing/installing automatic sprinkler systems, landscape beautification projects such as the landscaping of the courtyard of 1317 O St, landscaping at 17th St. Commons, and landscaping of 1615, 1617, and 1623 P St. Elite also removed several large trees that were dying, damaging water lines, or in danger of falling on adjacent structures. These landscape projects have resulted in unanticipated increased costs requiring the requested change order in the amount of \$29,000.

RCO Flooring (California Renovations)

In June 2021, CADA awarded a maintenance contract to RCO Flooring (California Renovations) in the amount of \$189,008 for Floor Covering Repair/Replacement. The contract includes an optional annual extension for an additional year. Due to satisfactory service, management extended the contract for FY 22-23 and due to past overages, amended the contract upon its extension by CADA's request in the amount of \$90,992, increasing the total amount of the contract to \$280,000. This increase was made consistent with allowable increases under the terms of the contract; however, since staff is unable to locate a record of the Board's approval of the FY 22-23 extension increase, staff is recommending that the Board formally ratify the increase now. Staff further recommends that the Board approve a change order in the amount of \$105,000. This brings the final contract amount for FY 22-23 to \$385,000.

The installation of plank flooring at 1321 Q St, refinishing of hardwood in several vacant apartments at the Dean, more-than-anticipated instances of tenant damage, coupled with the current increased cost of labor and materials (approx. 22% year-over-year) to complete CADA's flooring work, have resulted in the need for a change order in the amount of \$105,000.

Miracle Method

In June 2021, CADA awarded a maintenance contract to Miracle Method in the amount of \$40,000 for bathtub & sink refinishing. The contract includes one annual extension. Because the vendor has performed satisfactorily, CADA extended the contract for FY 22-23, with an increase to \$45,000.

In the current fiscal year, due to the age of our buildings and a higher apartment turnover rate compared to last year, the Maintenance department frequently has encountered tubs and sinks that require rehabilitation when turning units. CADA has found that it is much more cost-effective to resurface tubs and sinks rather than doing a total replacement. CADA has also had difficulty finding suitable replacements for some of the tubs and sinks in some of our buildings, again making resurfacing the existing items the best option. Extension of this contract will necessitate a change order in the amount of \$39,000 to reflect increased volume and materials costs.

POLICY

This item comes before the Board because, with the requested change orders, the current contract amounts will either exceed the \$50,000 contract amount or exceed the 10% or \$25,000 change order approval authority of the Executive Director. Staff is requesting that the Board approve a resolution authorizing the Executive Director to enter into the change orders.

STRATEGIC PLAN

The proposed action addresses the following 2022-2026 CADA Strategic Plan goal: "Provide Superior Property Management."

FINANCIAL IMPACTS

The total contract amount for the three contracts, including the addition of the requested \$379,992 in adjustments, is \$728,000. A total of \$565,000.00 was approved by the Board in June of 2022 in the FY 2022-23 Maintenance budget. Any amount that exceeds this current budget will be taken from the Contingency budget line item in the FY 2020-21 Capital Investment Program — Major Construction Budget, adopted in June of 2020.

ENVIRONMENTAL ISSUES

This item does not require CEQA review or certification.

Attachments:

1. Resolution

RESOLUTION NO. 23 - 17

Adopted by the Capitol Area Development Authority

May 19, 2023

RESOLUTION RATIFYING THE EXTENSION ADJUSTMENTS FOR MAINTENANCE CONTRACTS C20-014 & C22-001, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO CHANGE ORDERS FOR MAINTENANCE CONTRACTS C20-014, C22-001, AND C22-022

WHEREAS, the Board authorized the Executive Director to enter into maintenance contracts with Elite Service Experts in the amount of \$117,990 for Landscape, Tree and Lawn Care Services; RCO Flooring (California Renovations) in the amount of \$189,008 for Floor Covering Repair/Replacement; and Miracle Method in the amount of \$45,000 for Bathtub & Sink Refinishing; and

WHEREAS, staff is recommending the Board ratify the extension adjustments in the amount of \$203,002 and approve change orders totaling \$173,000 to pay for additional costs to cover unanticipated additional work under these contracts associated with CADA's building and grounds maintenance program.

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

1. **Ratifies the following adjustments requested by CADA upon extension of the contracts at the beginning of FY 22-23:**
 - a. Elite Service Experts in the amount of \$112,010 for Landscape, Tree and Lawn Care Services
 - b. RCO Flooring (California Renovations) in the amount of \$90,992 for Floor Covering Repair/Replacement
2. **Authorizes the Executive Director to enter into change orders with**
 - a. Elite Service Experts in the amount of \$29,000 for Landscape, Tree and Lawn Care Services
 - b. RCO Flooring (California Renovations) in the amount of \$105,000 for Floor Covering Repair/Replacement
 - c. Miracle Method in the amount of \$39,000 for Bathtub & Sink Refinishing

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors

		coin machine. Merri will take care of this problem and contact the laundry company again.	
		Total Case Time (Minutes)	105
		Write up of Issues (Minutes)	30
		Total Minutes	135
		Total Hours	2 1/4
		2 1/4 hours X \$150 per hour	\$337.50

APARTMENT STATUS REPORT (Month-ending April 30, 2023)	Current Month-End	Previous Month-End	Previous Year Month-End	Current Year	Previous Year	Previous Year
CURRENT MONTH STATUS - OCCUPIED UNITS	4/28/23	3/31/23	4/30/22	2023 Monthly Average	2022 Monthly Average	2021 Monthly Average
Total Units	779	779	721	750	721	721
Occupied	715	722	672	691	668	665
Percentage Occupied*	92%	93%	93%	92%	93%	92%
Percentage Leased*	95%	96%	96%	96%	96%	96%
* adjusted for Unrentable units						
CURRENT MONTH STATUS - VACANT UNITS	4/28/23	3/31/23	4/30/22	2023 Monthly Average	2022 Monthly Average	2021 Monthly Average
Vacant	64	57	49	59	54	56
Vacant: Pre-leased Units	8	3	9	11	10	12
Vacant: Unrentable Units (repairs, temp tsf's, etc.)	20	19	13	19	14	12
Vacant: Units Available to Rent	36	35	27	30	29	32
CURRENT MONTH STATUS - ON NOTICE UNITS	4/28/23	3/31/23	4/30/22	2023 Monthly Average	2022 Monthly Average	2021 Monthly Average
On-Notice: Units to vacate within 30 days	7	5	10	7	10	9
On-Notice: Pre-leased Units	0	0	0	0	0	0
On-Notice: Unrentable Units (repairs, etc.)	0	0	2	0	1	1
On Notice: Units Available to Rent	7	5	8	7	9	8
Total Units Available to rent (Vacant & On Notice)	43	40	35	37	38	41
CURRENT MONTH ACTIVITY - TOTAL	4/28/23	3/31/23	4/30/22	2023 YTD	2022 YTD	2021 YTD
# of Move-Outs / % of Total Units	11	17	10	6%	16%	19%
# of Move-Ins / % of Total Units	4	72	15	15%	16%	18%
# of New Rentals	11	61	21	104	170	168
# of 30-Day Notices Received / % of Total Units	14	12	11	6%	18%	19%
# of Units brought to market / % of Move-Outs	7	18	14	127%	94%	85%
# of Rentals Canceled or Denied / % of Rentals	2	2	8	10%	38%	30%
# of Notices Canceled / % of Notices Received	1	1	1	7%	5%	6%
CURRENT MONTH ACTIVITY - MOVE OUT REASONS	4/28/23	3/31/23	4/30/22	2023 YTD %	2022 YTD %	2021 YTD %
Asked to move by CADA	2	1	1	7%	9%	2%
Bought a house	0	0	2	2%	6%	7%
Deceased	1	0	0	2%	10%	3%
Dissatisfied (unable to resolve)	1	1	0	9%	1%	6%
Employment/education related	0	3	0	9%	2%	15%
Financial	0	1	0	2%	4%	11%
Illness/ health/ personal	0	1	0	4%	14%	6%
Moving out of the area	1	0	0	9%	18%	14%
Desire larger/smaller apt or house (incl. change in hh size)	0	5	3	11%	8%	9%
Need amenity not offered / not currently available	0	0	0	0%	1%	2%
Moved with no notice/Unknown	5	4	3	27%	14%	1%
Transferred to another CADA apartment	1	1	1	18%	14%	21%
Other / ("Covid-related" as of Aug 2020)	0	0	0	0%	0%	2%
Unaccounted for (Not incl. in occupancy length) - Adj.	0	0	0	0%	0%	0%
TOTAL	11	17	10	100%	100%	100%
Average length (years) of Occupancy (YTD):				4.2	4.3	4.9

CADA AFFORDABLE HOUSING STATISTICS: April 30, 2023	CADA Rent-Assisted	Other / Additional Assisted Units	Total Assisted Units	Market-Rate Units	Total Units
Scattered Site Units:	38	45	83	500	583
Special Management Units:	156	0	156	40	196
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
Sonrisa/1322 O St Investors LP	57	0	57	1	58
TOTAL CADA-MANAGED UNITS:	194	45	239	540	779
MANAGED AFFORDABLE/MARKET %:			31%		
CADA-DEVELOPED RENT ASSISTED UNITS	Tax Credit	Other	Total Affordable Units	Market Units	Total Units
Stanford Park Townhomes	0	0	0	50	50
1500 Q Street	0	2	2	4	6
17th & O Streets	0	0	0	3	3
The Terraces	0	60	60	0	60
17th and N Streets	0	0	0	18	18
Delta Victorians	0	0	0	8	8
Wiese Townhomes	0	0	0	3	3
Admail Express Building	0	0	0	7	7
Governor's Terrace	0	0	0	44	44
Somerset Parkside Condominiums	0	0	0	75	75
Saratoga Townhomes	0	0	0	36	36
Fremont Building	0	11	11	58	69
Capitol Park Homes	0	9	9	55	64
Fremont Mews	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
TOTAL CADA-DEVELOPED UNITS:	49	168	217	715	932
DEVELOPED AFFORDABLE/MARKET%			23%	77%	100%
TOTAL CADA-MANAGED & DEVELOPED AFFORDABLE HOUSING UNITS					
CADA-MANAGED UNITS:	194	45	239	540	779
CADA-DEVELOPED UNITS:	49	168	217	715	932
TOTAL CADA UNITS:	243	213	456	1255	1711
TOTAL AFFORDABLE/MARKET%			26.65%	73%	100%

CAPITOL AREA DEVELOPMENT AUTHORITY

Commercial Listings (Current Vacancies)

May 2023

Address: **1329-31 O Street**
Current Tenant: Mud Pie Stand
Square Feet: 1,842

This tenant ceased operations in late September and vacated by October 1. CADA continues to be in discussions with Cap City Squeeze's owner about a café in this location. CADA has engaged its on-call architect to design window upgrades for space, which has been completed. CADA's Maintenance Manager is bidding out that work, along with structural work that is needed to open up the wall between the two dining rooms to provide better circulation between the two spaces. The tenant has engaged a contractor and an architect to design her desired space layout. Once the cost estimates for CADA's portion of the work are in and the tenant's work has progressed further, and provided the costs are affordable for both parties, we will commence drafting a lease. CADA and the prospective tenant have signed a non-binding letter of intent to lease.

Address: **1412 16th Street**
Current Tenant: Vacant (Former Urban Yogi)

CADA is under contract with Colliers to market this space. To date, the proposals CADA has received have been for health club operations which have not been at market rates. Staff are investigating other possibilities that would be a good fit for the neighborhood and complement the adjacent Luna's space.

Address: **1414 16th Street**
Current Tenant: Luna's

CADA is in advanced discussions with a prospective tenant for this space, who plans to take over the space from Luna's, continue many of Luna's entertainment offerings, and add a new program of its own, consisting of dueling pianos and a bar. CADA and the prospective tenant are discussing an appropriate division of labor for the needed upgrades. Provisionally, CADA's work will consist of some electrical rewiring and subfloor repairs, replacement of the front door and a rear door to meet ADA requirements. At a later date, CADA will replace the front windows and the alley-facing window. CADA and the prospective tenant have signed a non-binding letter of intent to lease.

Address: **1401-09 16th Street**
Current Tenant: Vacant (Formerly Enterprise Rent-A-Car)

CADA will shortly enter into a lease with an entity called CLTRE Club, which facilitates the build-out and operation of small business incubators. The space will be home to approximately six small

businesses and the parking lot will host a food truck several times a week. The operation will synch with Midtown Association's Second Saturday program. CADA has engaged muralist Jose di Gregorio to paint a mural on the building's facades, improved the outdoor lighting, and operation of the rolling gates. It has engaged another muralist to paint an eye-catching mural on the alley façade of Simon's Bar and Café.

:

**Capitol Area Development Authority
CADA Neighborhood Incident Report
April, 2023:**

Residential break-ins, vandalism, theft, disturbances:

- **4/01/23:** 1400 N St: Courtesy patrol found an individual had hopped the fence and was loitering in the electrical box area on the property. Patrol asked the individual to leave the property which she did without incident.
- **4/08/23:** 1317 15th St: Courtesy patrol received a call regarding yelling in the alley next to the building. Patrol arrived and found three intoxicated individuals yelling. Patrol asked them to leave the area which they did without incident.
- **4/10/23:** 1522 N St: Courtesy patrol found an individual going through the dumpster. Patrol asked the individual to leave the property which they did without incident.
- **4/13/23:** 1616 N St: Courtesy patrol received a call regarding an individual refusing to leave a property. Patrol arrived and asked individual to leave which she did without incident.
- **4/14/23:** 1606 15th St: Courtesy patrol received a call regarding someone trying all of the door handles to the apartments. Patrol arrived and searched the area but nobody was found.
- **4/16/23:** 1228 O St: Courtesy patrol found an individual sleeping on the property. The individual left when asked without incident.
- **4/17/23:** 1622 N St: Courtesy patrol found an individual sleeping on the property. The individual left when asked without incident.
- **4/20/23:** 1317 15th St: Courtesy patrol received a call regarding marijuana smell in the building. Patrol arrived and checked the building and did not detect any marijuana smell.
- **4/22/23:** 1616 N St: Courtesy patrol received a call regarding someone sleeping on the property. Patrol arrived and did find the individual. Patrol asked them to leave which they did without incident.
- **4/24/23:** 1500 N St: Courtesy patrol received a call regarding skaters hanging out around the dumpster area and being loud. Patrol arrived and found several people. They left when asked without incident.
- **4/29/23:** 1501 15th St: Courtesy patrol received a call from a resident who had their window broken. Patrol arrived and searched the area but did not find anyone.

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

- **4/07/22:** 1522 14th St: CADA Administration Office: Courtesy patrol found an individual sleeping in front of the office. Patrol asked the individual to leave the area which he did without incident.

Recap of Phone Calls to Lyons Security Service during the month of April, 2023:

There were 30 calls during the month of April, as follows:

20 calls were to report noise.
 2 calls were to report someone sleeping on a property.
 3 calls were to report someone loitering on the property.
 1 call was to report someone going through a dumpster.
 1 call was to report a dispute between two residents.
 2 calls were to report a broken garage door.
 1 call was to report someone turning doorknobs in a building trying to open doors.

CAPITOL AREA DEVELOPMENT AUTHORITY
FY 2022 - 2023
Contract Log as of 5/12/2023

Item 12 (F)



DATE	CONTRACT NUMBER	Type of Service	CONTRACTOR	PROJECT	LOCATION	AMOUNT	ACCOUNT
4/7/2023	C23-094	Maintenance	Southgate Glass & Screen, Inc.	Window Replacements	1228 O Street	\$35,000.00	10-C21-5820-C222-09-008.5
4/14/2023	C23-095	Maintenance	Affordable Painting Services, Inc.	Interior and Exterior Painting	1409 16th Street	\$12,800.00	10-C21-5820-C233-27-019.5
4/19/2023	C23-096	Admin-Misc	Cap City Squeeze Juice Bar	Food Truck for Grand Opening	1322 O Street	\$1,400.00	10-D19-4775-D224-25
4/19/2023	C23-097	Admin-Misc	Jose Di Gregorio	Creative Crosswalk Sketch	14th & O Street	\$250.00	10-D09-4758-D801-00
4/21/2023	C23-098	Admin-Misc	Jaya King Inc	Mural on Simon's Alley Wall	1415 16th Street	\$15,500.00	10-D07-4703-D233-02
4/21/2023	C23-099	Admin-Misc	4YourEpiphany	Videography for Sonrisa Grand Opening	1322 O Street	\$1,300.00	10-D19-4775-D224-25
4/21/2023	C23-100	Admin-Misc	4YourEpiphany	Videography for CLTRE Club	1409 16th Street	\$1,800.00	10-001-4211-B333-401
4/24/2023	C23-101	Admin-Misc	Associated Sound	Audio Visual Services for Sonrisa Grand Opening	1322 O Street	\$831.75	10-D19-4775-D224-25
4/25/2023	C23-102	Maintenance	Unseen Heroes, LLC	Tenant Improvements for CLTRE Club	1409 16th Street	\$14,950.00	10-C21-5820-C233-27-002.8
4/25/2023	C23-103	Admin-Misc	Jordan Simpson	Sonrisa Grand Opening Musician	1322 O Street	\$500.00	10-D19-4775-D224-25
4/26/2023	C23-104	Maintenance	Cirkl Specialized Training	Forklift Training	701 S Street	\$1,430.00	10-001-4272
4/27/2023	C22-072.1	Consulting	Atlas Lab	Construction Drawings, Bid Support and Construction Administration	900 Block of O Street	\$12,760.00	10-D09-4758-D801-00
4/27/2023	C23-105	Maintenance	Elite Service Experts	Emergency Plumbing Service	1051 15th Street	\$1,242.00	10-003-5292-R533-10 & 10-001-4262 (Credit Card Fee - \$42.00)
4/28/2023	C23-106	Consulting	Atlas Lab	Karma Brew Al Fresco Dining Landscape Architectural Services	1530 16th St, P St Frontage	\$11,000.00	10-C23-5820-C232-16-002.9
5/4/2023	C23-107	Maintenance	Affordable Painting Services, Inc.	Interior Apartment Painting	1400 N Street, Apt 5	\$4,700.00	10-003-5421-R533-20
5/5/2023	C23-108	Consulting	CLTRE	CLTRE Club Programming & Staffing	1409 16th Street	\$22,500.00	10-002-4266-B333-401
5/8/2023	C23-109	Maintenance	Rod's Electric	Electrical Services	Various Locations	\$14,500.00	10-003-5287
5/10/2023	C23-110	Admin-Misc	Jose Di Gregorio	Mural	1409 16th Street	\$10,000.00	10-002-4266-B333-401
5/11/2023	C23-111	Admin-Misc	Jaya King Inc	Brannan Court Mural Repair	1500 N Street	\$300.00	10-003-5421-R540-01
5/11/2023	C23-112	Consulting	Unseen Heroes, LLC	CLTRE Club Programming & Staffing	1409 16th Street	\$18,000.00	10-002-4266-B333-401



Investment Report

MARCH 2023



John Colville, City Treasurer

[Office of the City Treasurer - City of Sacramento](#)

City of
SACRAMENTO
Office of the City Treasurer

Historic City Hall

915 I Street, 3rd Floor

Sacramento, CA 95814

916-808-5168

Quarterly Investment Committee Meeting

Thursday, April 27, 2023

10:00AM-11:00AM

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INVESTMENT COMMITTEE MEETING

April 27, 2023
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: Leyne Milstein (Interim Finance Director)
Mirthala Santizo (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: **January 26, 2023 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: 2023.04.17 15:50:17
-07'00'

City Treasurer

TO: Investment Committee Members
FROM: Patrick Zalasky
RE: **Minutes of Quarterly Investment Meeting held via Zoom on January 26, 2023**

Attendees Present: Stacy Hussey, Shirley Tupaz, Katy Nguyen, Osvaldo Lopez, Johnny Ea, Noelle Mussen, Jason Bader, and Patrick Zalasky

This meeting was held via Zoom, as will all subsequent meetings until further notice.

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 \$395 million in excess cash for the next 6-months and an approximate \$309 million for the next 12-month period. Hence, cash availability to all pool participants is 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 liability due dates going 9 months into the future, plus the maintenance of substantial liquid reserves. The liability-matching strategy and liquid reserves provide a solid liquidity cushion to meet unexpected large expenditures and to provide the basis to make advantageous investments in longer term securities. As of the date of the investment committee meeting, the major payroll and debt service liabilities are funded with sufficient cash in pooled cash accounts, expected property and sales tax receipts, and cash generated by the maturity of specific investments through the end of September 2023.

2) Performance of the Pools

Investment staff updated the attendees on the performance of Pool A during the second quarter of fiscal year 2022/2023. The earned interest yield of Pool A for October, November, and December was 1.64%, 1.78% and 1.84%, respectively. Monthly Pool A yields currently trail the 2.17% yield earned by the State Treasurer's Local Agency Investment Fund (LAIF) and the 2.58% yield earned by the Medium-Term Fund managed by the Investment Trust of California (CalTRUST). This is due mainly to the fact that these funds are able to maintain a much shorter duration than Pool A, which invested large amounts of excess cash (mainly COVID stimulus funds) in assets maturing in 2025 and 2026 while market yields were at historic lows. At the time these investments were made, rates across the Yield Curve were near zero and there was some discussion that very short-term yields could go negative.

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, 2023.

Pool A investments in cash and other short-term liquid issues rose a bit to 34% at the end of the quarter. This is closer to normal levels and is reflective of efforts to allocate short-term liquid investments to mature in July to help cover the approximately \$90 million lump sum payment due to CalPERS. Pool funds allocated to short-term liquid investments should increase even more over the next quarter, as the City will receive lump sum payments for property taxes in both April and

May. The short-term investments should help boost the yield of the pool, as the front end of the Yield Curve is currently much higher than the middle and long end.

The Yield Curve continues to be inverted, as the Federal Reserve Board steadily raised the Federal Funds Rate during the quarter. Speculation among economists is that the pace of rate hikes will slow during 2023 but may last longer into the year than once thought. The effective rate ended 2022 in the 4.25%-4.50% range. Opinion seems to be split among Fed governors about how high the board will need to take the rate before they can cease hikes and consider the possibility of rate cuts. Some believe that 5.00% is a reasonable ceiling, while others believe that rate is closer to 5.50% or higher.

Investment staff continues to invest with an eye on the movements of the yield curve and is 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; Economic Considerations

The pace of inflation slowed a bit during the quarter, as the Consumer Price Index, which is the measure of the year-over-year change in prices for domestic goods, was 6.50% in December. Although the number is better than it was at the beginning of the year, it is still elevated and is outpacing the rate of wage growth by over 2%. Unemployment remained near record lows, which is compounding the challenge that the Fed is facing. Normally, aggressive rate hikes would lead to a sluggish labor market. Currently, though, the labor market is very strong on the surface. Looking deeper, the Labor Participation Rate remains at its lowest level in history, as millions of able-bodied working age Americans are choosing to stay out of the labor market entirely. The generous government payments in response to Covid appear to have not only injected an abnormally large amount of currency into the economy (increasing inflation), but also allowed many Americans to completely leave the labor market (keeping the unemployment rate low). Since the Fed needs to weaken the labor market a bit to sufficiently cool the economy and put the brakes on inflation, it is likely they will need to raise the Federal Funds Rate higher than initially projected. This could prevent them from guiding the economy through a soft landing and instead lead to a long and protracted recession. Fortunately for the Fed, Republicans won a majority in the House of Representatives in the midterm election, which means there is a split government in Washington, D.C. This makes it much more difficult for there to be any large spending packages passed over the next two years. Without large sums of cash being injected into the economy, inflationary pressures will lessen and the Fed can turn their policy focus more toward sufficiently cooling the labor market in their attempt to cool off the economy and, therefore inflation.

Consumers, who are the main drivers of the American economy, didn't spend as much as expected during the holidays. Their attitude toward the economy remains very negative, as nearly half of them report that they are financially worse off since the inauguration of Joe Biden. Only 16% of Americans in the same survey said they are better off during the same time period. There is no doubt that elevated food and energy prices have taken their toll on American morale over the past

couple of years. This malaise is becoming something that may factor into how long any recession will last, as the attitude of consumers has a very strong influence on the health of the American economy.

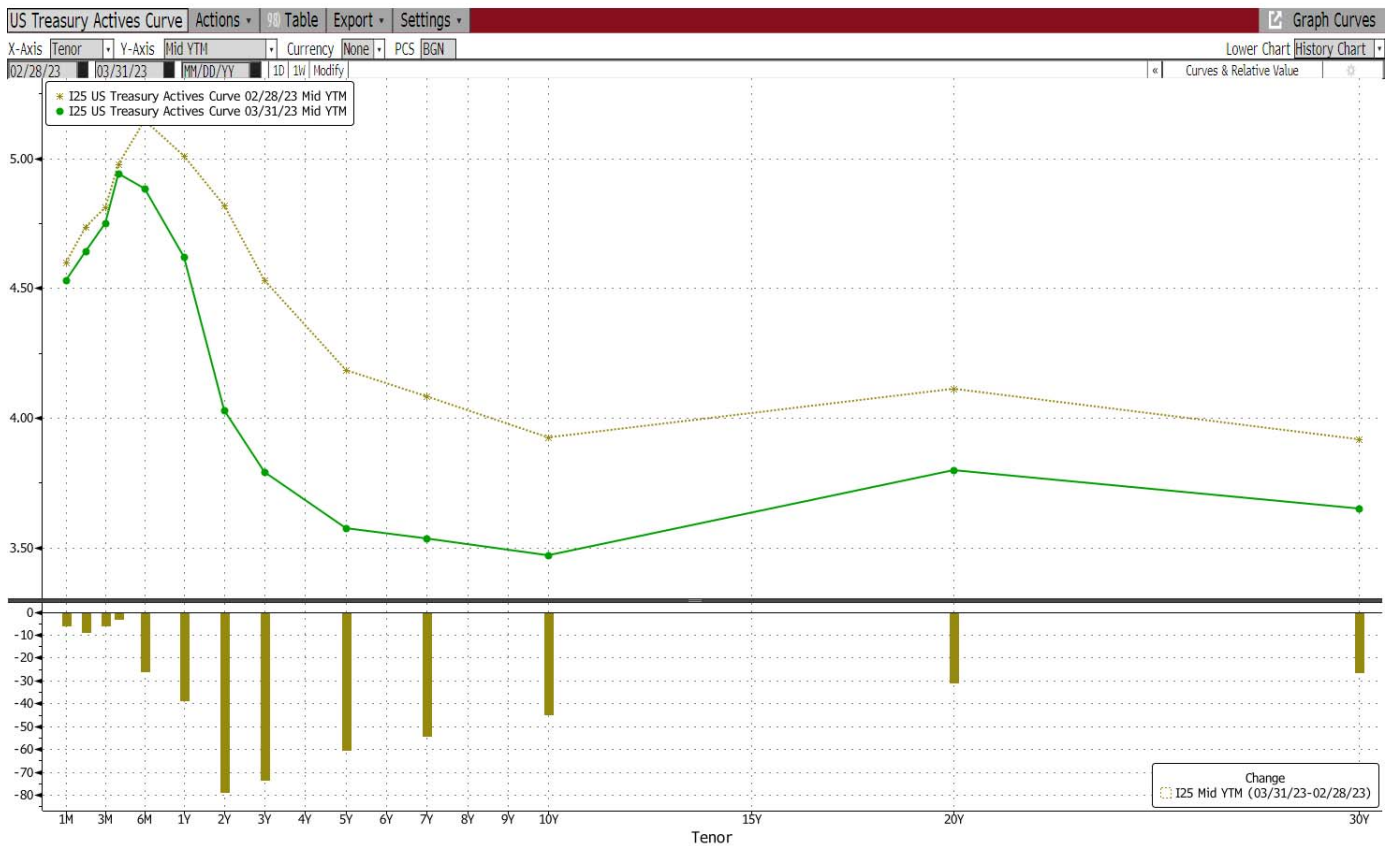
The American economy expanded by 2.9% during the final quarter of the calendar year. This is the second consecutive quarter of economic growth and was mostly due to a large trade surplus, as exports far exceeded imports for the second consecutive quarter. Economists and policy makers remain worried because the American economy is primarily driven by domestic consumption and that number continues to be down in comparison to previous quarters and significantly less than pre-pandemic levels.

The United States continues to export oil and natural gas to Europe in an effort to offset the energy shortage caused by the war in Ukraine. Multiple economies in the European Union are recovering nicely as they get further away from the worst of the pandemic. Inflation is coming down more rapidly than in other parts of the world as supply chains become stronger and more Europeans get back to work and their normal pre-pandemic lives.

Although the numbers that come out of China are always sketchy, it appears that their economy is in its worst shape in decades. Their goal of Covid Zero has the government still shutting down whole cities for weeks at a time, thereby interrupting the industrial production that is so key to the health of their economy. Slowly but surely, countries are beginning to look for alternatives to Chinese production as the world becomes more aware of and critical of the policies of the Chinese government. Any major shift will take time, as the Chinese have entrenched themselves as a vital cog in the operations of companies such as Nike, Apple, and Wal Mart. Signs, however, of a changing global economic landscape may be leading the Chinese to search for influence in other ways, such as bringing Taiwan under their rule in much the same fashion they did with Hong Kong. Should a move be made on Taiwan, it could lead to more global unrest that could further rile economies that are finally on the road to recovery.

4) Other business: None

Next Meeting: The next quarterly meeting is scheduled for **Thursday, April 27, 2023, at 10:00 a.m.** via Zoom.



SN 2568948 EDT GMT-4:00 H939-42-171 13-Apr-2023 11:42:10

Screen [1 of 2] sent to Adobe PDF. Run PSET<G0> to finalize the page.

US Treasury Actives Curve Actions % Chart Export Settings Graph Curves

X-Axis Tenor Y-Axis Mid YTM Currency None PCS BGN

02/28/23 03/31/23 MM/DD/YY 1D 1W Modify

Values and Members Values Members Constituents

Curves & Relative Value

I25 Mid YTM US Treasury Actives Curve 03/31/23			I25 Mid YTM US Treasury Actives Curve 02/28/23			I25 Mid YTM (Change) 03/31/23-02/28/23		
Tenor	Description	Price	Yield	Description	Price	Yield	Price	Yield
11	1MB 0 05/02/23 Govt	4.454	4.532	B 0 03/28/23 Govt	4.519	4.597	-0.065	-6.5
12	2MB 0 05/30/23 Govt	4.546	4.643	B 0 04/25/23 Govt	4.638	4.735	-0.091	-9.3
13	3MB 0 06/29/23 Govt	4.631	4.749	B 0 06/01/23 Govt	4.689	4.812	-0.058	-6.3
14	4MB 0 08/01/23 Govt	4.785	4.943	B 0 06/27/23 Govt	4.819	4.978	-0.034	-3.5
15	6MB 0 09/28/23 Govt	4.691	4.883	B 0 08/31/23 Govt	4.936	5.147	-0.245	-26.4
16	1YB 0 03/21/24 Govt	4.396	4.619	B 0 02/22/24 Govt	4.765	5.010	-0.369	-39.0
17	2YT 3 % 03/31/25 Govt	99-22 ³ / ₄	4.027	T 4 % 02/28/25 Govt	99-20 ³ / ₄	4.819	0-02 ³ / ₄	-79.2
18	3YT 4 % 03/15/26 Govt	102-09 ³ / ₄	3.789	T 4 02/15/26 Govt	98-17 ³ / ₄	4.529	3-24 ³ / ₄	-74.0
19	5YT 3 % 03/31/28 Govt	100-07 ³ / ₄	3.576	T 4 02/29/28 Govt	99-05 ³ / ₄	4.184	1-01 ³ / ₄	-60.8
20	7YT 3 % 03/31/30 Govt	100-17 ³ / ₄	3.536	T 4 02/28/30 Govt	99-15 ³ / ₄	4.084	1-01 ³ / ₄	-54.8
21	10YT 3 % 02/15/33 Govt	100-08	3.470	Same	96-17 ³ / ₄	3.923	3-22 ³ / ₄	-45.3
22	20YT 3 % 02/15/43 Govt	101-02 ³ / ₄	3.796	Same	96-26	4.111	4-08 ³ / ₄	-31.4
23	30YT 3 % 02/15/53 Govt	99-16 ³ / ₄	3.651	Same	94-28	3.917	4-20 ³ / ₄	-26.6

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CITY OF SACRAMENTO - INVESTMENT POOL A
6-MONTH CASH FLOW ANALYSIS
April 1, 2023 - September 30, 2023

In millions

Cash Balances:	
CalTRUST	129.971
Fidelity Fund	2.208
Five Star Bank Community Fund	40.088
JP Morgan Chase	1.539
LAIF	4.350
Overnight Sweep	1.811
River City Bank Community Fund	25.055
Less: Required bank balance by policy	(0.500)
Cash available at beginning of period:	204.522
Projected net cash flow:	
April-23	59.022
May-23	115.665
June-23	20.997
July-23	10.775
August-23	9.814
September-23	(15.526)
Net cash flow during period:	200.747
Cash in excess of policy: ₁	405.269
Cash Balances of non-City and/or Pool A Participants:	
SCERS Cash:	
Fixed Bonds	(0.134)
Large Cap Growth	(0.118)
International	(0.006)
Equity Income	(0.212)
Retirement Trust Operating Fund	(5.776)
Ann Land/Bertha Henschel Endowment Fund	(0.011)
Ethel Hart Mutual Endowment Fund	(0.322)
George H. Clark Memorial Scholarship Fund	(0.062)
Capitol Area Development Authority (CADA)	(50.369)
American River Flood Control District (ARFCD)	(9.020)
The Natomas Basin Conservancy (TNBC)	(0.595)
Sacramento Public Library Authority (SPLA)	(48.985)
Reclamation District No. 1000	(2.206)
SPLA Hurst Trust	(0.131)
Gifts to Share	(0.693)
Visit Sacramento	(8.709)
Other Misc Non-City Funds (CARES Act, ARP, CalEPA, City/County Office-Water Planning, etc)	2.131
Total cash balances of non-City and/or Pool A participants: ₂	(125.218)
Excess or (Shortfall) if all Pool A participants withdraw all funds within 6 months: ₃	280.051

₁ The City will be able to meet its cash flow needs for the next six months, with \$405 mm to cover on going expenditures

₂ Non-City and/or Pool A participants have \$125 mm invested in Pool A

₃ If all non-City and/or Pool A participants withdraw the entire \$125 mm within the next twelve months, the City will have \$280 mm to cover on going expenditures

CITY OF SACRAMENTO - INVESTMENT POOL A
12-MONTH CASH FLOW ANALYSIS
April 1, 2023 - March 31, 2024

In millions

Cash Balances:	
CalTRUST	129.971
Fidelity Fund	2.208
Five Star Bank Community Fund	40.088
JP Morgan Chase	1.539
LAIF	4.350
Overnight Sweep	1.811
River City Bank Community Fund	25.055
Less: Required bank balance by policy	(0.500)
<i>Cash available at beginning of period:</i>	204.522
Projected net cash flow:	
April-23	59.022
May-23	115.665
June-23	20.997
July-23	10.775
August-23	9.814
September-23	(15.526)
October-23	(21.224)
November-23	(30.566)
December-23	86.534
January-24	60.043
February-24	(2.283)
March-24	(14.911)
<i>Net cash flow during period:</i>	278.340
<i>Cash in excess of policy: ₁</i>	482.862
Cash Balances of non-City and/or Pool A Participants:	
SCERS Cash:	
Fixed Bonds	(0.134)
Large Cap Growth	(0.118)
International	(0.006)
Equity Income	(0.212)
Retirement Trust Operating Fund	(5.776)
Ann Land/Bertha Henschel Endowment Fund	(0.011)
Ethel Hart Mutual Endowment Fund	(0.322)
George H. Clark Memorial Scholarship Fund	(0.062)
Capitol Area Development Authority (CADA)	(50.369)
American River Flood Control District (ARFCD)	(9.020)
The Natomas Basin Conservancy (TNBC)	(0.595)
Sacramento Public Library Authority (SPLA)	(48.985)
Reclamation District No. 1000	(2.206)
SPLA Hurst Trust	(0.131)
Gifts to Share	(0.693)
Visit Sacramento	(8.709)
Other Misc Non-City Funds (CARES Act, ARP, CalEPA, City/County Office-Water Planning, etc)	2.131
<i>Total cash balances of non-City and/or Pool A participants: ₂</i>	(125.218)
<i>Excess or (Shortfall) if all Pool A participants withdraw all funds within 12 months: ₃</i>	357.644

¹ The City will be able to meet its cash flow needs for the next twelve months, with \$483 mm to cover on going expenditures

² Non-City and/or Pool A participants have \$125 mm invested in Pool A

³ If all non-City and/or Pool A participants withdraw the entire \$125 mm within the next twelve months, the City will have \$358 mm to cover on going expenditures

City of Sacramento

Investment

Pool A

CITY OF SACRAMENTO INVESTMENT POOL A

MONTHLY REVIEW – MARCH 2023

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	1,500,777,028
Month's Yield or RoR	2.33%
Weighted Average Maturity (Yrs)	2.06
Weighted Average Duration (Yrs)	1.98
Ending Book Value	1,578,736,527
Ending Market Value	1,504,574,138
Percent of Market to Book Value	95.30%
Month's Investment Earnings	3,119,426
Fiscal YTD Investment Earnings	20,590,613

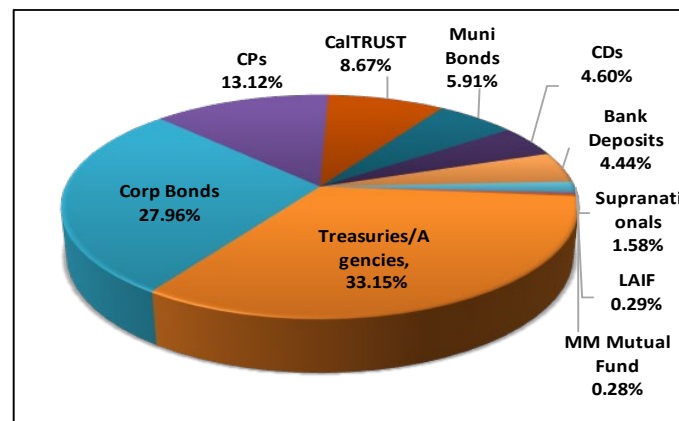
External Third-Party Investment Manager

CalTRUST	129,970,692
LAIF	4,350,000

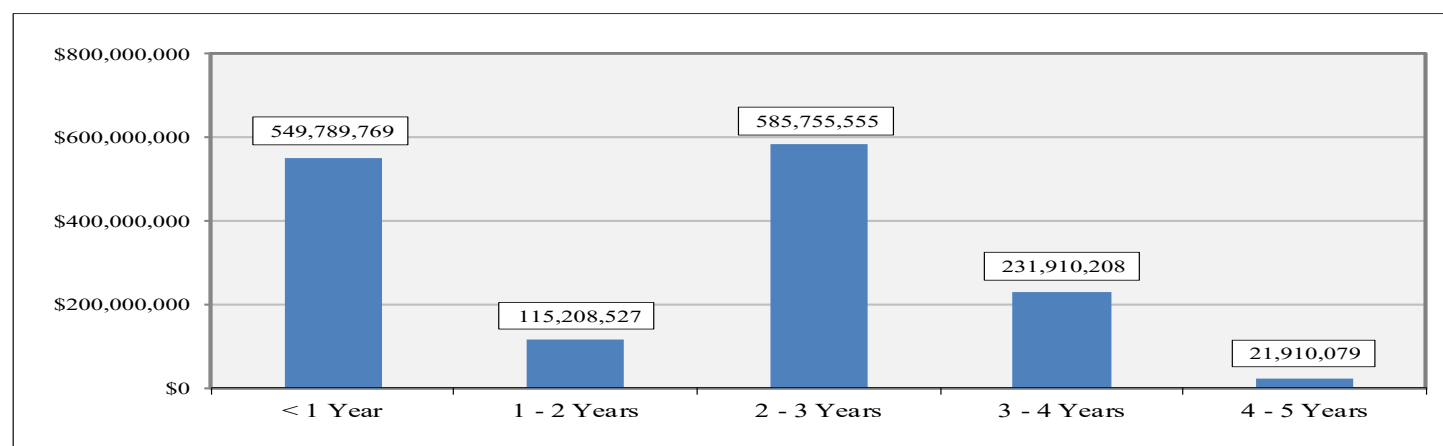
MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	549,789,769	36.54%
1 - 2 Years	115,208,527	7.66%
2 - 3 Years	585,755,555	38.93%
3 - 4 Years	231,910,208	15.41%
4 - 5 Years	21,910,079	1.46%
Total	1,504,574,138	100.00%

PORTFOLIO COMPOSITION



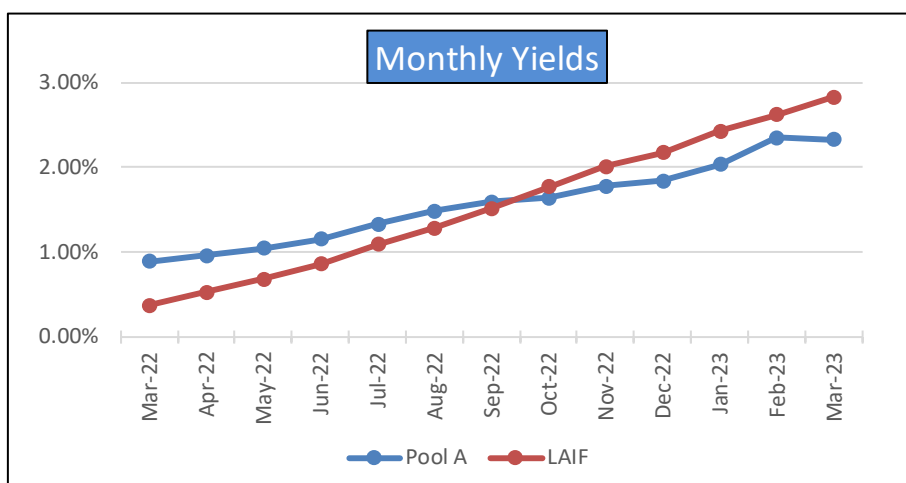
Asset Type	Pct. Assets	YTM
Treasuries/Agencies	33.15%	1.42%
Corp Bonds	27.96%	1.91%
CPs	13.12%	4.81%
CalTRUST	8.67%	3.87%
Muni Bonds	5.91%	2.07%
CDs	4.60%	1.81%
Bank Deposits	4.44%	2.59%
Supranationals	1.58%	1.78%
LAIF	0.29%	2.83%
MM Mutual Fund	0.28%	4.31%



INTEREST RATE ENVIRONMENT

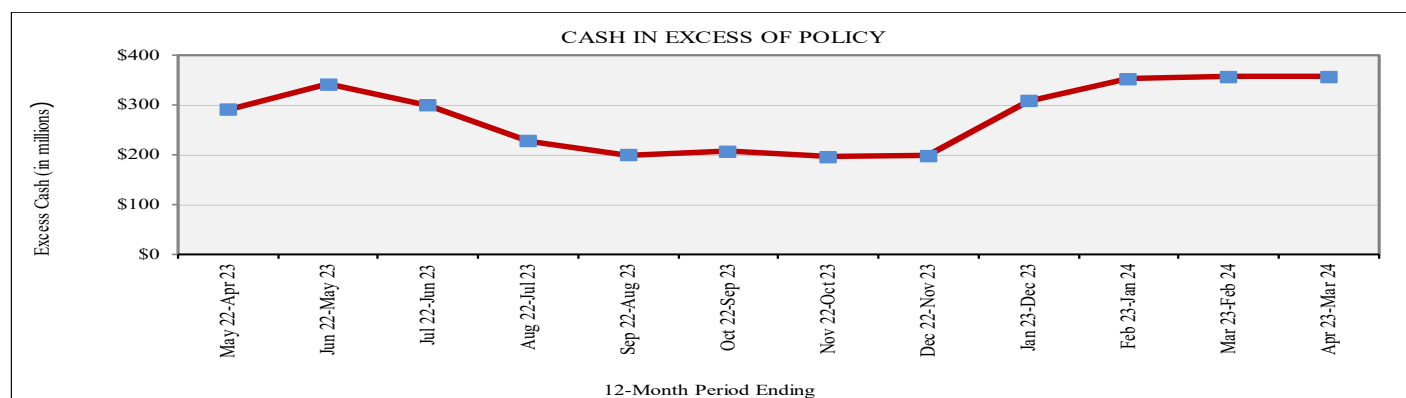
Employment numbers remained robust during March, as the U.S. economy added 236,000 jobs and the unemployment rate fell to 3.5%. Meanwhile, inflation continued to trend in the right direction, although it remains high enough to severely restrict the purchasing power of consumers. CPI numbers beat estimates as the year-over-year measurement came in at 5.0%, with core CPI (which excludes food and energy) up 5.6%, which is a tick higher than it was the prior month. These numbers mesh with the outlook outlined in the minutes from the last meeting of The Federal Reserve Board, which indicated expectations for a mild recession in the second half of 2023. Consensus among analysts is that the Federal Funds Rate will be boosted by 0.25% at the Fed's meeting in May, followed by a likely pause until the potential length and depth of the expected recession are ascertained. Consumers took on a negative outlook in March, as the University of Michigan Consumer Sentiment Index checked in at 62.0, which is a full five points below where it was in February. If consumers exhibit their pessimism through less spending, it may help to push the economy into recession sooner, rather than later. The yield curve maintained its inverted shape, with short-term yields remaining significantly higher than those on the long end of the curve. While shorter yields were relatively unchanged during March, longer-term yields dropped over 10% for issues between 2 years and 10 years. This is a sign that investors believe any recession will be relatively short and mild. Market conditions will continue to be monitored closely 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. Extra emphasis will be placed on investing in only the highest quality names that have the infrastructure and leadership to navigate their way through even the most unstable economic environments. Staff 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
Mar-22	0.89%	0.37%
Apr-22	0.96%	0.52%
May-22	1.04%	0.68%
Jun-22	1.15%	0.86%
Jul-22	1.33%	1.09%
Aug-22	1.48%	1.28%
Sep-22	1.59%	1.51%
Oct-22	1.64%	1.77%
Nov-22	1.78%	2.01%
Dec-22	1.84%	2.17%
Jan-23	2.03%	2.43%
Feb-23	2.35%	2.62%
Mar-23	2.33%	2.83%
FYTD	1.82%	1.97%



CASH IN EXCESS OF POLICY (IN MILLIONS)

12 Months Cash Flow	May 22-Apr 23	Jun 22-May 23	Jul 22-Jun 23	Aug 22-Jul 23	Sep 22-Aug 23	Oct 22-Sep 23	Nov 22-Oct 23	Dec 22-Nov 23	Jan 23-Dec 23	Feb 23-Jan 24	Mar 23-Feb 24	Apr 23-Mar 24
Excess Cash	\$ 291	\$ 342	\$ 300	\$ 228	\$ 200	\$ 207	\$ 196	\$ 199	\$ 309	\$ 353	\$ 357	\$ 358



City of Sacramento
PORTFOLIO APPRAISAL
City Investment Pool A
 March 31, 2023

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
CASH AND EQUIVALENTS															
	caltrust-bff	Caltrust BlackRock FedFund		9,606,163		9,606,163		9,606,163	0.64	4.540	436,120	4.54			
	caltrust-lf	Caltrust Liquidity Fund		29,225,840		29,225,840		29,225,840	1.95	4.610	1,347,311	4.61			
	caltrust-mt	Caltrust Medium-Term		58,013,560		58,013,560		58,013,560	3.87	3.360	1,949,256	3.36			
	caltrust-st	Caltrust Short-Term		33,125,129		33,125,129		33,125,129	2.21	3.920	1,298,505	3.92			
	fidfund	Fidelity Fund		2,207,984		2,207,984		2,207,984	0.15	4.210	92,956	4.21			
	fivestar	Five Star Bank Community Fund		40,088,488		40,088,488		40,088,488	2.67	2.630	1,054,327	2.63			
	cashjpm	JP Morgan Chase Cash		1,538,537		1,538,537		1,538,537	0.10	1.550	23,847	1.55			
	laifa	Local Agency Investment Fund, Pool A		4,350,000		4,350,000		4,350,000	0.29	2.830	123,105	2.83			
	miscintrec	Misc Interest Receivable		127,878		127,878		127,878	0.01	4.210	5,384	4.21			
	sweep	Overnight Sweep		1,811,315		1,811,315		1,811,315	0.12	4.440	80,422	4.44			
	rivercity	River City Bank Community Fund		25,054,516		25,054,516		25,054,516	1.67	2.600	651,417	2.60			
				205,149,410		205,149,410		205,149,410	13.67		7,062,651	3.44			
NON-NEGOTIABLE CERTIFICATES OF DEPOSIT															
30,000,000	3420042541902	Safe Credit Union CD 2.974% Due 06-24-25	100.00	30,000,000	100.00	30,000,000	75,776	30,075,776	2.00	2.974	892,200	2.99			
CERTIFICATES OF DEPOSIT															
10,000,000	2254912z7	Credit Suisse New York 0.540% Due 11-20-23	100.00	10,000,000	100.00	10,000,000	19,500	10,019,500	0.67	0.540	54,000	0.54	A1		
10,000,000	2254915r2	Credit Suisse New York 0.490% Due 12-04-23	100.00	10,000,000	100.00	10,000,000	16,061	10,016,061	0.67	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	96.83	4,841,276	2,877	4,844,153	0.32	3.000	150,000	3.02	AA-		
6,000,000	90348jb66	US Bank CD 0.600% Due 01-27-26	100.00	6,000,000	88.66	5,319,391	493	5,319,884	0.35	0.600	36,000	0.60	AA-		04-27-23
5,000,000	05600xcf5	BMO Harris Bank 0.750% Due 02-26-26	100.00	5,000,000	88.86	4,442,873	3,493	4,446,367	0.30	0.750	37,500	0.75			05-26-23
5,000,000	90348jm72	UBS Bank CD 0.850% Due 06-16-26	100.00	5,000,000	87.98	4,398,982	1,863	4,400,845	0.29	0.850	42,500	0.85	AA-		06-16-23
				41,000,000		39,002,522	44,287	39,046,809	2.60		369,000	0.90			
COMMERCIAL PAPER															
5,000,000	62479mr47	MUFG Bank Ltd/NY 3.540% Due 04-04-23	97.73	4,886,425	99.95	4,997,331	0	4,997,331	0.33	3.540	177,000	3.66	A1		
5,000,000	63873kr41	Natixis NY 3.810% Due 04-04-23	97.84	4,892,050	99.95	4,997,336	0	4,997,336	0.33	3.810	190,500	3.93	A1		
10,000,000	22533urj4	Credit Agricole Corp 4.340% Due 04-18-23	97.67	9,766,693	99.76	9,975,820	0	9,975,820	0.66	4.340	434,000	4.32	A1		
5,000,000	02314qs26	Amazon.Com Inc 4.550% Due 05-02-23	97.61	4,880,562	99.58	4,978,898	0	4,978,898	0.33	4.550	227,500	4.71	A1+		
5,372,000	59157us27	Metlife Short Term Fund 4.610% Due 05-02-23	98.05	5,267,437	99.57	5,348,726	0	5,348,726	0.36	4.610	247,649	4.73	A1+		
5,000,000	89119bs56	Toronto Dominion Bank 3.630% Due 05-05-23	97.28	4,863,875	99.53	4,976,540	0	4,976,540	0.33	3.630	181,500	3.76	A1+		
10,000,000	62479msg9	MUFG Bank Ltd/NY 4.930% Due 05-16-23	97.53	9,752,908	99.37	9,937,057	0	9,937,057	0.66	4.930	493,000	4.88	A1		
5,000,000	50244msp8	Lvmh Moet Hennessy Lou Vuitton 4.750% Due 05-23-23	97.92	4,895,764	99.28	4,964,026	0	4,964,026	0.33	4.750	237,500	4.88	A-1+		
5,000,000	89232msr6	Toyota Industries Comm 4.650% Due 05-25-23	97.98	4,899,250	99.24	4,961,981	0	4,961,981	0.33	4.650	232,500	4.78	A1		
5,000,000	47816gss9	Johnson & Johnson 4.600% Due 05-26-23	97.81	4,890,750	99.25	4,962,534	0	4,962,534	0.33	4.600	230,000	4.73	A1+		

City of Sacramento
PORTFOLIO APPRAISAL
City Investment Pool A
 March 31, 2023

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	69448xss2	Pacific Life Short Term 4.640% Due 05-26-23	97.98	4,898,822	99.22	4,960,979	0	4,960,979	0.33	4.640	232,000	4.77	A1+		
10,000,000	62479msw4	MUFG Bank Ltd/NY 4.850% Due 05-30-23	97.78	9,777,708	99.17	9,917,367	0	9,917,367	0.66	4.850	485,000	4.99	A1		
5,000,000	59166htd0	Metlife Short Term Fund 4.700% Due 06-13-23	97.74	4,887,069	98.99	4,949,361	0	4,949,361	0.33	4.700	235,000	4.86	A-1+		
10,000,000	53943stt4	Lloyds Bank Plc 4.870% Due 06-27-23	97.65	9,764,617	98.74	9,874,429	0	9,874,429	0.66	4.870	487,000	5.02	A1		
4,850,000	63763qu39	Natl Sec Clearing Corp 4.690% Due 07-03-23	98.05	4,755,223	98.70	4,786,833	0	4,786,833	0.32	4.690	227,465	4.78	A1+		
5,000,000	45685ru70	Ing US Funding LLC 4.930% Due 07-07-23	97.56	4,878,119	98.62	4,931,237	0	4,931,237	0.33	4.930	246,500	5.08	A1		
5,000,000	62479mub7	MUFG Bank Ltd/NY 4.770% Due 07-11-23	97.85	4,892,675	98.55	4,927,438	0	4,927,438	0.33	4.770	238,500	4.90	A1		
10,000,000	06744gh47	Barclays Bank Plc 4.850% Due 07-25-23	97.64	9,764,102	98.34	9,834,010	0	9,834,010	0.66	4.850	485,000	4.97	A1		
10,000,000	02314qut4	Amazon.Com Inc 4.730% Due 07-27-23	98.36	9,835,764	98.38	9,838,438	0	9,838,438	0.66	4.730	473,000	4.89	A1+		
10,000,000	47816gut4	Johnson & Johnson 4.940% Due 07-27-23	97.90	9,790,050	98.38	9,837,848	0	9,837,848	0.66	4.940	494,000	5.05	A1+		
10,000,000	53943sut2	Lloyds Bank Plc 4.800% Due 07-27-23	97.65	9,765,333	98.29	9,829,064	0	9,829,064	0.66	4.800	480,000	4.92	A1		
5,000,000	62479mut8	MUFG Bank Ltd/NY 4.930% Due 07-27-23	97.95	4,897,292	98.30	4,915,237	0	4,915,237	0.33	4.930	246,500	5.03	A1		
10,000,000	59157uut5	Metlife Short Term Fund 4.710% Due 07-27-23	97.70	9,769,733	98.35	9,834,931	0	9,834,931	0.66	4.710	471,000	4.82	A1+		
9,000,000	60682xuu8	Mitsubishi Ufj Tr&Bk NY 4.940% Due 07-28-23	97.57	8,781,405	98.28	8,844,913	0	8,844,913	0.59	4.940	444,600	5.06	A1		
5,000,000	89233huu6	Toyota Motor Credit Corp 5.030% Due 07-28-23	97.90	4,895,208	98.32	4,916,105	0	4,916,105	0.33	5.030	251,500	5.14	A1+		
10,000,000	89232mv84	Toyota Industries Comm 4.700% Due 08-08-23	97.57	9,757,167	98.16	9,816,231	0	9,816,231	0.65	4.700	470,000	4.84	A1		
5,000,000	47816gvm8	Johnson & Johnson 4.780% Due 08-21-23	98.07	4,903,736	98.02	4,900,774	0	4,900,774	0.33	4.780	239,000	4.98	A1+		
5,000,000	45685rvn4	Ing US Funding LLC 5.055% Due 08-22-23	97.53	4,876,433	97.95	4,897,680	0	4,897,680	0.33	5.055	252,750	5.21	A1		
5,000,000	02314qvr7	Amazon.Com Inc 4.720% Due 08-25-23	98.05	4,902,322	97.96	4,898,039	0	4,898,039	0.33	4.720	236,000	4.91	A1+		
				194,788,495		196,811,163	0	196,811,163	13.12		9,345,964	4.81			
GOVT AGENCY DISCOUNT PAPER															
5,000,000	313384gv5	Federal Home Loan Bank 4.660% Due 06-13-23	98.12	4,906,153	99.08	4,953,943	0	4,953,943	0.33	4.660	233,000	4.75	AA+		
5,000,000	459052gv2	International Bk Recon & Develop 4.650% Due 06-13-23	98.29	4,914,750	99.08	4,954,132	0	4,954,132	0.33	4.650	232,500	4.73	AAA		
5,000,000	459052hk5	International Bk Recon & Develop 4.670% Due 06-27-23	98.11	4,905,303	98.88	4,944,208	0	4,944,208	0.33	4.670	233,500	4.76	AAA		
				14,726,206		14,852,284	0	14,852,284	0.99		699,000	4.75			
U.S. GOVERNMENT BONDS															
5,000,000	91282cbh3	U.S. Treasury Note 0.375% Due 01-31-26	98.83	4,941,406	90.78	4,538,867	3,108	4,541,975	0.30	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	90.89	13,633,008	6,522	13,639,530	0.91	0.500	75,000	0.75	AA+		
				19,754,297		18,171,875	9,629	18,181,505	1.21		93,750	0.72			

City of Sacramento
PORTFOLIO APPRAISAL
City Investment Pool A
 March 31, 2023

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
FEDERAL HOME LOAN BANK															
5,000,000	3130atln5	Federal Home Loan Bank 4.300% Due 07-27-23	100.00	5,000,000	99.85	4,992,689	38,222	5,030,912	0.33	4.300	215,000	4.31	AA+		
5,000,000	3130aue67	Federal Home Loan Bank 4.750% Due 12-27-23	99.94	4,997,200	100.04	5,001,997	62,014	5,064,011	0.33	4.750	237,500	4.81	AA+		
5,000,000	3130aur71	Federal Home Loan Bank 5.000% Due 02-26-24	100.00	5,000,000	99.75	4,987,467	22,917	5,010,384	0.33	5.000	250,000	5.00	AA+		05-26-23
5,000,000	3130ajla5	Federal Home Loan Bank 0.750% Due 05-19-25	100.00	5,000,000	93.03	4,651,474	13,750	4,665,224	0.31	0.750	37,500	0.75	AA+		04-08-23
5,000,000	3130asm97	Federal Home Loan Bank 4.000% Due 07-24-25	100.00	5,000,000	98.60	4,930,153	37,222	4,967,375	0.33	4.000	200,000	4.00	AA+		04-24-23
5,000,000	3130ak6h4	Federal Home Loan Bank 0.500% Due 09-22-25	99.90	4,995,000	91.66	4,583,085	625	4,583,710	0.31	0.500	25,000	0.52	AA+		04-08-23
5,000,000	3130akjw7	Federal Home Loan Bank 0.600% Due 12-15-25	100.00	5,000,000	91.13	4,556,294	8,833	4,565,127	0.30	0.600	30,000	0.60	AA+		04-08-23
5,000,000	3130akje7	Federal Home Loan Bank 0.560% Due 12-30-25	99.97	4,998,750	90.92	4,546,194	7,078	4,553,272	0.30	0.560	28,000	0.57	AA+		04-08-23
5,000,000	3130akn85	Federal Home Loan Bank 0.550% Due 01-20-26	99.80	4,990,000	90.69	4,534,410	5,424	4,539,834	0.30	0.550	27,500	0.59	AA+		04-20-23
10,000,000	3130akq74	Federal Home Loan Bank 0.625% Due 01-22-26	100.00	10,000,000	90.87	9,087,011	11,979	9,098,991	0.61	0.625	62,500	0.62	AA+		04-22-23
5,000,000	3130akng7	Federal Home Loan Bank 0.550% Due 01-28-26	100.00	5,000,000	90.64	4,531,813	4,812	4,536,626	0.30	0.550	27,500	0.55	AA+		04-28-23
5,000,000	3130akpc4	Federal Home Loan Bank 0.600% Due 01-28-26	100.00	5,000,000	90.77	4,538,356	5,250	4,543,606	0.30	0.600	30,000	0.60	AA+		04-28-23
5,000,000	3130akpq3	Federal Home Loan Bank 0.580% Due 01-28-26	100.00	5,000,000	90.71	4,535,739	5,075	4,540,814	0.30	0.580	29,000	0.58	AA+		04-28-23
5,000,000	3130akvr4	Federal Home Loan Bank 0.550% Due 02-12-26	100.00	5,000,000	90.46	4,522,905	3,743	4,526,648	0.30	0.550	27,500	0.55	AA+		05-12-23
5,000,000	3130al5x8	Federal Home Loan Bank 0.650% Due 02-24-26	100.00	5,000,000	90.64	4,532,238	3,340	4,535,578	0.30	0.650	32,500	0.65	AA+		05-24-23
5,000,000	3130al6j8	Federal Home Loan Bank 0.625% Due 02-24-26	100.00	5,000,000	90.58	4,528,895	3,212	4,532,107	0.30	0.625	31,250	0.62	AA+		05-24-23
5,000,000	3130al7m0	Federal Home Loan Bank 0.625% Due 02-24-26	100.00	5,000,000	90.58	4,528,895	3,212	4,532,107	0.30	0.625	31,250	0.62	AA+		05-24-23
5,000,000	3130alae4	Federal Home Loan Bank 0.580% Due 02-25-26	100.00	5,000,000	90.45	4,522,657	2,900	4,525,557	0.30	0.580	29,000	0.58	AA+		02-25-24
5,000,000	3130algs7	Federal Home Loan Bank 0.850% Due 03-10-26	100.00	5,000,000	91.06	4,552,996	2,479	4,555,476	0.30	0.850	42,500	0.85	AA+		06-10-23
5,000,000	3130aleh3	Federal Home Loan Bank 0.700% Due 03-16-26	100.00	5,000,000	90.62	4,530,898	1,458	4,532,356	0.30	0.700	35,000	0.70	AA+		06-16-23
5,000,000	3130almv3	Federal Home Loan Bank 1.000% Due 03-30-26	100.00	5,000,000	91.35	4,567,359	139	4,567,498	0.30	1.000	50,000	1.00	AA+		06-30-23
5,000,000	3130alxp4	Federal Home Loan Bank 1.200% Due 04-28-26	100.00	5,000,000	91.52	4,575,811	25,500	4,601,311	0.30	1.200	60,000	1.20	AA+		04-28-23
5,000,000	3130am2f8	Federal Home Loan Bank 1.125% Due 04-29-26	100.00	5,000,000	91.30	4,565,062	23,750	4,588,812	0.30	1.125	56,250	1.12	AA+		04-29-23
5,000,000	3130amcl4	Federal Home Loan Bank 1.020% Due 05-19-26	100.00	5,000,000	91.14	4,556,861	18,700	4,575,561	0.30	1.020	51,000	1.02	AA+		05-19-23
1,750,000	3130amcb6	Federal Home Loan Bank 1.000% Due 05-22-26	100.00	1,750,000	91.06	1,593,537	6,271	1,599,808	0.11	1.000	17,500	1.00	AA+		05-22-23
5,000,000	3130amjc7	Federal Home Loan Bank 1.000% Due 05-26-26	100.00	5,000,000	91.03	4,551,623	17,361	4,568,984	0.30	1.000	50,000	1.00	AA+		05-26-23
5,000,000	3130amjn3	Federal Home Loan Bank 1.030% Due 05-26-26	100.00	5,000,000	91.12	4,555,882	17,882	4,573,764	0.30	1.030	51,500	1.03	AA+		05-26-23

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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
3,000,000	3130ampt3	Federal Home Loan Bank 1.030% Due 06-23-26	100.00	3,000,000	90.75	2,722,456	8,412	2,730,868	0.18	1.030	30,900	1.03	AA+		06-23-23
5,000,000	3130anyn4	Federal Home Loan Bank 1.000% Due 09-30-26	100.00	5,000,000	90.13	4,506,502	139	4,506,641	0.30	1.000	50,000	1.00	AA+		06-30-23
5,000,000	3130aprp2	Federal Home Loan Bank 1.570% Due 11-23-26	100.00	5,000,000	91.38	4,569,128	27,911	4,597,039	0.30	1.570	78,500	1.57	AA+		04-23-23
5,000,000	3130ash44	Federal Home Loan Bank 4.700% Due 06-30-27	100.00	5,000,000	98.80	4,939,752	59,403	4,999,155	0.33	4.700	235,000	4.70	AA+		06-30-23
				154,730,950		142,900,139	449,013	143,349,152	9.52		2,159,150	1.45			
FEDERAL NATIONAL MORTGAGE ASSN. (FNMA)															
5,000,000	3135gae7	Fannie Mae 5.060% Due 02-07-25	100.00	5,000,000	99.64	4,981,789	37,950	5,019,739	0.33	5.060	253,000	5.06	AA+		08-07-23
5,000,000	3136g4d75	Fannie Mae 0.600% Due 07-29-25	100.00	5,000,000	92.30	4,614,986	5,167	4,620,153	0.31	0.600	30,000	0.60	AA+		04-29-23
5,000,000	3136g4g23	Fannie Mae 0.600% Due 07-29-25	100.00	5,000,000	92.30	4,614,986	5,167	4,620,153	0.31	0.600	30,000	0.60	AA+		04-29-23
5,000,000	3136g4c76	Fannie Mae 0.700% Due 08-12-25	100.00	5,000,000	92.42	4,621,077	4,764	4,625,841	0.31	0.700	35,000	0.70	AA+		05-12-23
5,000,000	3136g4c43	Fannie Mae 0.650% Due 08-14-25	100.00	5,000,000	92.30	4,614,894	4,243	4,619,137	0.31	0.650	32,500	0.65	AA+		05-14-23
5,000,000	3136g4x40	Fannie Mae 0.600% Due 08-26-25	99.96	4,998,000	92.10	4,605,017	2,917	4,607,933	0.31	0.600	30,000	0.61	AA+		05-26-23
5,000,000	3135g06v0	Fannie Mae 4.125% Due 08-28-25	100.00	5,000,000	98.90	4,945,129	18,906	4,964,036	0.33	4.125	206,250	4.13	AA+		05-28-23
3,000,000	3136g43q4	Fannie Mae 0.600% Due 09-16-25	100.00	3,000,000	91.94	2,758,084	750	2,758,834	0.18	0.600	18,000	0.60	AA+		06-16-23
5,000,000	3135g06a6	Fannie Mae 0.580% Due 10-20-25	100.00	5,000,000	91.65	4,582,629	12,969	4,595,599	0.31	0.580	29,000	0.58	AA+		04-20-23
4,000,000	3136g45c3	Fannie Mae 0.540% Due 10-27-25	99.81	3,992,280	91.51	3,660,270	9,240	3,669,510	0.24	0.540	21,600	0.58	AA+		10-27-23
5,000,000	3136g45p4	Fannie Mae 0.550% Due 10-27-25	100.00	5,000,000	91.53	4,576,460	11,764	4,588,224	0.31	0.550	27,500	0.55	AA+		04-27-23
3,000,000	3136g46s7	Fannie Mae 0.560% Due 10-28-25	100.00	3,000,000	91.55	2,746,433	7,140	2,753,573	0.18	0.560	16,800	0.56	AA+		10-28-23
5,000,000	3136g45h2	Fannie Mae 0.500% Due 10-29-25	99.90	4,995,000	91.49	4,574,624	10,556	4,585,179	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	91.58	4,579,143	10,937	4,590,080	0.31	0.625	31,250	0.62	AA+		05-25-23
5,000,000	3135g06n8	Fannie Mae 0.650% Due 12-17-25	100.00	5,000,000	91.24	4,561,894	9,389	4,571,283	0.30	0.650	32,500	0.65	AA+		06-17-23
5,000,000	3135g06r9	Fannie Mae 0.550% Due 01-28-26	100.00	5,000,000	90.64	4,531,813	4,812	4,536,626	0.30	0.550	27,500	0.55	AA+		04-28-23
				74,985,280		69,569,228	156,671	69,725,899	4.64		845,900	1.17			
FEDERAL HOME LOAN MORTGAGE CORP. (FHLMC)															
5,000,000	3134gxuw2	Freddie Mac 3.000% Due 06-14-24	100.00	5,000,000	97.95	4,897,302	44,583	4,941,885	0.33	3.000	150,000	3.00	AA+		04-14-23
5,000,000	3134gyc34	Freddie Mac 5.100% Due 12-30-24	100.00	5,000,000	99.74	4,987,025	64,458	5,051,483	0.33	5.100	255,000	5.10	AA+		06-30-23
5,000,000	3134gxmh4	Freddie Mac 2.050% Due 03-24-25	100.00	5,000,000	95.77	4,788,465	1,993	4,790,458	0.32	2.050	102,500	2.05	AA+		06-24-23
5,000,000	3134gxrs5	Freddie Mac 3.100% Due 04-29-25	100.00	5,000,000	97.42	4,871,035	65,444	4,936,479	0.32	3.100	155,000	3.10	AA+		04-29-23
3,000,000	3134gvrv2	Freddie Mac 0.750% Due 05-27-25	100.00	3,000,000	92.97	2,789,005	7,750	2,796,755	0.19	0.750	22,500	0.75	AA+		05-27-23

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
5,000,000	3134gvb31	Freddie Mac 0.750% Due 05-28-25	99.76	4,987,900	92.71	4,635,743	12,812	4,648,555	0.31	0.750	37,500	0.80	AA+		05-28-23
5,000,000	3134gvz68	Freddie Mac 0.700% Due 06-23-25	99.95	4,997,500	92.76	4,637,909	9,528	4,647,437	0.31	0.700	35,000	0.71	AA+		06-23-23
3,000,000	3134gwk6	Freddie Mac 0.625% Due 08-12-25	100.00	3,000,000	92.26	2,767,673	2,552	2,770,225	0.18	0.625	18,750	0.62	AA+		05-12-23
5,000,000	3134gwh82	Freddie Mac 0.625% Due 09-08-25	100.00	5,000,000	92.05	4,602,382	1,997	4,604,378	0.31	0.625	31,250	0.62	AA+		06-08-23
5,000,000	3134gwa55	Freddie Mac 0.650% Due 09-09-25	100.00	5,000,000	92.10	4,604,874	1,986	4,606,860	0.31	0.650	32,500	0.65	AA+		06-09-23
5,000,000	3134gwwt9	Freddie Mac 0.550% Due 09-30-25	100.00	5,000,000	91.72	4,586,210	76	4,586,286	0.31	0.550	27,500	0.55	AA+		06-30-23
5,000,000	3134gwy26	Freddie Mac 0.570% Due 10-08-25	100.00	5,000,000	91.71	4,585,372	13,696	4,599,068	0.31	0.570	28,500	0.57	AA+		04-08-23
5,000,000	3134gwys9	Freddie Mac 0.600% Due 10-15-25	100.00	5,000,000	91.73	4,586,635	13,833	4,600,469	0.31	0.600	30,000	0.60	AA+		04-15-23
10,000,000	3134gxbm5	Freddie Mac 0.600% Due 11-12-25	99.98	9,998,500	91.61	9,161,011	23,167	9,184,178	0.61	0.600	60,000	0.60	AA+		05-12-23
5,000,000	3134gxfv1	Freddie Mac 0.625% Due 12-17-25	100.00	5,000,000	91.18	4,558,754	9,028	4,567,782	0.30	0.625	31,250	0.62	AA+		06-17-23
5,000,000	3134gxlf9	Freddie Mac 0.550% Due 02-12-26	100.00	5,000,000	90.46	4,522,905	3,743	4,526,648	0.30	0.550	27,500	0.55	AA+		05-12-23
5,000,000	3134gyjc7	Freddie Mac 5.400% Due 02-24-26	100.00	5,000,000	99.74	4,987,182	27,750	5,014,932	0.33	5.400	270,000	5.40	AA+		08-24-23
5,000,000	3134gyn65	Freddie Mac 6.000% Due 03-27-26	100.00	5,000,000	100.73	5,036,703	833	5,037,536	0.34	6.000	300,000	6.00	AA+		09-27-23
5,000,000	3134gx2x1	Freddie Mac 5.000% Due 09-30-27	100.00	5,000,000	99.12	4,955,828	694	4,956,522	0.33	5.000	250,000	5.00	AA+		06-30-23
				95,983,900		90,562,012	305,925	90,867,937	6.04		1,864,750	2.01			
FEDERAL AGRICULTURAL MORTGAGE CORP.															
Not Classified															
5,000,000	31422xux8	Farmer Mac 1.380% Due 07-28-23	100.00	5,000,000	98.97	4,948,281	6,325	4,954,606	0.33	1.380	69,000	1.38			
3,000,000	31422xvt8	Farmer Mac 0.700% Due 12-17-25	100.00	3,000,000	91.79	2,753,647	6,067	2,759,713	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	90.75	2,722,398	2,070	2,724,468	0.18	0.690	20,700	0.69			08-25-23
5,000,000	31422xpe6	Farmer Mac 1.300% Due 11-23-26	100.00	5,000,000	90.53	4,526,329	23,111	4,549,441	0.30	1.300	65,000	1.30			05-23-23
				16,000,000		14,950,655	37,573	14,988,228	1.00		175,700	1.10			
				16,000,000		14,950,655	37,573	14,988,228	1.00		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	96.96	4,848,188	8,883	4,857,071	0.32	1.230	61,500	1.23	AA+		04-08-23
5,000,000	3133en5y2	Federal Farm Credit Bank 5.070% Due 01-17-25	100.00	5,000,000	99.81	4,990,444	52,108	5,042,553	0.33	5.070	253,500	5.07	AA+		01-17-24
5,000,000	3133elc28	Federal Farm Credit Bank 0.730% Due 05-27-25	100.00	5,000,000	92.93	4,646,315	12,572	4,658,887	0.31	0.730	36,500	0.73	AA+		04-08-23
5,000,000	3133el2s2	Federal Farm Credit Bank 0.670% Due 08-04-25	100.00	5,000,000	92.41	4,620,409	5,304	4,625,713	0.31	0.670	33,500	0.67	AA+		04-08-23
5,000,000	3133el4w1	Federal Farm Credit Bank 0.610% Due 08-25-25	99.92	4,996,250	92.13	4,606,484	3,050	4,609,534	0.31	0.610	30,500	0.63	AA+		04-08-23

City of Sacramento
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5,000,000	3133embh4	Federal Farm Credit Bank 0.530% Due 09-29-25	100.00	5,000,000	91.68	4,584,147	147	4,584,294	0.31	0.530	26,500	0.53	AA+		04-08-23
5,000,000	3133enuz1	Federal Farm Credit Bank 3.090% Due 10-20-25	100.00	5,000,000	97.10	4,855,022	69,096	4,924,118	0.32	3.090	154,500	3.09	AA+		04-08-23
5,000,000	3133emd22	Federal Farm Credit Bank 0.520% Due 10-21-25	99.76	4,987,950	91.50	4,575,129	11,556	4,586,685	0.30	0.520	26,000	0.57	AA+		04-08-23
5,000,000	3133emfr8	Federal Farm Credit Bank 0.540% Due 11-03-25	99.94	4,997,000	91.52	4,576,227	11,100	4,587,327	0.30	0.540	27,000	0.55	AA+		04-08-23
5,000,000	3133emqx3	Federal Farm Credit Bank 0.590% Due 02-17-26	100.00	5,000,000	90.53	4,526,602	3,606	4,530,207	0.30	0.590	29,500	0.59	AA+		04-08-23
5,000,000	3133emsk9	Federal Farm Credit Bank 0.840% Due 03-02-26	99.92	4,996,250	91.08	4,553,912	3,383	4,557,295	0.30	0.840	42,000	0.86	AA+		04-08-23
5,000,000	3133emsh6	Federal Farm Credit Bank 0.790% Due 03-03-26	100.00	5,000,000	90.94	4,546,913	3,072	4,549,985	0.30	0.790	39,500	0.79	AA+		04-08-23
5,000,000	3133emsu7	Federal Farm Credit Bank 0.800% Due 03-09-26	100.00	5,000,000	90.93	4,546,506	2,444	4,548,950	0.30	0.800	40,000	0.80	AA+		04-08-23
5,000,000	3133emuk6	Federal Farm Credit Bank 1.050% Due 03-25-26	100.00	5,000,000	90.54	4,526,898	875	4,527,773	0.30	1.050	52,500	1.05	AA+		04-08-23
5,000,000	3133emh21	Federal Farm Credit Bank 0.900% Due 06-15-26	100.00	5,000,000	90.42	4,521,004	13,250	4,534,254	0.30	0.900	45,000	0.90	AA+		04-08-23
5,000,000	3133emh54	Federal Farm Credit Bank 0.960% Due 06-15-26	100.00	5,000,000	90.59	4,529,748	14,133	4,543,882	0.30	0.960	48,000	0.96	AA+		04-08-23
3,000,000	3133eml67	Federal Farm Credit Bank 0.800% Due 06-22-26	100.00	3,000,000	90.08	2,702,395	6,600	2,708,995	0.18	0.800	24,000	0.80	AA+		06-22-23
3,000,000	3133enzf0	Federal Farm Credit Bank 4.400% Due 06-22-26	100.00	3,000,000	98.54	2,956,149	36,300	2,992,449	0.20	4.400	132,000	4.40	AA+		04-08-23
5,000,000	3133emq62	Federal Farm Credit Bank 0.990% Due 07-13-26	100.00	5,000,000	90.66	4,532,946	10,725	4,543,671	0.30	0.990	49,500	0.99	AA+		04-08-23
5,000,000	3133em4s8	Federal Farm Credit Bank 0.870% Due 09-08-26	99.82	4,991,250	89.86	4,493,128	2,779	4,495,907	0.30	0.870	43,500	0.91	AA+		04-08-23
5,000,000	3133em6e7	Federal Farm Credit Bank 0.940% Due 09-28-26	100.00	5,000,000	89.95	4,497,472	392	4,497,864	0.30	0.940	47,000	0.94	AA+		04-08-23
3,000,000	3133endc1	Federal Farm Credit Bank 1.330% Due 11-03-26	100.00	3,000,000	90.74	2,722,152	16,403	2,738,555	0.18	1.330	39,900	1.33	AA+		04-08-23
3,000,000	3133enjv3	Federal Farm Credit Bank 1.390% Due 12-29-26	100.00	3,000,000	90.74	2,722,183	10,657	2,732,840	0.18	1.390	41,700	1.39	AA+		04-08-23
5,000,000	3133envv9	Federal Farm Credit Bank 3.630% Due 05-03-27	100.00	5,000,000	96.95	4,847,402	74,617	4,922,018	0.32	3.630	181,500	3.63	AA+		04-08-23
5,000,000	3133en411	Federal Farm Credit Bank 5.500% Due 12-20-27	100.00	5,000,000	99.61	4,980,548	77,153	5,057,700	0.33	5.500	275,000	5.50	AA+		04-08-23
				116,968,700		108,508,323	450,206	108,958,529	7.23		1,780,100	1.57			
				116,968,700		108,508,323	450,206	108,958,529	7.23		1,780,100	1.57			

MUNICIPAL BONDS
 Not Classified

1,750,000.00	13032uva3	California Health Facs Fing Auth Revenue 1.970% Due 06-01-23	100.00	1,750,000	99.52	1,741,670	11,492	1,753,162	0.12	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	99.11	991,060	3,692	994,752	0.07	1.477	14,770	1.48			
3,000,000.00	576004gv1	Massachusetts St Spl Oblig Rev 3.564% Due 07-15-23	100.00	3,000,000	99.67	2,990,040	22,572	3,012,612	0.20	3.564	106,920	3.57			
3,000,000.00	93974d5q7	Washington St 3.030% Due 08-01-23	99.66	2,989,770	99.41	2,982,450	15,150	2,997,600	0.20	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	99.01	3,292,215	9,135	3,301,350	0.22	2.150	71,487	2.26	AA-		

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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
550,000.00	13077dkb7	California St Univ Rev 1.557% Due 11-01-23	100.00	550,000	98.07	539,407	3,568	542,975	0.04	1.557	8,563	1.56	AA-		
520,000.00	13080szk3	California Statewide Cmntyys De 0.514% Due 02-01-24	100.00	520,000	96.17	500,089	445	500,535	0.03	0.514	2,673	0.51	A+		
2,970,000.00	92778vlh9	Virginia College Bldg Auth Va 2.910% Due 02-01-24	100.00	2,970,000	98.39	2,922,302	14,404	2,936,706	0.19	2.910	86,427	2.91	AA+		
2,500,000.00	13063d3m8	California St 5.222% Due 03-01-24	100.00	2,500,000	100.32	2,508,050	5,802	2,513,852	0.17	5.222	130,550	5.22	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	97.32	4,865,800	4,489	4,870,289	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	97.07	1,941,440	19,060	1,960,500	0.13	1.906	38,120	1.91	AA+		
250,000.00	91412hfl2	University Calif Revenue Bonds 0.833% Due 05-15-24	100.00	250,000	95.92	239,795	787	240,582	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	95.42	1,431,285	2,080	1,433,365	0.10	0.367	5,505	0.37	AA		
2,500,000.00	13032uvb1	California Health Facs Fing Auth Revenue 2.020% Due 06-01-24	100.00	2,500,000	96.75	2,418,650	16,833	2,435,483	0.16	2.020	50,500	2.02	AA-		
750,000.00	13032uxl7	California Health Facs Fing Auth Revenue 0.752% Due 06-01-24	100.00	750,000	95.34	715,027	1,880	716,907	0.05	0.752	5,640	0.75	AA-		
5,000,000.00	13017han6	California Earthquake Auth Rev 5.493% Due 07-01-24	99.98	4,998,900	100.89	5,044,550	68,662	5,113,212	0.34	5.493	274,650	5.51			
1,000,000.00	365298y51	Garden Grove California Unified School District 1.966% Due 08-01-24	100.00	1,000,000	96.47	964,660	3,277	967,937	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	94.46	802,901	2,741	805,643	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	93.77	1,078,412	2,707	1,081,120	0.07	0.565	6,497	0.57	AA		
3,000,000.00	576004gy5	Massachusetts St Spl Oblig Rev 3.660% Due 01-15-25	100.00	3,000,000	98.63	2,959,020	23,180	2,982,200	0.20	3.660	109,800	3.66			
750,000.00	13080szl1	California Statewide Cmntyys De 0.732% Due 02-01-25	100.00	750,000	92.68	695,122	915	696,037	0.05	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	93.72	1,171,550	590	1,172,140	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	93.40	1,541,133	650	1,541,783	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	97.15	971,470	14,575	986,045	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	94.96	2,848,830	30,840	2,879,670	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	93.29	653,037	2,467	655,504	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	93.19	3,261,685	11,675	3,273,360	0.22	0.883	30,905	0.70	AA		04-15-25
1,000,000.00	91412hjl8	University Calif Revenue Bonds 0.670% Due 05-15-25	100.00	1,000,000	92.77	927,660	2,531	930,191	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	92.19	1,152,425	3,967	1,156,392	0.08	0.952	11,900	0.95	AA-		

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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
5,000,000.00	34153qud6	Florida State Board of Education Public Education 0.550% Due 06-01-25	99.68	4,984,150	92.20	4,610,250	9,167	4,619,417	0.31	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	92.76	927,580	2,800	930,380	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	92.08	460,385	1,026	461,411	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	92.98	4,649,050	15,725	4,664,775	0.31	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	97.49	3,899,640	30,630	3,930,270	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	91.68	861,764	3,595	865,359	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	91.81	3,672,480	14,367	3,686,847	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	90.76	1,692,693	4,872	1,697,565	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	91.60	4,579,900	2,804	4,582,704	0.31	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	91.39	913,920	528	914,448	0.06	1.187	11,870	1.19	AA+		
1,000,000.00	68607v3k9	Oregon St Dept of Admin Svcs Lottery Rev 3.131% Due 04-01-26	100.00	1,000,000	96.86	968,600	15,655	984,255	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	89.82	898,240	1,718	899,958	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	90.46	2,713,770	9,305	2,723,075	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	89.48	1,767,289	3,953	1,771,243	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	97.66	1,953,300	21,383	1,974,683	0.13	3.631	72,620	3.73	AA-		
				93,019,934		88,720,598	437,697	89,158,295	5.91		1,892,899	2.07			
				93,019,934		88,720,598	437,697	89,158,295	5.91		1,892,899	2.07			
CORPORATE BONDS															
INDUSTRIALS															
4,245,000	88579ybh3	3M Company 2.000% Due 02-14-25	100.58	4,269,791	95.25	4,043,324	11,084	4,054,408	0.27	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	93.83	2,408,542	11,551	2,420,094	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	90.75	9,075,253	14,778	9,090,031	0.60	0.700	70,000	0.90	A		
				16,791,100		15,527,119	37,413	15,564,533	1.03		189,554	1.16			
COMMUNICATION SERVICES															
3,000,000	254687fk7	Disney Walt Co 1.750% Due 08-30-24	99.11	2,973,300	96.25	2,887,559	4,812	2,892,372	0.19	1.750	52,500	1.95	BBB+		07-30-24
CONSUMER DISCRETIONARY															
2,000,000	46849ltk7	Jackson National Life Global 2.650% Due 06-21-24	104.11	2,082,240	96.74	1,934,873	14,722	1,949,595	0.13	2.650	53,000	1.60	A		
5,000,000	57629wcg3	Massmutual Global Funding 2.950% Due 01-11-25	99.16	4,958,250	96.55	4,827,690	32,778	4,860,468	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	95.04	4,751,959	11,819	4,763,779	0.32	1.850	92,500	1.17	A+		01-15-25

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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
2,500,000	141781bu7	Cargill Inc 3.500% Due 04-22-25	98.48	2,462,100	97.54	2,438,499	38,646	2,477,145	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	93.04	4,652,033	13,111	4,665,144	0.31	0.800	40,000	0.53	AA		05-03-25
3,000,000	751212ac5	Ralph Lauren Corp 3.750% Due 09-15-25	99.68	2,990,280	97.82	2,934,459	5,000	2,939,459	0.20	3.750	112,500	3.86	A-		07-15-25
1,850,000	641062ar5	Nestle Holdings Inc 0.625% Due 01-15-26	99.41	1,839,122	90.59	1,675,919	2,441	1,678,360	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	90.83	4,541,620	6,146	4,547,766	0.30	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	89.88	4,494,014	5,590	4,499,604	0.30	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	90.66	4,533,203	19,306	4,552,509	0.30	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	88.88	4,443,893	9,115	4,453,007	0.30	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	89.72	4,037,503	26,625	4,064,128	0.27	1.500	67,500	1.91	A		10-09-26
5,000,000	742718fv6	Procter & Gamble Co 1.900% Due 02-01-27	99.53	4,976,400	93.04	4,651,914	15,833	4,667,747	0.31	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	95.37	1,907,355	933	1,908,288	0.13	2.800	56,000	3.26	AA-		
				55,744,637		51,824,933	202,065	52,026,998	3.45		938,062	1.77			
CONSUMER STAPLES															
3,000,000	427866at5	Hershey Co 2.625% Due 05-01-23	99.87	2,996,100	99.76	2,992,830	32,812	3,025,643	0.20	2.625	78,750	2.66	A		03-31-23
2,000,000	440452ag5	Hormel Foods Corp 0.650% Due 06-03-24	100.15	2,002,920	95.05	1,900,996	4,261	1,905,257	0.13	0.650	13,000	0.60	A-		04-18-23
5,000,000	37331naj0	Georgia Pacific Corp 1.750% Due 09-30-25	104.38	5,219,150	92.59	4,629,650	243	4,629,893	0.31	1.750	87,500	0.82	A+		08-30-25
				10,218,170		9,523,477	37,317	9,560,794	0.63		179,250	1.36			
ENERGY															
5,000,000	637432ng6	National Rural Utils Coop Fin 3.250% Due 11-01-25	99.15	4,957,600	96.22	4,811,060	67,708	4,878,768	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	88.72	3,548,947	11,778	3,560,725	0.24	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	88.69	4,434,483	20,174	4,454,656	0.30	0.875	43,750	1.74	A		09-15-26
				13,671,320		12,794,489	99,660	12,894,149	0.85		246,250	2.35			
FINANCIAL															
5,000,000	48133de71	JP Morgan Chase Financial Co LLC 2.500% Due 05-01-23	100.00	5,000,000	99.08	4,954,071	52,778	5,006,849	0.33	2.500	125,000	2.50	A-		
5,000,000	17330psx8	Citigroup Global Markets 3.750% Due 07-20-23	100.00	5,000,000	99.24	4,962,008	5,729	4,967,737	0.33	3.750	187,500	3.78	A		
5,000,000	89236thf5	Toyota Motor Credit Corp 0.500% Due 08-14-23	97.22	4,861,050	98.25	4,912,281	3,264	4,915,545	0.33	0.500	25,000	4.89	A+		
5,000,000	06747pml0	Barclays Bank Plc 3.000% Due 10-17-23	100.00	5,000,000	98.35	4,917,666	68,333	4,985,999	0.33	3.000	150,000	3.00	A		04-17-23
5,000,000	48133pdz3	JP Morgan Chase Financial Co LLC 5.000% Due 02-29-24	100.00	5,000,000	99.47	4,973,616	42,361	5,015,977	0.33	5.000	250,000	5.00	A-		07-31-23

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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	48133de55	JP Morgan Chase Financial Co LLC 3.125% Due 04-29-24	100.00	5,000,000	97.38	4,868,927	65,972	4,934,899	0.32	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	97.78	4,889,065	68,651	4,957,715	0.33	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	95.47	4,773,521	45,792	4,819,312	0.32	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	95.64	4,781,995	46,875	4,828,870	0.32	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	95.19	2,379,711	9,583	2,389,294	0.16	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	95.04	4,756,568	17,740	4,774,308	0.32	2.200	110,110	1.79	A-		
3,000,000	89236tqx7	Toyota Motor Credit Corp 3.000% Due 04-01-25	99.83	2,994,960	96.89	2,906,700	45,000	2,951,700	0.19	3.000	90,000	3.06	A+		
5,000,000	06747pkv0	Barclays Bank Plc 3.250% Due 04-08-25	100.00	5,000,000	95.37	4,768,472	78,090	4,846,562	0.32	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	92.95	3,717,887	27,911	3,745,798	0.25	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	95.19	4,759,512	69,750	4,829,262	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	92.01	2,760,421	10,637	2,771,058	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	92.21	4,610,633	19,861	4,630,494	0.31	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	91.63	2,748,818	8,167	2,756,985	0.18	1.000	30,000	1.00	A-		06-23-23
5,000,000	17330pfq7	Citigroup Global Markets 4.700% Due 07-21-25	100.00	5,000,000	98.11	4,905,487	45,694	4,951,182	0.33	4.700	235,000	4.70	A		07-21-23
5,000,000	00138can8	AIG Global Funding 0.900% Due 09-22-25	99.82	4,991,000	90.44	4,521,975	1,125	4,523,100	0.30	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	91.24	4,562,209	15,333	4,577,542	0.30	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	90.65	3,626,029	9,500	3,635,529	0.24	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	88.35	4,417,666	11,344	4,429,009	0.29	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	85.00	4,249,955	111	4,250,066	0.28	0.800	40,000	0.80	A-		06-30-23
5,000,000	14913r3b1	Caterpillar Financial Services Corp 4.800% Due 01-06-26	100.71	5,035,650	101.64	5,082,126	56,667	5,138,793	0.34	4.800	240,000	4.54	A		
3,000,000	89114qcp1	Toronto Dominion Bank 0.750% Due 01-06-26	99.85	2,995,590	89.02	2,670,745	5,312	2,676,057	0.18	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	89.76	4,488,146	8,628	4,496,774	0.30	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	88.64	2,659,180	5,250	2,664,430	0.18	0.900	27,000	0.90	A+		04-21-23
5,000,000	06749nfm9	Barclays Bank Plc 5.550% Due 01-23-26	100.00	5,000,000	98.66	4,933,144	52,417	4,985,560	0.33	5.550	277,500	5.55	A		01-23-24
5,000,000	48128g2y5	JP Morgan Chase & Co 1.000% Due 02-26-26	100.00	5,000,000	88.89	4,444,279	4,861	4,449,140	0.30	1.000	50,000	1.00	A-		02-26-24
5,000,000	0641593u8	Bank Nova Scotia B C 1.050% Due 03-02-26	99.40	4,970,000	89.74	4,486,963	4,229	4,491,192	0.30	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	90.68	4,534,059	3,625	4,537,684	0.30	0.900	45,000	1.11	A		

City of Sacramento
PORTFOLIO APPRAISAL
City Investment Pool A
 March 31, 2023

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	78016eqz3	Royal Bank of Canada 1.200% Due 04-27-26	100.56	5,028,000	89.70	4,485,224	25,667	4,510,891	0.30	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	90.11	4,505,439	25,167	4,530,606	0.30	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	93.66	4,682,951	81,111	4,764,062	0.31	4.000	200,000	4.00	A-		05-05-23
5,000,000	808513br5	Charles Schwab Corp 1.150% Due 05-13-26	99.74	4,986,950	87.79	4,389,433	22,042	4,411,475	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	89.69	4,484,638	23,958	4,508,597	0.30	1.250	62,500	1.25	AA+		
5,000,000	06048wl99	Bank of America Corporation 1.400% Due 05-14-26	100.00	5,000,000	85.96	4,297,847	26,639	4,324,486	0.29	1.400	70,000	1.40	A-		05-14-23
5,000,000	06048wm31	Bank of America Corporation 1.250% Due 05-28-26	100.00	5,000,000	86.24	4,311,815	21,354	4,333,169	0.29	1.250	62,500	1.25	A-		05-28-23
5,000,000	902674yh7	UBS Ag London Branch 1.250% Due 06-01-26	99.80	4,990,200	87.83	4,391,409	20,833	4,412,242	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	89.10	8,910,476	39,333	8,949,810	0.59	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	90.18	4,508,796	16,094	4,524,890	0.30	1.125	56,250	1.17	A+		
5,000,000	06051gid2	Bank of America Corp 1.319% Due 06-19-26	100.97	5,048,400	91.41	4,570,547	18,686	4,589,233	0.30	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	89.67	4,483,532	12,299	4,495,830	0.30	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	84.37	2,531,250	5,625	2,536,875	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	83.34	2,500,311	2,012	2,502,323	0.17	1.150	34,500	1.36	A-		09-10-23
5,000,000	0641598k5	Bank Nova Scotia B C 1.300% Due 09-15-26	97.99	4,899,650	88.25	4,412,472	2,889	4,415,361	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	87.16	2,614,672	16,500	2,631,172	0.17	2.000	60,000	2.00	A-		06-22-23
5,000,000	59217ger6	Metropolitan Life Global Fdg I 1.875% Due 01-11-27	98.68	4,934,000	89.36	4,467,877	20,833	4,488,710	0.30	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	90.24	4,512,059	15,979	4,528,038	0.30	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	89.57	4,926,390	10,481	4,936,870	0.33	2.450	134,750	2.45	A		02-03-27
				239,970,298		221,010,970	1,318,094	222,329,063	14.73		4,761,660	2.12			
HEALTHCARE															
5,000,000	717081ex7	Pfizer Inc 0.800% Due 05-28-25	99.85	4,992,700	92.75	4,637,649	13,667	4,651,315	0.31	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	96.77	4,838,425	45,833	4,884,259	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	91.94	3,677,434	1,833	3,679,268	0.25	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	91.56	4,577,993	3,854	4,581,847	0.31	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	94.77	2,369,128	24,792	2,393,919	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	90.92	4,546,250	21,722	4,567,972	0.30	1.150	57,500	1.15	A+		04-15-26
				26,347,685		24,646,878	111,701	24,758,580	1.64		360,125	1.54			

City of Sacramento
PORTFOLIO APPRAISAL
City Investment Pool A
 March 31, 2023

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
INFORMATION TECHNOLOGY															
5,000,000	037833dm9	Apple Inc 1.800% Due 09-11-24	99.50	4,975,150	96.40	4,819,960	5,000	4,824,960	0.32	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	94.41	3,776,368	2,903	3,779,271	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	4,692,770	21,875	4,714,645	0.31	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	90.98	4,549,224	5,153	4,554,377	0.30	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	92.32	4,616,027	15,889	4,631,916	0.31	2.200	110,000	2.41	A-		01-09-27
				24,022,210		22,454,349	50,819	22,505,168	1.50		346,250	1.43			
TRANSPORTATION															
5,000,000	097023bq7	Boeing Co 1.875% Due 06-15-23	97.59	4,879,500	99.32	4,966,020	27,604	4,993,625	0.33	1.875	93,750	2.51	BBB-		04-15-23
4,000,000	911312bt2	United Parcel Service Inc 2.200% Due 09-01-24	100.93	4,037,080	96.63	3,865,190	7,333	3,872,524	0.26	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	97.89	4,894,300	15,208	4,909,508	0.33	3.650	182,500	3.70	AA-		06-01-25
				13,908,920		13,725,510	50,146	13,775,656	0.91		364,250	2.79			
				403,647,639		374,395,285	1,912,028	376,307,313	24.95		7,437,902	1.96			
SUPRANATIONALS															
Not Classified															
5,000,000	459058ff5	International Bk Recon & Develop 1.750% Due 04-19-23	99.58	4,979,205	99.86	4,993,061	39,375	5,032,436	0.33	1.750	87,500	2.19	AAA		
5,000,000	459058gl1	International Bk Recon & Develop 3.000% Due 09-27-23	98.78	4,939,000	99.13	4,956,408	1,667	4,958,075	0.33	3.000	150,000	4.76	AAA		
5,000,000	459058je4	International Bk Recon & Develop 0.375% Due 07-28-25	99.37	4,968,615	91.90	4,594,822	3,281	4,598,104	0.31	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	91.46	4,572,986	10,625	4,583,611	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	90.78	4,539,026	3,583	4,542,610	0.30	0.600	30,000	0.60	AAA		
				24,881,170		23,656,305	58,531	23,714,836	1.58		311,250	1.78			
				24,881,170		23,656,305	58,531	23,714,836	1.58		311,250	1.78			
TREASURY BILLS															
Not Classified															
10,000,000	912796y29	U. S. Treasury Bill 4.730% Due 07-27-23	98.08	9,808,172	98.51	9,851,019	0	9,851,019	0.66	4.730	473,000	4.82	AA+		
				9,808,172		9,851,019	0	9,851,019	0.66		473,000	4.82			
VARIABLE RATE SECURITIES															
Not Classified															
3,000,000	06746xan3	Barclays Bank Plc 3.902% Due 05-24-23	100.00	3,000,000	98.15	2,944,530	12,031	2,956,561	0.20	3.902	117,060	2.70	A		
3,000,000	06367wl84	Bank of Montreal 5.216% Due 06-02-23	100.00	3,000,000	99.59	2,987,700	12,171	2,999,871	0.20	5.216	156,480	2.14			
3,000,000	06746xfe8	Barclays Bank Plc 3.487% Due 06-29-23	100.00	3,000,000	100.02	3,000,562	581	3,001,144	0.20	3.487	104,610	2.91	A		
3,000,000	06368ec59	Bank of Montreal 0.450% Due 12-29-23	99.55	2,986,500	96.33	2,889,980	75	2,890,055	0.19	0.450	13,500	0.56			06-29-23

City of Sacramento
PORTFOLIO APPRAISAL
City Investment Pool A
 March 31, 2023

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	78014rch1	Royal Bank of Canada 2.050% Due 02-27-25	100.00	5,000,000	95.09	4,754,634	9,681	4,764,315	0.32	2.050	102,500	2.05	A		08-27-23
5,000,000	3134gxqr8	Freddie Mac 2.750% Due 04-28-25	100.00	5,000,000	98.00	4,899,850	58,437	4,958,288	0.33	2.750	137,500	3.43	AA+		04-28-23
5,000,000	3130akln4	Federal Home Loan Bank 0.400% Due 10-14-25	100.00	5,000,000	92.50	4,625,109	4,278	4,629,386	0.31	0.400	20,000	0.67	AA+		04-14-23
2,708,000	06048wk25	Bank of America Corp 0.750% Due 10-30-25	99.95	2,706,646	87.34	2,365,280	3,441	2,368,722	0.16	0.750	20,310	0.86	A-		04-30-23
5,000,000	06048wk41	Bank of America Corp 0.850% Due 11-25-25	99.85	4,992,500	87.84	4,391,807	4,250	4,396,057	0.29	0.850	42,500	0.83	A-		05-25-23
5,000,000	06048wk66	Bank of America Corp 0.850% Due 12-23-25	100.00	5,000,000	86.47	4,323,561	944	4,324,505	0.29	0.850	42,500	0.80	A-		06-23-23
5,000,000	06048wk82	Bank of America Corp 0.750% Due 01-26-26	99.42	4,971,250	85.98	4,298,914	6,771	4,305,684	0.29	0.750	37,500	0.86	A-		04-26-23
5,000,000	3130aktt3	Federal Home Loan Bank 0.500% Due 01-29-26	100.00	5,000,000	91.17	4,558,262	4,306	4,562,567	0.30	0.500	25,000	0.59	AA+		04-29-23
5,000,000	3130aljk1	Federal Home Loan Bank 1.000% Due 03-23-26	100.00	5,000,000	91.54	4,577,037	1,111	4,578,148	0.31	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	91.86	4,592,828	19,531	4,612,359	0.31	1.125	56,250	1.00	AA+		
5,000,000	3130anxc9	Federal Home Loan Bank 0.700% Due 09-29-26	100.00	5,000,000	90.95	4,547,653	194	4,547,848	0.30	0.700	35,000	1.14	AA+		06-29-23
5,000,000	459058kb8	International Bk Recon & Develop 0.700% Due 11-06-26	99.95	4,997,450	93.48	4,674,131	14,097	4,688,228	0.31	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	89.24	4,461,841	19,158	4,480,999	0.30	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	89.26	4,463,013	8,233	4,471,246	0.30	1.040	52,000	1.94	A-		02-04-26
				<u>79,175,746</u>		<u>73,356,692</u>	<u>179,292</u>	<u>73,535,983</u>	<u>4.89</u>		<u>1,099,960</u>	<u>1.49</u>			
				79,175,746		73,356,692	179,292	73,535,983	4.89		1,099,960	1.49			
TOTAL PORTFOLIO				1,574,619,899		1,500,457,510	4,116,628	1,504,574,138	100.00		36,503,176	2.42			

City of Sacramento
PURCHASE AND SALE
City Investment Pool A
From 03-01-23 To 03-31-23

Trade Date	Settle Date	Sec Type Code	Security Symbol	Cusip	Quantity	Security	S & P	Unit Price	Amount
PURCHASES									
03-02-23	03-03-23	tbus	912796y29	912796Y29	10,000,000	U. S. Treasury Bill 4.730% Due 07-27-23	AA+	98	9,808,172
03-07-23	03-30-23	fhus	3134gyn65	3134GYN65	5,000,000	Freddie Mac 6.000% Due 03-27-26	AA+	100	5,000,000
03-09-23	03-15-23	mbus	13063d3m8	13063D3M8	2,500,000.00	California St 5.222% Due 03-01-24	AA-	100	2,500,000
03-23-23	03-24-23	cpus	02314qut4	02314QUT4	10,000,000	Amazon.Com Inc 4.730% Due 07-27-23	A1+	98	9,835,764
03-29-23	03-29-23	cpus	47816gvm8	47816GVM8	5,000,000	Johnson & Johnson 4.780% Due 08-21-23	A1+	98	4,903,736
03-29-23	03-29-23	cpus	02314qvr7	02314QVR7	5,000,000	Amazon.Com Inc 4.720% Due 08-25-23	A1+	98	4,902,322
									36,949,994
SALES									
03-07-23	03-07-23	cpus	83369cq72	83369CQ72	10,000,000	Societe Generale 3.170% Due 03-07-23	A1	98	9,778,100
03-08-23	03-08-23	cpus	4497w1q82	4497W1Q82	5,000,000	ING (US) Funding LLC 3.070% Due 03-08-23	A1	98	4,892,976
03-09-23	03-09-23	cbus	89788jab5	89788JAB5	1,568,000	Truist Bank 1.250% Due 03-09-23	A	100	1,568,000
03-21-23	03-21-23	cpus	63873kqm2	63873KQM2	10,000,000	Natixis NY 3.300% Due 03-21-23	A1	98	9,768,083
03-22-23	03-22-23	cpus	89119bqn9	89119BQN9	10,000,000	Toronto Dominion Bank 3.420% Due 03-22-23	A1+	98	9,780,550
									35,787,710

CAPITOL AREA DEVELOPMENT AUTHORITY

MONTHLY REVIEW – MARCH 2023

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.

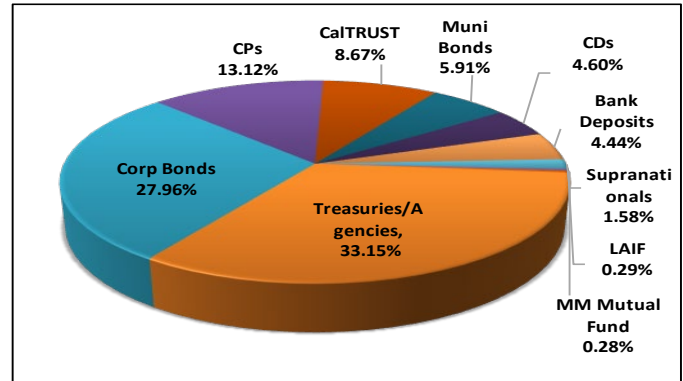
PORTFOLIO STATISTICS

Beginning Balance	21,223,950
Contributions	0
Withdrawals	0
Interest Earned	42,032
Ending Balance	21,265,982

PERFORMANCE COMPARISON

City Pool A	2.33%
LAIF	2.83%
90 Day T-Bill	4.73%
Federal Funds	4.65%

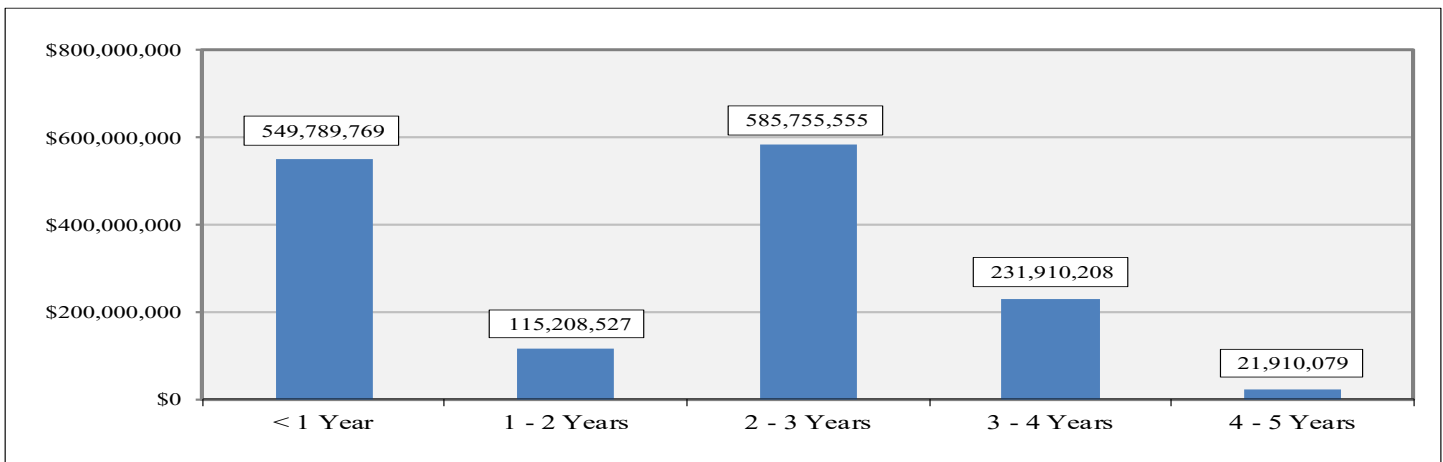
CITY POOL A PORTFOLIO COMPOSITION



Asset Type	Pct. Assets	YTM
Treasuries/Agencies	33.15%	1.42%
Corp Bonds	27.96%	1.91%
CPs	13.12%	4.81%
CalTRUST	8.67%	3.87%
Muni Bonds	5.91%	2.07%
CDs	4.60%	1.81%
Bank Deposits	4.44%	2.59%
Supranationals	1.58%	1.78%
LAIF	0.29%	2.83%
MM Mutual Fund	0.28%	4.31%

CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	549,789,769	36.54%
1 - 2 Years	115,208,527	7.66%
2 - 3 Years	585,755,555	38.93%
3 - 4 Years	231,910,208	15.41%
4 - 5 Years	21,910,079	1.46%
Total	1,504,574,138	100.00%



City of Sacramento
CASH LEDGER
Capitol Area Development Authority - Banking
From 03-01-23 To 03-31-23

All Cash Accounts

Trade Date	Settle Date	Tran Code	Quantity	Security	Amount	Cash Balance
Pool A Interest Receivable						
03-01-23				Beginning Balance		245,444.15
03-31-23	03-31-23	in		Pool A Cash	42,031.83	287,475.98
				Mar 2023 estimated Pool A interest		
					42,031.83	
03-31-23				Ending Balance		287,475.98
Pool A Cash						
03-01-23				Beginning Balance		20,978,505.65
03-31-23				Ending Balance		20,978,505.65

CAPITOL AREA DEVELOPMENT AUTHORITY – TAX EXEMPT

MONTHLY REVIEW – MARCH 2023

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.

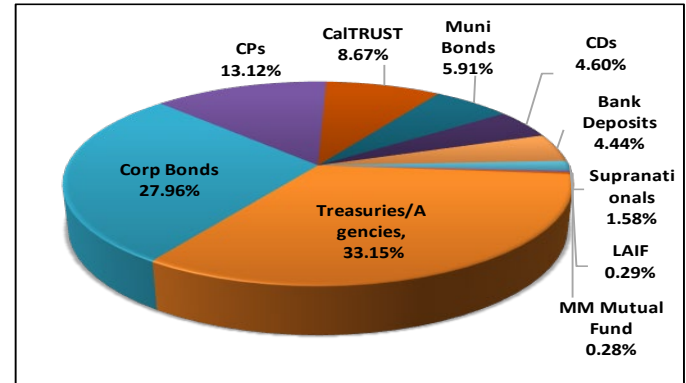
PORTFOLIO STATISTICS

Beginning Balance	39,967
Contributions	0
Withdrawals	0
Interest Earned	79
Ending Balance	40,046

PERFORMANCE COMPARISON

City Pool A	2.33%
LAIF	2.83%
90 Day T-Bill	4.73%
Federal Funds	4.65%

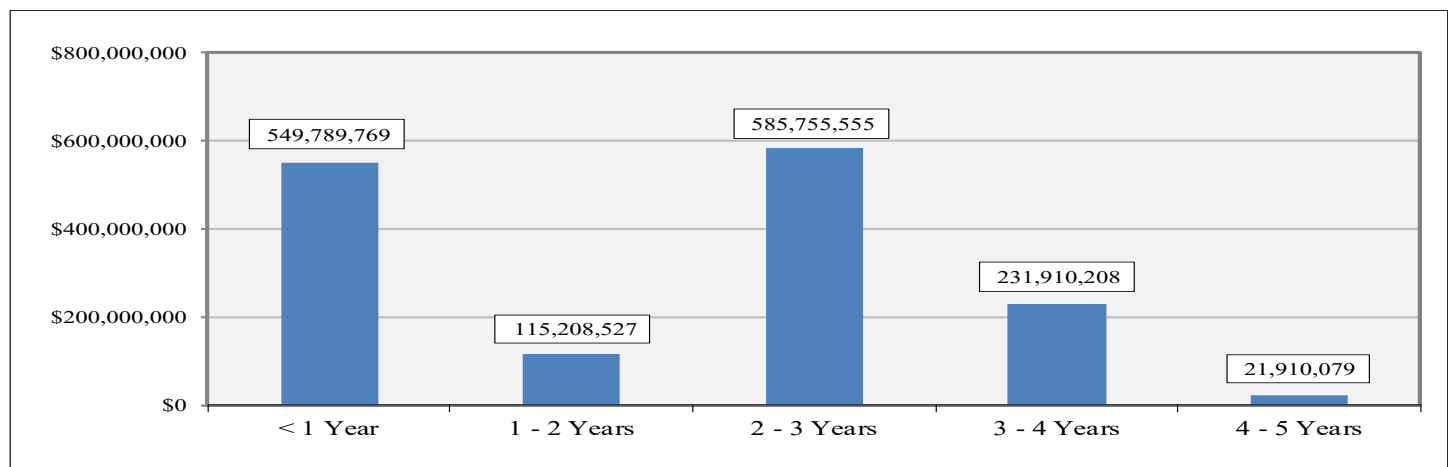
CITY POOL A PORTFOLIO COMPOSITION



Asset Type	Pct. Assets	YTM
Treasuries/Agencies	33.15%	1.42%
Corp Bonds	27.96%	1.91%
CPs	13.12%	4.81%
CalTRUST	8.67%	3.87%
Muni Bonds	5.91%	2.07%
CDs	4.60%	1.81%
Bank Deposits	4.44%	2.59%
Supranationals	1.58%	1.78%
LAIF	0.29%	2.83%
MM Mutual Fund	0.28%	4.31%

CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	549,789,769	36.54%
1 - 2 Years	115,208,527	7.66%
2 - 3 Years	585,755,555	38.93%
3 - 4 Years	231,910,208	15.41%
4 - 5 Years	21,910,079	1.46%
Total	1,504,574,138	100.00%



City of Sacramento
CASH LEDGER
Capitol Area Development Authority - Tax Exempt
From 03-01-23 To 03-31-23

All Cash Accounts

Trade Date	Settle Date	Tran Code	Quantity	Security	Amount	Cash Balance
Pool A Interest Receivable						
03-01-23				Beginning Balance		462.20
03-31-23	03-31-23	in		Pool A Cash	79.15	541.35
				Mar 2023 estimated Pool A interest		
					<u>79.15</u>	
03-31-23				Ending Balance		541.35
Pool A Cash						
03-01-23				Beginning Balance		39,504.39
03-31-23				Ending Balance		39,504.39

CAPITOL AREA DEVELOPMENT AUTHORITY – TAXABLE

MONTHLY REVIEW – MARCH 2023

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.

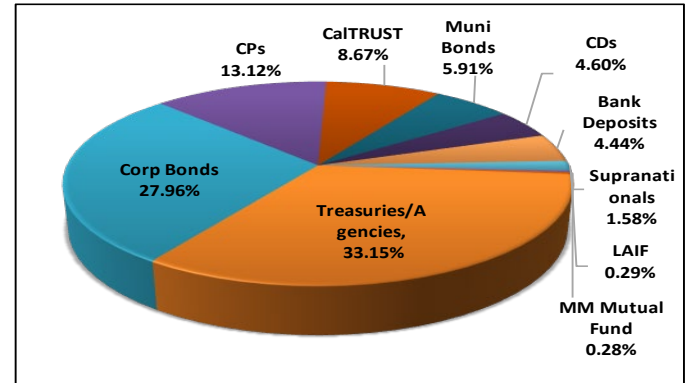
PORTFOLIO STATISTICS

Beginning Balance	272,461
Contributions	0
Withdrawals	0
Interest Earned	540
Ending Balance	273,001

PERFORMANCE COMPARISON

City Pool A	2.33%
LAIF	2.83%
90 Day T-Bill	4.73%
Federal Funds	4.65%

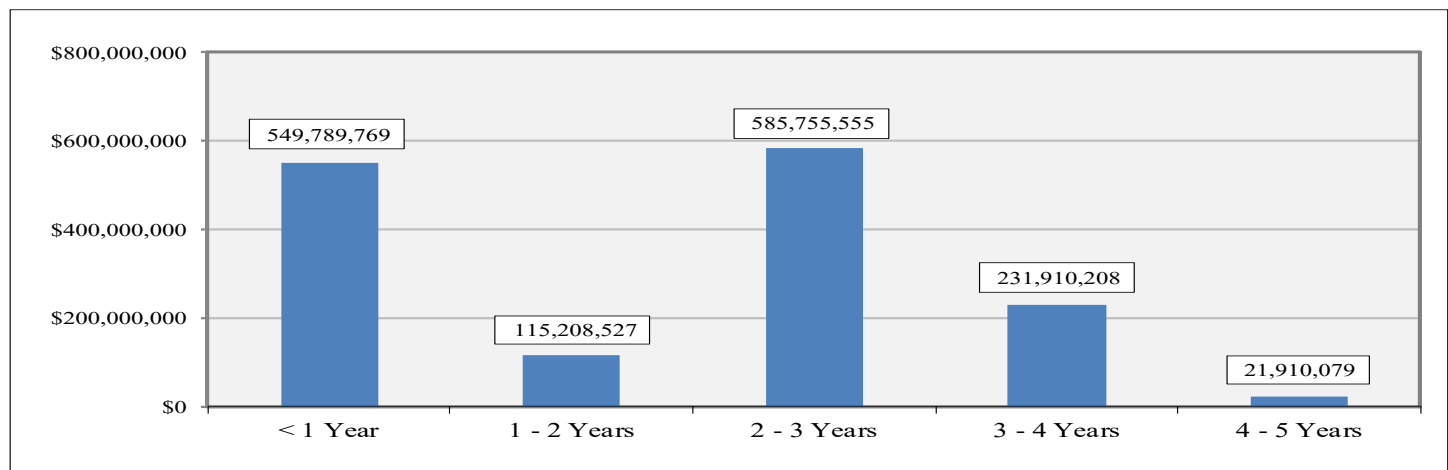
CITY POOL A PORTFOLIO COMPOSITION



Asset Type	Pct. Assets	YTM
Treasuries/Agencies	33.15%	1.42%
Corp Bonds	27.96%	1.91%
CPs	13.12%	4.81%
CalTRUST	8.67%	3.87%
Muni Bonds	5.91%	2.07%
CDs	4.60%	1.81%
Bank Deposits	4.44%	2.59%
Supranationals	1.58%	1.78%
LAIF	0.29%	2.83%
MM Mutual Fund	0.28%	4.31%

CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	549,789,769	36.54%
1 - 2 Years	115,208,527	7.66%
2 - 3 Years	585,755,555	38.93%
3 - 4 Years	231,910,208	15.41%
4 - 5 Years	21,910,079	1.46%
Total	1,504,574,138	100.00%



City of Sacramento
CASH LEDGER
Capitol Area Development Authority - Taxable
From 03-01-23 To 03-31-23

All Cash Accounts

Trade Date	Settle Date	Tran Code	Quantity	Security	Amount	Cash Balance
Pool A Interest Receivable						
03-01-23				Beginning Balance		3,150.86
03-31-23	03-31-23	in		Pool A Cash	539.58	3,690.44
				Mar 2023 estimated Pool A interest		
					<u>539.58</u>	
03-31-23				Ending Balance		3,690.44
Pool A Cash						
03-01-23				Beginning Balance		269,310.06
03-31-23				Ending Balance		269,310.06

CAPITOL AREA DEVELOPMENT AUTHORITY – 2020 TAXABLE BOND PROCEEDS

MONTHLY REVIEW – MARCH 2023

STRATEGY

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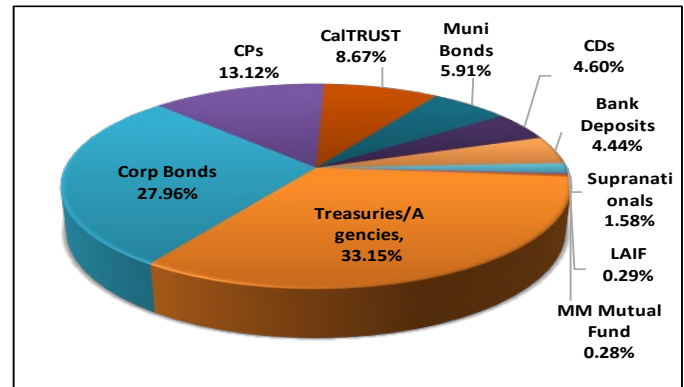
PORTFOLIO STATISTICS

Beginning Balance	29,432,396
Contributions	0
Withdrawals	0
Interest Earned	58,288
Ending Balance	29,490,684

PERFORMANCE COMPARISON

City Pool A	2.33%
LAIF	2.83%
90 Day T-Bill	4.73%
Federal Funds	4.65%

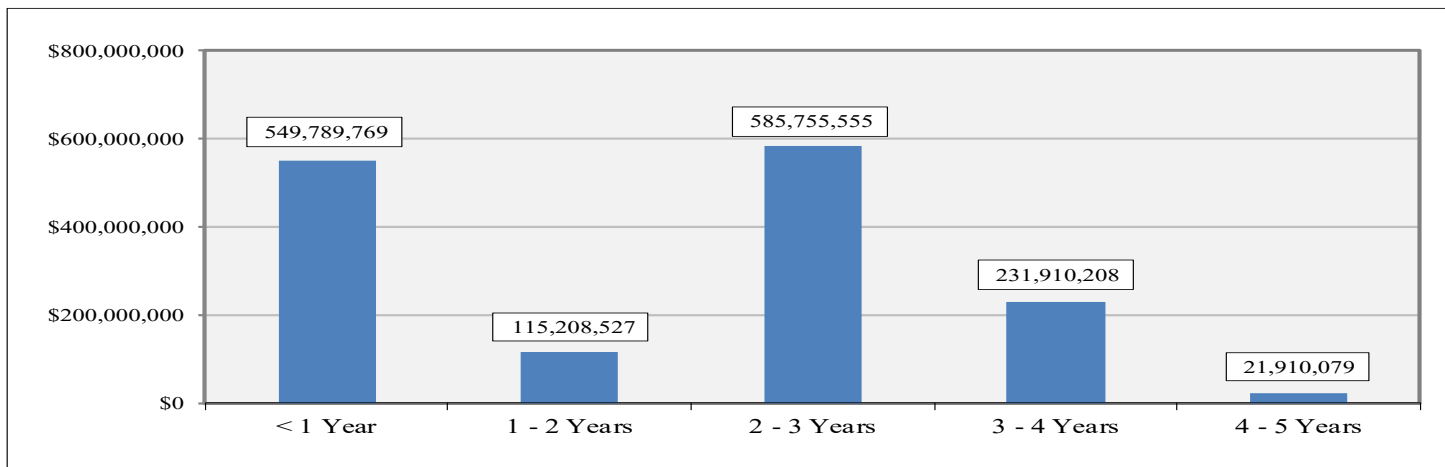
CITY POOL A PORTFOLIO COMPOSITION



Asset Type	Pct. Assets	YTM
Treasuries/Agencies	33.15%	1.42%
Corp Bonds	27.96%	1.91%
CPs	13.12%	4.81%
CalTRUST	8.67%	3.87%
Muni Bonds	5.91%	2.07%
CDs	4.60%	1.81%
Bank Deposits	4.44%	2.59%
Supranationals	1.58%	1.78%
LAIF	0.29%	2.83%
MM Mutual Fund	0.28%	4.31%

CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	549,789,769	36.54%
1 - 2 Years	115,208,527	7.66%
2 - 3 Years	585,755,555	38.93%
3 - 4 Years	231,910,208	15.41%
4 - 5 Years	21,910,079	1.46%
Total	1,504,574,138	100.00%



City of Sacramento
CASH LEDGER
CADA 2020 Taxable Bond Proceeds
From 03-01-23 To 03-31-23

All Cash Accounts

Trade Date	Settle Date	Tran Code	Quantity	Security	Amount	Cash Balance
Pool A Interest Receivable						
03-01-23				Beginning Balance		350,900.59
03-31-23	03-31-23	in		Pool A Cash	58,287.81	409,188.40
				Mar 2023 estimated Pool A interest		
					58,287.81	
03-31-23				Ending Balance		409,188.40
Pool A Cash						
03-01-23				Beginning Balance		29,081,495.09
03-31-23				Ending Balance		29,081,495.09

FY 2023-24 CADA BUSINESS PLAN: YEAR-SPECIFIC PRIORITIES

	Administration
1	Build and Implement Organizational Strategic Plan (Foster, de la Vergne, Azevedo): With input from staff, Board, and CADA Stakeholders, update the Strategic Plan, including CADA’s mission, values, and priorities to further a cohesive vision and organizational culture that supports CADA’s Business Plan and Brand Management.
2	Electronic Media Retention (Gandara, Mussen): Continue to transition the preservation of archival records electronically using SmartSearch. Implement plans to archive Legal, Human Resources, Property Management and Maintenance documents. Resume scanning move-out files into SmartSearch and plan (and provide training to staff) to transition to digital leases and cloud lease file storage. Meet with department heads to prioritize departments and coach them on preparation of materials for this purpose.
3	Human Resources Information System (Azevedo): Implement CADA’s new HR platform, BambooHR, and train staff to use it. Initiate use of the timecard and vacation functions within BambooHR imminently. Implement post-Covid teambuilding and inclusion training activities as staff transitions back to pre-Covid operations.
4	Staffing and Space Needs (Azevedo, Foster): Continue to monitor departmental staffing levels and space needs, and reassess needs upon retirement of aging staff and general attrition. Monitor employee morale and continue to administer programs and activities that promote retention, further organizational values, and enhanced teamwork. Discuss an alternate setup of the Leasing area for better serving the public/residents and providing a secure and convenient location for the resident files. Work with Maintenance to inventory all available resources and needs for maintenance in order to facilitate future space planning needs.
5	Employee Recognition Program (Azevedo, Foster, de la Vergne): Update CADA’s Employee Recognition Program to align it with organizational values and goals, including CADA’s updated Strategic Plan and its Business Plan.
6	CADA Connections (Ulep): Continue regular electronic publication of the CADA Connections newsletter and limited print distribution, as well as presence on social media and other creative ways to communicate CADA’s work.
7	Accounting (Mussen, Harville): Plan transition from Boston Post to MRI’s replacement (or other) leasing software as the current version is not being upgraded but is still being supported by MRI. Secure updates on MRI and process/cost for migration, and researching other platforms. Complete all research by the end of 2023 and identify the replacement software, cost to acquire it, needed coordination among CADA departments, and an implementation timeline. Ensure new software can accommodate online rent payments.
8	CADA and CACDC Brand Management (Ulep, Foster): Update CADA and CACDC’s new brand management program to include logos, URL, website, event calendar/community engagement, videography, and public art.

	Property Management (Commercial, Market Rate and Affordable Housing Leasing and Management)
9	Affordable Housing Rental Assistance Program (Harville): Streamline CADA’s process for recertifying tenant incomes and getting annual contracts signed by residents of affordable housing. Develop and implement an ongoing program to train all permanent and temporary Leasing Staff in policies and procedures for CADA’s regulated and unregulated affordable housing units. Develop a training manual, improve file accessibility and streamline file set-up.
10	Sonrisa Affordable Programs Compliance (Harville): Create structure for ongoing tax credit compliance with the 1322 O Street Limited Partnership (Sonrisa project) that is now fully occupied. Establish a good working relationship with WNC and the CFY audit team. Ensure necessary tax credit compliance training, certification, and training updates for the Leasing Staff.
11	Commercial Leasing – Tenant Support (de la Vergne, Foster, Leon): Lease the vacant commercial spaces at 1329-31 O Street and 1412 and 1414 16 th Street. Extend expiring commercial leases for Legado de Ravel and Karma Brew. Monitor the performance of the CLTRE Club business incubator project, which will be leasing the former Enterprise site, and provide advice and counsel. Participate in and promote the Midtown Association’s Second Saturday program. Manage ARY Place commercial spaces and leases.
12	Residential Leasing (Harville, Ulep, de la Vergne, Foster): Create an updated Marketing and Leasing Plan that increases leasing office availability and interaction with potential renters, cross-trains leasing staff to work across programs, and more efficiently releases available units in an effort to increase occupancy and revenue for both CADA and community benefit. Resume internships focusing on the calculation of square footages for all CADA apartments and prepare digital apartment and building plans. Encourage tenants and new applicants to use CADA’s lobby kiosk for rent re-certifications, new applications, and other requests. Until Boston Post is replaced, use the platform to prepare and issue 3-day notices for lease violations and for failure to pay rent, electronic signing of lease documents, electronic communication with tenants via CALLMAX, and affordable program tenant income recertifications.
13	Residential Leasing Manual and Training (Harville): Create and maintain a Leasing master manual for all CADA market and affordable housing programs, policies and procedures. Staff will build the policies and procedures manual utilizing some preliminary work completed last year. Reach out to the non-profit and for-profit property management sectors to ensure alignment with industry best practices for the manual.
14	Resident Communication – (Stutes, Harville, Juneau): Begin to use email and CALLMAX (targeted voicemail and text messages through the new call system) to communicate more quickly and directly with all CADA tenants (including those with accommodation needs) on key issues such as security, health and safety issues, repairs, etc. Resident Services Manager and Maintenance office staff will receive CALLMAX training.
15	Resident Services – Common Area Building Aesthetics (Stutes): – Continue CADA’s program of upgrading the aesthetics of CADA’s laundry and community rooms. Continue assessing buildings for needed upgrades, including needed paint and repairs, laundry and community room upgrades. 1327 O Street will be the next property.
16	Resident Services – Tenant Support Services (Stutes): Ramp up collaboration on CADA’s new case management and supportive services program. This collaboration will be with Step Up for tenants living in buildings other than Sonrisa, and will be with Community Resource Services for tenants living in Sonrisa. Staff will promote and suggest that residents use this service through community outreach and events. Staff will advertise among CADA tenants seeking employment or improved job-seeking skills regarding the availability of the Sacramento Employment and Training Agency (SETA), which will be housed in the Sonrisa commercial space and available to all. Resume all-resident events such as bingo nights and the annual holiday party using the SETA space at Sonrisa.
17	Resident Services – Exterior Landscaping Upgrades (Stutes): Refresh interior courtyard landscaping at 1201-19 P Street, 1420 O Street, 1316 O Street and 17 th Street Commons. Convert turf to climate-appropriate native plantings at 1506 13 th Street, 1228 O Street, 1317 O Street and 1327 O Street.
18	Apartment Inspections (Stutes): Continue to boost CADA’s capacity to use its Health Fire Safety inspections to identify developing issues in the apartments where a tenant could benefit from support services and/or that could lead to significant vacancy loss if allowed to persist to the end of the tenancy. Continue ongoing Health, Fire, and Safety inspections and include a leasing agent whenever regulated units are inspected.

19	Vacancy Loss – (Harville, Dodson, Juneau): Identify ways to decrease CADA’s vacancy loss number and expedite the turnover of housing for new tenants, including through enhanced Health Fire Safety inspections by Resident Services staff and further efficiencies for unit preparation tasks. Continue to use the apartment turn checklist for use with staff and subcontractors to track required tasks to be performed with each apartment turnover. Leasing Services Manager and the Leasing staff will walk newly vacant units to determine the need for upgrades and/or changes to increase value and desirability of the units and walk apartments following each turn to ensure quality. CADA staff will also proactively review current unit finishes and work to bring apartment finishes to a standard that reduces replacement and waste over time and becomes more competitive with the local market. Maintenance staff will identify tasks to be performed in-house and by contracted staff to ensure timely turnover of housing units, with the goal of a 2-4 week turnover of most units.
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	Asset Management
20	Energy and Water Efficiency Program (de la Vergne, Juneau): Continue to practice environmental sustainability in all CADA operations by implementing energy and water efficiency, and waste reduction measures. Continue to use City of Sacramento and WegoWise utility tracking software to identify energy and water efficiency problems and opportunities for conservation. Convert the existing gas-fired heating system at 1317 O Street to electric heat pumps and a central electric hot water heating system. Continue to plan the conversions of the heating and hot water systems at 1400 N Street and 1521 12 th Street. Begin Phase II analysis of additional CADA buildings with high per apartment gas consumption. Secure consulting assistance from SMUD to evaluate additional buildings that have higher-than-average carbon footprints. Continue to replace traditional roofs with UV-reflecting cool roofs. On a pilot basis, replace the existing residential single-pane window panes at 1412 16 th Street with high-efficiency dual panes while preserving this historic steel window frames and monitor the results. Prepare a strategic plan to guide CADA’s sustainability efforts. Update CADA’s inventory of all heating and cooling systems and all water heaters. Prepare a complete inventory of CADA’s window types and quantities by building. Prepare an inventory of all remaining properties with turf. Investigate how to install electric vehicle charging stations at all CADA parking locations to enable CADA’s apartment portfolio to be competitive as EV’s move toward dominance in the market. Annually, present to the Board a report on each building’s water, gas and electricity consumption and on CADA’s sustainability accomplishments.
21	Capital Improvement Program (Juneau, Czajka): Address high-priority CIP projects set forth in the May 2022 CIP Needs Assessment and the FY 22-23 budget. Priorities will include dry rot repairs, window replacements, electrical systems upgrades and inspections, and replacements of wooden balconies and stairwells. Prepare a Standard Operating Procedures Manual for designing and preparing permit applications to be submitted to the State Fire Marshal for permit review and construction inspections. Priorities for FY 23-24 will include completing the windows replacement at 1228 O Street and repainting of the building; window replacements at 1201 P Street; and stairs and outdoor decking replacement at 1606 15 th Street and 1228 O Street. Landscape priorities will include re-landscaping the rear courtyards at 1201-09 P Street and at 1420 O Street and, upon completion of the new outdoor decking and stairs at 1606 15 th Street, re-landscaping the 15 th Street frontage.
22	Maintenance and Equipment Inventory Tracking (Juneau, Czajka): Continue to implement the Maintenance Connection computerized maintenance management system (CMMS) software package for use in tracking Maintenance Department work orders, including CIP construction projects, and tools and equipment inventory management. Prioritize implementation of system modules that will allow the Vacancy Prep Coordinator to submit work orders for a vacancy more efficiently. Add capacity to identify apartment upgrades that Leasing needs to be able to track. Implement Preventative Maintenance tracking functionality and improved Maintenance dashboard functionality. Add commercial lease maintenance terms to the CMMS system so maintenance responsibilities can quickly be determined when needed.
23	Maintenance Department Repair Work Notifications (Juneau, Paladino, Harville): Train dispatchers in the Maintenance Department to use the MRI CALLMAX messaging system to notify residents by email, text and phone of upcoming maintenance activities, power/water service shutdowns, etc., starting with residents who need accommodations.
24	Maintenance Department Equipment Storage (Juneau): Assess the need for additional storage for Maintenance materials and equipment with completion of the materials inventory and to offset storage lost due to development project construction and to better meet current and projected future storage needs as CADA’s inventory of apartment buildings increases with the addition of Sonrisa and other planned buildings. Identify additional parking. Occupy the new supplemental rental warehouse space at 712 R Street in July 2023. Inventory all available resources and needs for maintenance in order to facilitate future space planning needs.

	Neighborhood Development
25	O Street Streetscape (de la Vergne, Funston): Continue implementation of the O Street Streetscape Concept Plan. If grant funding from Caltrans and/or DGS (or others) is secured, commence construction on the 900 block and at the 14 th & O Street intersection. Solidify plans for art additions at 11 th & O with SacRT using awarded HCD transit-oriented development funds, including restoration of the Posey’s sign and a mural on the western-facing wall of 1108 O St. Continue conversion from turf to climate-appropriate landscape fronting CADA apartments on the 1200 and 1300 blocks. Engage a designer to design Envision O street improvements on the RT blocks once RT finishes its installation of mini-high platforms in 2023. Encourage Caltrans to commit to implementing Envision O Street recommendations for the 1100 block and DGS to commit to the same on the 700 south block face and the 800 north and south block faces. Encourage the City to implement further pedestrian improvements at the 15 th and 16 th Street intersections. Hire a design team to prepare concept to 30%-level plans for the south side of 800 block, the south side of the 1000 block, and the north and south sides of the 1100 block.
26	10th Street Commercial Streetscape Upgrades (Funston, de la Vergne): Complete installation of a new outdoor seating enclosure at 11 th & P Streets.
27	Fremont Park – Restroom and Landscape Planning (de la Vergne): Work with Midtown Association and Friends of Fremont Park (FOFP) to plan for the replacement and future exterior treatment of the park’s restroom. Support efforts to secure CIP funding in the City budget to fund the work, together with CADA and Midtown Association (MA) contributions. Work with the City, FOFP and MA to plan corner flower gardens at the four entrances to the park and to better maintain the storm water planters on the 16 th Street frontage. Redesign & replant the storm water planters along 16 th Street.
28	Fremont Park – Activation (Ulep, Foster): Host a Second Saturday movie event in October that supports the Second Saturday efforts of the Midtown Association and furthers CADA goals of neighborhood development and community building while furthering the CADA Brand.
29	Roosevelt Park – Perimeter Fencing (de la Vergne): Encourage the City to replace the older chain link fencing around the park’s perimeter. Create a plan for highlighting the park’s Depression-era history. Resume work with the City to plan Phase III priorities including replacing the perimeter fencing where needed, re-landscaping between the sidewalk and the fencing, and widening the sidewalks to a minimum width of 8 feet. Consider creating a new entrance at the southeast corner of the park.
30	16th Street – Outdoor Activation (de la Vergne): Explore and design outdoor seating for Karma Brew to replace the Covid-era seating on P Street. In-lieu of outdoor seating on 16 th Street, re-landscape with climate-appropriate plantings and install a set of steps to make travel to and from parked vehicles easier. Explore feasibility of outdoor seating on 16 th Street in front of the Luna’s space.
31	10th & R Streetscape (Leon, Funston): Complete the design, obtain the permits, and start construction of streetscape improvements on a portion of the R St Corridor frontage in September, pending Board review and approval.
32	Art Installations and Utility Box Wraps (Ulep): Continue rotating art installations with the State and identify additional opportunities for CADA-initiated art that furthers its goals of cultivating community and creating a sense of place. Replace and expand utility box wraps to provide an accessible opportunity to both beautify spaces and distribute art throughout the community.
33	Capitol Mall Redesign (de la Vergne): Continue to serve on the City of Sacramento’s steering committee which is advising the City as it oversees planning for a Capitol Mall redesign, in further alignment with the surplusng and reuse of former state office buildings.

34	Community Development Efforts (Foster, de la Vergne, Ulep): Implement projects that further community development goals of small business incubation, community-building and education, place-making activities, and neighborhood development.
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	Development
35	805 R St (Leon) - CADA/CACDC: Identify and obtain financing for project, in collaboration with Mutual Housing.
36	EEG Sites 5, 6 and 7 (SE corner of 16th & N) (Foster, Leon, Funston) - CADA: Continue communication with DGS to work towards development of a mixed-use affordable housing project.
37	Sonrisa (1322 O Street) (Funston, Harville, Stutes, Mussen) - CADA/CACDC: Stabilize the building and achieve a debt-service-coverage ratio of 1.15 for three consecutive months. Convert to the permanent mortgage loan. Manage asset in coordination with Finance, Leasing and Resident Services, including budget, investor reporting, welfare tax exemption status, and property management.
38	2000 16th Street (Foster, Leon, Funston) CADA/CACDC: Continue pre-development work, including design, community outreach, and City entitlements. Initiate funding applications in partnership with Mutual Housing.
39	Cypress (14th and N) (Funston): Continue assisting with and monitoring construction by D&S Development, with the goal of completing the building by mid-2025.
40	Middle Income Housing Support Program (Foster, Leon) – CADA: Initiate a Request for Proposals process to inform developers of the Middle-Income Housing Program and notify them of available CADA funds to support development of middle-income housing (80 to 120% AMI) projects. After the initial RFP, receive future proposals on an ongoing basis.
41	Priority Site Acquisitions (Foster, de la Vergne, Leon) – CADA: Prioritize potential development sites within the project areas and continue to monitor local real estate for opportunities to acquire high-priority sites and other property that aligns with CADA’s goals and Strategic Plan.
42	Seek Opportunities for Furthering Ownership Housing and Housing Serving a Range of Income Levels (Foster, de la Vergne, Leon): Continue to take steps to identify models and opportunities that will further ownership housing and other types of housing that is able to serve a range of incomes in order to further strengthen the local workforce and economy and create diverse and inclusive neighborhoods.

	Institutional Partner-Driven
43	Continue strong partnerships with the City and State, as well as the Downtown Sacramento Partnership, Midtown Association, R Street Partnership, SMUD, DWR and other public and nonprofit agencies to further the CADA Strategic Plan and objectives, including sustainability and the vitality and recovery of the downtown and midtown areas.