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**Legal Counsel**

Jeff Mitchell  
Kronick, Moskowitz, Tiedemann & Girard

Phone: (916) 322-2114

Web: [www.cada.org](http://www.cada.org)

**AGENDA ANNUAL BOARD WORKSHOP**

**THE CAPITOL AREA DEVELOPMENT  
AUTHORITY  
BOARD OF DIRECTORS**

**FRIDAY, MARCH 20, 2026**

**10:00 A.M.**

**CADA ADMINISTRATIVE OFFICE  
1522 14<sup>TH</sup> STREET, SACRAMENTO, CA 95814  
AND**

**Board Member Jose Bodipo-Memba attending  
remotely from  
6201 S STREET  
SACRAMENTO, CA 95817**



**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/kcoHLf55h>

**Meeting ID:** 823 6616 0751

**Request Password (prior to start of meeting):**

[tgandara@cada.org](mailto:tgandara@cada.org)

- 1. Roll Call and Just Cause/Emergency Teleconference Information (if applicable)**
- 2. Chair's Oral Report**
- 3. Executive Director's Oral Report**
- 4. Community Partner Introductions (Name and Organization)**
- 5. Annual Board Workshop – Development Visioning**

The Board will host focused discussion on the following areas:

- a) Direct Development Work – CADA/CACDC participating directly in development and ownership of housing and/or mixed-use projects.
- b) Middle Income Program – CADA/CACDC facilitating development through the welfare tax exemption.
- c) Housing Accelerator Fund – CADA providing short-term investments to launch housing and mixed-use development and gain better return on its financial investments.

*Recommended Action:* Workshop discussion with Community Partners.

- Staff Presentation of Focus Areas
- Opportunity for questions, comments and discussion

Contact: Danielle Foster, Executive Director

- 6. Opportunity for the Public to Address the Board Regarding Matters Not on the Agenda**
- 7. Adjournment**

**Approved for Transmittal:**



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**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.



March 12, 2026

<b>TO:</b>	Capitol Area Development Authority (CADA) Board of Directors
<b>SUBJECT:</b>	<b>March 20, 2026 ANNUAL BOARD WORKSHOP  DEVELOPMENT VISIONING</b>
<b>CONTACT:</b>	Danielle Foster, Executive Director Josh Palmer, Deputy Executive Director Jack Barnes, Development Manager

**RECOMMENDED ACTION:**

Workshop (discussion only) with Community Partners, including:

- Staff Presentation of Development Focus Areas: Direct Development Work, Middle Income Program, and Housing Accelerator Fund
- Opportunity for questions, comments and discussion

**BACKGROUND**

CADA is a city-state joint powers authority formed in 1978 by the City of Sacramento and the State of California under the Department of General Services. CADA has two focused project areas, the Capitol Area and the R Street Area. The Capitol Area typically means the "Capitol Area" as defined by Government Code section 8160.1(d)(1) – the area bounded by 5<sup>th</sup> Street on the West, 17<sup>th</sup> Street on the East, L Street on the North, and R Street on the South, plus a half-block south of R Street between 11<sup>th</sup> and 12<sup>th</sup> Streets. The R Street Area means the area defined by Government Code section 8169.1(d)(2) – the area bounded by Q Street, S Street, 19<sup>th</sup> Street, and 10<sup>th</sup> Street. With much of the Capitol Area Plan complete, focus turns towards continued maintenance and upkeep of the Capitol Area, new opportunities within the R Street Area, and the potential for surrounding opportunities that benefit these areas.

CADA has two primary revenue sources for its work:

FINANCING	Rent Proceeds From		Tax Increment Proceeds From	
	Capitol Area	R Street Area	Capitol Area	R Street Area
PROJECT AREA				
Capitol Area	Yes	Yes	Yes	Yes
R Street Area	No	Yes	No	Yes
Other Areas*	Yes	Yes	Yes	Yes

\*While the above lists the primary guidance on how funding can be used, greater flexibility (Other Areas) can be approved by the Director of the Department of General Services (DGS). Additionally, the City has provided funding to CADA’s Middle Income Program, created in 2023, that affords CADA the opportunity to invest in a broader scope of projects, linked to City and CADA goals. Funding sources and uses are discussed further in the specific Focus Area Summaries, attached to this report.

## **ANALYSIS**

CADA has an opportunity to shape its policies to further its development objectives, with particular discussion of Direct Development Work, the Middle-Income Program, and a potential Housing Accelerator Fund. Consideration of an Accelerator Fund is timely given CADA's cash on hand and mid-term runway to needing these resources. In the current high-interest rate environment, CADA might have the ability to invest in jumpstarting more housing development with a greater return on CADA funds than existing investments and without negatively impacting direct development. This workshop is aimed at hearing from CADA partners and the development community as the Board considers opportunities related to future development work.

## **FINANCIAL IMPACT**

Currently, CADA has approximately \$25 million set-aside for future development work and related debt relief. While CADA will require some of these funds over the next few years, projects that will require the majority of funding are still in either land acquisition or predevelopment stages. Given that, this discussion is aimed at considering opportunities to gain better short-term financial return on these funds through developments that provide more housing, while also prioritizing CADA's continued development goals and commitments.

## **STRATEGIC PLAN**

This Development Visioning Workshop ties to the following objective and rationale of the Strategic Plan: Objective II of Strategic Plan: Deliver Community Development Leadership  
Rationale: Our mission is fulfilled, and our vision is achieved by CADA taking a leadership role in construction, .... and placemaking in Sacramento.

Objective III of Strategic Plan: Provide Policy and Innovation Leadership

Rationale: CADA is well-positioned to be a leader in advocating for public housing policy and to advance innovative development projects and practices. We have the experienced staff, insightful Board of Directors, trusted reputation, and strong relationships necessary to lead, partner, and share information.

The complete CADA Strategic Plan is included as Attachment 4 and the related Strategies and Key Performance Indicators for each Focus Area is included in the attached set of summaries, Attachments 1-3.

## **ENVIRONMENTAL IMPACT**

No action is being taken. Further, funding-related action is exempt under the California Environmental Quality Act (CEQA) as it involves only the provision of funding for projects that undergo CEQA review separately and prior to development.

## **CONTRACT AWARD CONSIDERATIONS**

Not applicable.

Attachments:

1. Direct Development Work Summary
2. Middle-Income Program Summary
3. Housing Accelerator Fund Summary
4. 2024-2029 CADA Strategic Plan

CADA Policy Discussion

**Development Work – Directly developing sites in partnership**

**Related Strategic Plan Objective II Strategies**

- A. Develop and collaborate on a variety of housing types and creative projects, including projects outside of CADA’s project areas that: 1) align with State and City community development goals; 2) influence city priority corridors or areas; 3) present a unique opportunity for positive impact; 4) come with direct or in-kind support from a public, non-profit, or PBID partner; and/or 5) can be accommodated without negatively impacting other organizational priorities and commitments through the use of existing or expanded resources.
- B. Increase housing availability by reducing vacancies and expanding projects.
- C. Identify and fund placemaking artwork and events that activate, strengthen, and increase the attractiveness and livability of neighborhoods.

**Related Key Performance Indicators**

- Number of projects per year, locations and community benefits
- Type of projects and levels of affordability (tenure and income levels)
- Number of artwork and streetscape installations
- Number of sponsored/co-sponsored neighborhood and tenant events
- Neighborhood/tenant event attendance and experience

**Priorities:**

- Project Areas – Capitol Area and R Street
- State and City community development goals
- Variety of housing types, ownership housing, condominiums, rent to own, street activation and placemaking
- Projects that generate additional tax increment

**Capacity:**

- Development Partner – two to three projects at a time

**Opportunities:**

- Active opportunity on R Street for Mixed-Use Development
- Condo conversation opportunity on S Street
- Redevelopment/reinvestment of existing housing stock

**Current Projects:**

- Monarch 8/R and Sakura 16/T
- Warehouse Renovation 525 S Street

**CADA Policy Discussion**

**Middle-Income Program – Indirectly developing sites through a loan and regulatory agreement**

**Related Strategic Plan Objective II Strategies**

- A. Develop and collaborate on a variety of housing types and creative projects, including projects outside of CADA’s project areas that: 1) align with State and City community development goals; 2) influence city priority corridors or areas; 3) present a unique opportunity for positive impact; 4) come with direct or in-kind support from a public, non-profit, or PBID partner; and/or 5) can be accommodated without negatively impacting other organizational priorities and commitments through the use of existing or expanded resources.
- B. Increase housing availability by reducing vacancies and expanding projects.
- C. Identify and fund placemaking artwork and events that activate, strengthen, and increase the attractiveness and livability of neighborhoods.

**Key Performance Indicators**

- Number of projects per year, locations and community benefits
- Type of projects and levels of affordability (tenure and income levels)
- Number of sponsored/co-sponsored neighborhood and tenant events
- Neighborhood/tenant event attendance and experience

**Related Strategic Plan Objective III Strategies**

- A. Influence public policy that advances CADA’s mission, particularly related to local and state housing policy conversations, with a commitment to providing a variety of housing types (tenure and affordability), removing barriers to housing development, preserving and expanding community development funding opportunities, and furthering innovative community development, placemaking, and events practices.

**Key Performance Indicators**

- Summaries of local and state policy discussions and bills
- Number of development projects, streetscapes, art and events with funding partnerships
- Amount of leveraged resources in community development projects
- Amount of new commercial/retail square footage
- Number of new housing units
- Increased number of partners /level of collaboration
- Increased public support of CADA initiatives

**Priorities:**

- State and City community development goals
- Project Areas, City Priority Corridors or Areas (Downtown, Stockton Blvd, Del Paso/Marysville Blvd, Oak Park, etc.)
- Variety of housing types and furthering housing production

**Capacity:**

- Public Sector Lender and Regulatory Agency – seven to ten new projects a year

**Opportunities:**

- Active opportunity on Broadway in Oak Park
- Active opportunity on Del Paso Blvd
- Active opportunity in South Sacramento
- Completed six middle income projects to date, five new construction and one preservation
- Received repayment of one loan
- Opportunity for CACDC to be Managing General Partner on projects, revenue

Here is a summary of the Middle-Income Program Funding:

<b>Funding Sources</b>		
CADA	250,000	
City of Sacramento	100,000	
<b>Total</b>	<b>350,000</b>	
<b>Funding Overview - Middle-Income Projects</b>		
Kind	100,000	
UC 15G	25,000	
UC 16E - Studio 30	25,000	
Woodlands	10,000	
UC 12E - Esperanza	25,000	
Gateway	City	
	185,000	
Monitoring fee revenue	7,500	
Studio30 repayment	25,000	
Accrued Interest	997	
	33,497	
<b>Total Remaining Funding</b>	<b>198,497</b>	

Here is a summary of Program Loans:

	Amount	Interest Rate	Term		Maturity Date	Collateral
Kind	100,000	3%	5 years	6/21/2024	6/21/2029	Property - 1901 8th Street
15G	25,000	3%	5 years	9/11/2024	9/11/2029	Property - 628 15th Street
16E - Studio 30	25,000	3%	1 year	10/31/2024	10/31/2025	Property - 500 16th Street
Woodlands	10,000	3%	5 years	12/17/2025	12/17/2030	Property - 2025 W. El Camino
Esperanza	25,000	3%	5 years	Committed, not disbursed		Property - 424 12th Street and 1117 E Street

**CADA Policy Discussion**

**Accelerator Fund Pilot Program and Organizational Passthrough of Funds–  
Assisting development with shared objectives through a predevelopment loan  
or passthrough of tax revenue**

**Related Strategic Plan Objective II Strategies**

- A. Develop and collaborate on a variety of housing types and creative projects, including projects outside of CADA’s project areas that: 1) align with State and City community development goals; 2) influence city priority corridors or areas; 3) present a unique opportunity for positive impact; 4) come with direct or in-kind support from a public, non-profit, or PBID partner; and/or 5) can be accommodated without negatively impacting other organizational priorities and commitments through the use of existing or expanded resources.
- B. Increase housing availability by reducing vacancies and expanding projects.
- C. Identify and fund placemaking artwork and events that activate, strengthen, and increase the attractiveness and livability of neighborhoods.

**Key Performance Indicators**

- Number of projects per year, locations and community benefits
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- Number of sponsored/co-sponsored neighborhood and tenant events
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**Related Strategic Plan Objective III Strategies**

- A. Influence public policy that advances CADA’s mission, particularly related to local and state housing policy conversations, with a commitment to providing a variety of housing types (tenure and affordability), removing barriers to housing development, preserving and expanding community development funding opportunities, and furthering innovative community development, placemaking, and events practices.

**Key Performance Indicators**

- Summaries of local and state policy discussions and bills
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- Amount of leveraged resources in community development projects
- Amount of new commercial/retail square footage
- Number of new housing units
- Increased number of partners /level of collaboration
- Increased public support of CADA initiatives

**Fund Objectives:**

- Fulfilling State and City community development goals, catalyst projects
- Focusing in Project Areas, Central City, within ½ mile of City Priority Corridors or Areas (Downtown, Stockton Blvd, Del Paso/Marysville Blvd, Oak Park, etc.)
- Providing a variety of housing types and furthering housing production otherwise “stuck”
- Mixed-income, entry level homeownership workforce/middle-income average affordability higher than 60% AMI

- Projects that generate additional tax increment revenue

Capacity:

- Varies based on funding needs and terms of loan or passthrough (five-year pilot program)
- Cap fund based on other CADA Direct Development needs and to have cash for opportunities

Opportunities:

- Passthrough- Capitol Mall sites with Sac State (housing units TBD)
- Loan- Active opportunity on R Street (estimated 192 units, ownership or rent to own, mix including 40% at 80% AMI)
- Loan- Active opportunity on Stockton Blvd (estimated 246 units, ownership 80-100% AMI)
- Other potential catalyst, mixed-income and ownership projects

Preliminary Program Parameters:

- Short term investments, 24-month loan
- Interest rate that is two points higher than investments with City, currently 6%
- Cap individual loans at \$4 million
- Program availability based on available funds
- Reinvestment/Revitalization of a catalyst site
- Program Priorities:
  - Range of Unit Sizes, including larger units (2-4 bedrooms)
  - Condo Construction and/or Conversion
  - Ownership Opportunities
  - Mixed-Use/Street Activation
  - Sustainability
  - Serving incomes of 60-120% of Area Median Income (AMI) on average
  - Accomplishing other CADA, State and/or City community objectives

Enclosed Reference Documents:

- City of Sacramento External Loan Policy for Public Benefits Projects
- San Francisco Housing Accelerator Fund -

**CITY OF SACRAMENTO**  
**EXTERNAL LOAN POLICY**  
**FOR PUBLIC BENEFITS PROJECTS**

The purpose of this policy is to set forth the standards and process for providing interfund loans to be used for external loans to accomplish public benefit projects like redevelopment, workforce, and affordable housing construction projects in the city of Sacramento. This policy is designed to ensure consistency. External loans may only be issued in accordance with this policy.

**I. Policy Scope**

This policy applies to the use of external loans funded by interfund loans to initiate public benefit projects that ensure full repayment of the external loan, with interest, within the loan's term.

**II. Definitions**

The following definitions apply to this policy:

A. "Certificate of occupancy" means a document that certifies that a building in the city of Sacramento has been inspected for compliance with the California Building Standards Code and the Sacramento City Building Code.

B. "Construction performance bond" also called "Dual obligee construction performance bond" means a financial guarantee in a contract satisfactory completion of a project by a contractor. It is a collateral deposit of good faith money intended to provide security against the failure of the contractor in fulfilling their commitment to complete construction of a contracted development. A performance bond is usually provided by a bank or insurance company and is collectable by the named party if the general contractor does not fulfill their contract. Dual obligee means that it can be collected upon by more than one lending or contracting party.

C. "Debt service coverage ratio" means a metric that analyzes a property's income compared to its debt obligations. It is the ratio of the net operating income divided by debt service on the property.

D. "External loan" or "loan" means short- and medium-term loans between the City and a borrower/developer for public benefit projects such as redevelopment, workforce, and affordable housing projects.

E. "Financial performance bond" means a financial guarantee to the City against the failure of the borrower/developer of fulfilling their financial payment obligations. A performance bond is usually provided by a bank or insurance company and is collectable by the named party if the borrower does not make their required loan payments.

F. "Funding source" means funds from a City fund as described in the City's Interfund Loans policy.

G. "Interfund loan" means a loan made pursuant to the City's Interfund Loans policy.

H. "Loan interest basis points" means a unit of measure used to describe the percentage change in the value or rate of a financial instrument, in the case of this policy, the loan's interest rate. One basis point is equivalent to 0.01% or 1/100th of a percent.

I. "Loan security" means ensuring adequate repayment mechanisms for an external loan to be fully repaid if the project does not proceed to construction completion and full lease-up or occupancy.

J. "Pool A Investments" means City investments made by the City Treasurer's Office into low-risk options that provide a favorable rate of return for City reserves.

K. "Public benefit projects" means developments or rehabilitation projects that further City goals of reducing blighted or vacant infill property and providing opportunities for affordable and workforce housing, economic vitalization, workforce employment training, redevelopment, public facilities, and other similar high-priority projects.

**III. Objectives**

A. Primary Objectives

External loans must have loan security, be repayable, have adequate interest, and be for the public benefit:

1. *Loan Security, Repayment, Adequate Interest*

As further described herein, loan security, repayment, and adequate interest are critical provisions of an external loan. It ensures the ability to establish other public benefit projects.

The following includes criteria that 1) must be considered and evaluated when establishing an external loan and/or 2) should be included in the terms of the loan agreement for the external loan:

**a. Loan security:** Limit issuance of external loans to projects with partners who have a track record of project completion and stabilization on a minimum of five similar projects, or other mitigating factors that protect the external loan. Other factors that limit exposure of the City's investment, including a debt service coverage ratio of equal to or greater than 1.25 during construction and higher placement on title, can also be mitigating factors. In all cases, the City must record a deed of trust against the project property and must require other reasonable protections for its loan, including a general contractor's performance bond, as detailed below. The loan must be senior to partnership equity and other obligations but can be subordinate to conventional debt if a 1.25 debt coverage exists and the risk is mitigated.

i. Performance Bond Requirement: Under this policy, lending to special projects with a public benefit will be permitted, subject to the following necessary protections for the City during the construction of the project and repayment period. During construction, the City will require a construction performance bond equal to the city-provided loan amount to protect the funds loaned. Post construction and prior to project stabilization or repayment, a financial performance bond will be used. The required performance bond(s) will be similar to the following unless another option is agreed to:

1. Dual Obligee Construction Performance & Payment Bond: City added as an obligee on the General Contractor's ("GC") performance bond issued to borrower/developer. Dual obligee bonds are commonly used in situations like this where the borrower's/developer's lender requests additional protection that the project will move forward. Essentially, the City would have the same rights as borrower/developer under the GC's construction performance and payment bond and could trigger the bond if the General Contractor disappears, goes bankrupt, or otherwise cannot perform and build the project as contracted. This bond secures the GC's promise to build the project.

2. Financial Performance Bond: Borrower carries a financial performance bond to ensure financial repayment of the City loan. This bond secures borrower's promise to repay the City on the loan. It is triggered by the borrower's failure to pay on the loan. This is not a common bond and requires some additional underwriting, and the surety company's approval of the loan agreement terms. This bond may be utilized by the City for the time period between construction and Certificate of Occupancy or use of the project to adequately provide the revenue needed for borrower to initiate loan payments.

b. Repayment: The loan term must be limited to a duration that is reasonable for both the project and the fund to ensure timely repayment. Terms must range between 5 and 10 years, depending upon the fund and the project. Terms that are shorter than 5 years will not be feasible for most public benefit projects. The City must limit access to external loans based on what is reasonable in consideration of outstanding liabilities and expenditures, fund balance and repayment needs, and upcoming needs for the applicable Fund for other City capital

projects outside of this policy.

c. **Adequate Interest:** Interest rates on external loans may be below-market rate, to accomplish the public benefit, but also balances with other options for the use of city funds. Staff must consider 100-150 loan basis points above the current return rate on City Pool A investments when setting an interest rate. This rate should be readjusted annually for each loan, providing a base interest rate and a maximum interest rate to ensure adequate interest payments and certainty for the development.

## 2. *Public Benefit*

This is not always an easily quantifiable benchmark and will ultimately be based on review and action by the City Council but should include components including housing provision and affordability, community reinvestment and stability, public use facilities, workforce benefits, innovative project concepts, and other Council-approved special projects with community benefits. External loans will be used as a last resort where there is no other available funding, or the rate to borrow other funding is too high and the timely construction of the project is of significant community value. These loans will support work to further fair housing principles, anti-displacement efforts, community reinvestment and City-identified priority projects and areas.

## IV. **Process**

External loans are for public benefit projects only. To establish an external loan and associated public benefit project, staff must bring a recommendation for the loan and project before the City Council for consideration and action. In doing so, staff should review and vet potential public benefit projects and identify a viable funding source. The funding source must comply with the City's Interfund Loan policy. If the project and the loan are approved by Council, interfund loans will be made and provided to the appropriate funding source, (e.g. the Innovation and Growth Fund) as the external loan, for the necessary accounting, monitoring, and loan servicing.

## V. **Standard Terms and Conditions**

The following includes standards for the terms of the loan document provided through this policy:

B. **Loan Terms:** Loan terms will vary based on funding source and project, but will likely range from 5-10 years in term, with a below-market interest rate, annual interest payments, and a single principal repayment. Staff must consider 100-150 basis points above the current return rate on Pool A Investments when setting an interest rate. This rate will be readjusted annually for each loan, providing a base interest rate and a maximum interest rate to ensure adequate interest payments and certainty for the identified development providing the public benefit.

C. **Monitoring:** City staff must monitor these loans to ensure fulfillment of the public benefit, especially during the term of the loan, and loan repayment. There may be loan requirements like an affordability agreement recorded to the title of the property under the project or another mechanism for ensured long-term public benefit.

D. **Repayment:** It is envisioned that these loans will make annual interest payments and principal will be repaid in a lump sum or an agreed upon amount of payments that considers potential burden on city staff.

## VI. **Periodic Review**

This policy will be reviewed regularly to ensure its effectiveness in both accomplishing public benefit projects and providing external loans of available City funds. Amendments to this policy are subject to City Council approval.



## Pre-Construction Deposit Loan Term Sheet

This term sheet is provided by the San Francisco Housing Accelerator Fund (“Fund” or “HAF” as of November 21, 2023).

This letter does not represent an offer or commitment by HAF for the proposed financing, nor does it define all the terms and conditions of a loan commitment but is a framework upon which a pro forma for a loan request may be submitted. Securing a financing commitment from the Fund is subject to full due diligence and underwriting, and approval of the loan request from HAF’s Credit Committee.

The proposed terms and due diligence process are as follows:

<b>Purpose:</b>	This loan product will provide financing to developers for pre-construction deposits for affordable housing projects focused on design and construction innovation to bring down construction costs and accelerate timelines. The priority for this loan product will be projects utilizing Industrialized Construction (“IC”) approaches.
<b>Eligible Projects:</b>	Projects including deed-restricted affordable housing units in the Greater Bay Area.
<b>Eligible Uses:</b>	Loan proceeds will be used to provide predevelopment loans to borrowers to support their pre-construction costs. Eligible uses include pre-construction costs related to construction with IC factories. These typically include design and permitting costs, slot reservation, and materials deposits.
<b>Maximum Loan:</b>	Up to \$2M; Loan amount not to exceed IC factory deposit costs and design costs related to IC. It is anticipated that the loan will be drawn down in 1-2 payments.
<b>Origination Fee:</b>	1.50% of the HAF loan amount, payable at closing, based upon sponsor characteristics.
<b>Interest Rate:</b>	3.75% fixed

<b>Amortization:</b>	Interest only for the term of the loan. Repayment will be from a construction lender or a permanent funding source.
<b>Term:</b>	Maximum loan term of 24 months. Term may be extended by an additional 6 months upon payment of a .25% extension fee.
<b>Equity:</b>	An equity contribution of 3-10% of the loan amount is required based on sponsor characteristics. Equity can be in the form of cash, grants, or soft loans.
<b>Guarantees:</b>	Sponsor Repayment guarantee in the amount of 25% of the HAF loan amount.
<b>Collateral:</b>	<p>First Deed of Trust Position, when available. For early-stage projects where the Sponsor has site control but not ownership or for publicly owned sites, a First Deed of Trust will not be possible. In this case, HAF would require a pledge of future developer fees to the extent the project pivots away from modular or to another manufacturer, and the initial modular costs cannot be fully recouped in the final project budget.</p> <p>In addition, when loan funds are used for material deposits, HAF would require a UCC filing on the materials procured and request the establishment of an escrow account (with HAF visibility on the account) for approved factory draws for material procurement pursuant to a supply agreement (subject to HAF approval).</p>

## **CADA Strategic Plan (2024-2029)**

Adopted March 2024

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### **History and Context:**

As a city-state joint powers authority, CADA was initially established to implement the objectives of the Capitol Area Plan and later, the R Street Corridor Plan, with specific objectives related to the upkeep and provision of a variety of housing types and thriving retail. The majority of the sites identified in the Capitol Area Plan for reinvestment have been developed or are in process, providing the opportunity for CADA to further its role as a thought partner with the State and City, and other community partners, both inside and outside its two project areas as Sacramento faces a pivotal point in its history.

The City is now out of what has been the most challenging times of the COVID-19 Pandemic, a period when non-essential businesses were shut down for a period of time and many employees shifted to working from home. While some workers have returned to being downtown regularly, not all have returned to an office desk and many continue to work from home two or more days a week. This shift in the workforce has reduced the average number of people downtown during the week by 45% and led to many creative discussions on methods for bringing more residents, art, and events downtown as ways to offset this significant loss to the local economy. CADA is poised to be part of this response and prides itself on innovation and collaborative problem-solving. Within the last year, CADA has created a middle-income housing program to spearhead this effort of expanding housing options within the Central City and is participating in the Downtown Sacramento Partnership-led conversations, with support from the Urban Land Institute (ULI), on re-imagining the downtown.

Our 2024-2029 Strategic Plan aligns with our mission and with the City of Sacramento's recently-adopted 2040 General Plan, which "seeks to foster a more sustainable, equitable, and prosperous city for all." (Sacramento 2040 General Plan, Page 1-1, Adopted by the Sacramento City Council on 2/27/2024) The plan's vision is for Sacramento to be a model of equitable and sustainable growth, in providing a range of housing options, and to act as a regional center for culture, diversity, food, and parks.

As CADA shifts the focus of managing its existing portfolio even more toward sustainability upgrades and long-term asset management during this period, the organization will continue to innovate in providing a variety of housing types, lend expertise and leadership to local policy discussions and development model opportunities, support a variety of community events and connection, and offer high-quality property management. CADA will work strategically in alignment with its founding agencies, the State of California and the City of Sacramento, and community partners to co-create the newest version of this thriving city.

### **Overview of the 2024-2029 Strategic Plan:**

This document works in congruence with the organization's Business Plan that details the projects and action steps within each of objectives and strategies below, and CADA's Annual Report that summarizes organizational accomplishments each year within each objective area.

CADA's 2024-2029 Strategic Plan focuses our attention to the fulfillment of our mission in the following ways:

- I. Ensure Fiscal Strength and Operational Excellence
- II. Deliver Community Development Leadership
- III. Provide Policy and Innovation Leadership
- IV. Be an Employer of Choice

**Vision Statement:** Through innovative partnerships and creative community development solutions, businesses and residents thrive.

**Mission Statement:** Build and maintain vibrant, sustainable, mixed-use neighborhoods that support California’s capital city.

**Tag Line:** CADA Cultivates Community

**Values:** The CADA team focuses on our priorities and on each other in the delivery of our mission.

1. **Accountability:** We live our ethics as innovative community development leaders, transparently working to achieve excellence in construction, property management, placemaking, and sustainability, while responsibly utilizing our resources.
2. **Customer Service:** We are committed to creating and managing quality spaces in which people live, work, and thrive. Our customer service is responsive and reliable for clients, partners, and co-workers.
3. **Teamwork:** We collaborate and demonstrate empathy, utilizing our diversity of talents and perspectives as our strength while supporting each other in our daily tasks and professional growth, making CADA an employer of choice.

**Sustainability Statement:**

It is our priority to create, renovate, and maintain residential and commercial buildings, streetscapes, and parks that contribute to a healthy, sustainable, affordable, and attractive Sacramento. It is our goal to reduce our carbon footprint and water usage and boost our resilience in the face of the mounting impacts of climate change and achieve a more equitable and sustainable future for our tenants, employees, and partners, implementing new technologies and innovation.

**Diversity, Equity and Inclusion (DEI) Statement:**

CADA is committed to advancing diversity, equity, and inclusion. We recognize the historical and complex circumstances of bias and inequity that have impacted many areas of society, including former employment and housing practices, throughout the country and within Sacramento. Through our policies, actions, and training that make us an employer of choice, and our community development projects and programs that provide commercial and housing opportunities, community spaces, and neighborhood activation, we work to further principles of diversity, equity, and inclusion.

We are committed to equity within our organization and commit to:

1. Increasing our organizational capacity to be an employer that leads in diversity, equity, inclusion, and belonging.
2. Communicating in ways that welcome community voices and authentic narratives.
3. Forging partnerships to enhance and promote efforts that result in equitable outcomes.
4. Aligning current resources with activities that further reduce inequities, either directly or indirectly.

**Definition of Key Performance Indicators (KPIs):** Quantifiable measurements that help gauge CADA’s performance towards the objectives of our strategic plan.

## **Objective I: Ensure Fiscal Strength and Operational Excellence**

Rationale: Maintaining a strong financial footing allows CADA the flexibility to initiate new development projects, increase neighborhood activation, attract and retain a high-quality team, and deliver on our mission imperatives.

### **Strategies**

- A. Further organizational efficiency while maintaining a high level of program delivery.
- B. Maximize existing sources of revenue in balance with CADA's mission and public policy objectives.
- C. Pursue new forms of revenue to support expansion of CADA's impact.

### **Key Performance Indicators**

- Cost and efficiency gains.
- Revenue including growth in new sources.
- Lower vacancy rates.
- Customer satisfaction, including internal and external customers.
- Improved working practices and coordination.

### **Activities and Timelines Tracked in Operational Business Plan**

1. Implement comprehensive software solutions that streamline work processes. (2024)
2. Coordinate staff onboarding and training to ensure full adoption of systems, processes, and values. (2024)
3. Implement digital communications and services for tenants that supports our commitment to diversity, inclusion, equity, and belonging. (2024)
4. Streamline turnover of vacant units and commercial spaces. (2024-2025)
5. Update policies and processes to streamline contracting and leasing practices. (2024-2025)
6. Pursue revenue within existing resident rental assistance and related programs. (2024)
7. Consider new grant funding opportunities. (2025)
8. Seek financial partnerships and creative fundraising that further CADA's mission. (2024-2029)

## **Objective II: Deliver Community Development Leadership**

Rationale: Our mission is fulfilled, and our vision is achieved by CADA taking a leadership role in construction, property management, environmental sustainability, and placemaking in Sacramento.

### **Strategies**

- A. Develop and collaborate on a variety of housing types and creative projects, including projects outside of CADA's project areas that: 1) align with State and City community development goals; 2) influence city priority corridors or areas; 3) present a unique opportunity for positive impact; 4) come with direct or in-kind support from a public, non-profit, or PBID partner; and/or 5) can be accommodated without negatively impacting other organizational priorities and commitments through the use of existing or expanded resources.
- B. Increase housing availability by reducing vacancies and expanding projects.
- C. Sequence Capital Improvement Projects (CIPs) and prioritize projects that are sustainable and functional for CADA's residential and commercial tenants.

- D. Demonstrate our commitment to environmentally sustainable practices that reduce CADA’s carbon footprint, reduce water consumptions, and increase our commercial and residential buildings’ resilience in the face of climate change impacts.
- E. Identify and fund placemaking artwork and events that activate, strengthen, and increase the attractiveness and livability of neighborhoods.

**Key Performance Indicators**

- Number of projects per year, locations and community benefits
- Type of projects and levels of affordability (tenure and income levels)
- Decreased timeline for unit turnovers and fewer units on maintenance holds
- Maintenance response time
- Sequence and completion of CIPs
- Tenant survey results
- Energy usage report card
- Contractor and supply chain miles
- Waste reduction and recycling rates
- Number of artwork and streetscape installations
- Number of sponsored/co-sponsored neighborhood and tenant events
- Neighborhood/tenant event attendance and experience
- Budget performance
- DEI commitment metrics

**Activities and Timelines Tracked in Operational Business Plan**

1. Seek opportunities for furthering ownership housing and housing serving a range of income levels to create diverse and inclusive neighborhoods. (2024-2029)
2. Reduce average residential unit turnover time by 50% and reduce Maintenance holds on units. (2024-2025)
3. Streamline move-out inspections and referrals to the Maintenance Department to speed up work orders and reduce repeat work in units to ready them for leasing. (2024)
4. Define an organizational ‘housing unit standard’ amongst Maintenance, Leasing, and Marketing teams to ensure consistency in unit inspections and sign-off for marketing and leasing units. (2024)
5. Streamline and plan vendor assignments to reduce wait time for outside contract work orders and materials. (2024-2025)
6. Implement a digital materials inventory tracking system. (2024-2025)
7. Conduct a comprehensive needs assessment of all CADA buildings to inform long term planning. (2024-2025)
8. Identify opportunities to bring more housing online that addresses local needs and engage in a minimum of two active development projects per year. (2024-2029)
9. Engage community partners in identifying development and placemaking opportunities. (2024-2029)
10. Establish and track plans for energy usage reduction in existing buildings and sustainable development in future projects. (2024-2029)
11. Replace use of bottled water with installed water systems (e.g., Maintenance Dept). (2024)
12. Reduce paper usage throughout organization. (2024-2029)
13. Institute Maintenance Department training in building heating, cooling, power generation, and lighting systems that support climate resiliency. (2024-2025)
14. Purchase, build out and occupy a new Maintenance Department warehouse and Maintenance/Asset Management office that strive to be zero net energy (ZNE). (2024-2027)

15. Seize opportunities to improve public spaces and/or incorporate events, public art, mini museums, and Sacramento’s culture and history into a neighborhood. (2024-2029)
16. Implement projects that further community development goals of small business incubation, community-building and education, placemaking activities, and neighborhood development. (2024-2029)

<b>Objective III: Provide Policy and Innovation Leadership</b>
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Rationale: CADA is well-positioned to be a leader in advocating for public housing policy and to advance innovative development projects and practices. We have the experienced staff, insightful Board of Directors, trusted reputation, and strong relationships necessary to lead, partner, and share information.

**Strategies**

- A. Influence public policy that advances CADA’s mission, particularly related to local and state housing policy conversations, with a commitment to providing a variety of housing types (tenure and affordability), removing barriers to housing development, preserving and expanding community development funding opportunities, and furthering innovative community development, placemaking, and events practices.
- B. Tell an effective story that communicates CADA’s community value on its own and in collaboration with local partners.

**Key Performance Indicators**

- Number of CADA project tours
- Summaries of local and state policy discussions and bills
- Number of development projects, streetscapes, art and events with funding partnerships
- Number or percentage of favorable policy measures passed/secured
- Amount of leveraged resources in community development projects
- Amount of new commercial/retail square footage
- Number of new housing units
- Increased number of partners / level of collaboration
- Increased public support of CADA initiatives
- Increased positive visibility of CADA (media, external content promotions, etc.)

**Activities and Timelines Tracked in Operational Business Plan**

1. Utilize the CADA newsletter, social media, and media outlets to communicate CADA’s work and delivery of mission, ensuring a variety of formats for access and inclusion. (2024-2029)
2. Manage CADA and CACDC brand through logo, website, and other outward facing materials. (2024-2025)
3. Develop materials around new projects, programs, and events that highlight CADA’s work and cultivate community. (2024-2029)
4. Develop educational materials for local and state audiences that communicate necessary information to inform policy and funding discussions and further innovative projects and partnerships. (2024-2029)
5. Author Annual Reports that highlight CADA’s organizational purpose and outcome delivery each year. (2024-2029)

## Objective IV: Be an Employer of Choice

Rationale: A culture of excellence and accountability requires investment in our people.

### Strategies

- A. Expand teamwork.
- B. Demonstrate a culture of accountability at all levels of the organization.
- C. Develop excellence in all team members, providing them the resources necessary to succeed.
- D. Offer competitive benefits and salary that attract and retain qualified individuals.
- E. Support long-term sustainability through leadership succession planning of the Board and organization.
- F. Nurture a strong organizational culture.
- G. Have fun and show employee appreciation.

### Key Performance Indicators

- Employee referrals
- Candidate engagement rates
- Turnover
- Cost per hire
- Employee “net promoter score”, a measurement of employee loyalty and satisfaction

### Activities and Timelines Tracked in Operational Business Plan

1. Implement Strategic Plan and accompanying employee recognition program and performance evaluation tools to further organizational culture and teamwork. (2024)
2. Offer regular trainings for staff and specialized training as needed to foster growth and accomplish organizational objectives. (2024-2029)
3. Identify opportunities for CADA staff cross-departmental collaboration and learning. (2024-2025)
4. Job share and cross-training for Maintenance and Leasing staff to help with needed back-up skills and succession planning. (2024-2025)
5. Staffing and space needs evaluation on an ongoing basis with staff turnover and shifts in office space locations to ensure appropriate resource distribution. (2024-2029)
6. Create staffing manuals for departments, as needed, to ensure consistency, coordination, and onboarding capacity. (2024-2025)
7. Develop a Board training binder to support new members and lessen the learning curve. (2025-2026)