

RESOLUTION NO. 2004-159

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
TO APPROVE THE AFFORDABLE HOUSING FEE WAIVERS FOR THE
CSAA PROJECT**

WHEREAS, the City of Elk Grove has established an Affordable Housing Fund, funded through the collection of an Affordable Housing Fee from all market rate residential development, for the purpose of providing housing units affordable to lower income households; and

WHEREAS, on January 7, 2004 the City Council of Elk Grove approved the CSAA Master Plan with the requirement that the project applicant, William Lyon Homes, Inc. (Lyon Homes) provide 20 percent of the project's 255 units as affordable units, with five percent restricted to low income households and 15 percent restricted to moderate income households; and

WHEREAS, Lyon Homes has requested that the Affordable Housing Fee be waived for its 255-unit project as the project will be providing an affordable component; and

WHEREAS, thirteen of the affordable units provided by Lyon Homes will be provided to lower income households consistent with the purposes of the Affordable Housing Fund; and

WHEREAS, the waiver of the Affordable Housing Fee is not a "project" subject to the California Environmental Quality Act because it is a funding mechanism having no physical effect on the environment.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ELK GROVE:

1. The City of Elk Grove shall waive up to \$664,323 in Affordable Housing Fees for the 255 residential units in Lyon Homes' CSAA Master Plan project.
2. The City Manager is authorized to prepare and execute any and all documents required for the making of the Funding Commitment (including without limitation the documents necessary for the use of the allocated funds and the documents necessary to make, reasonably administer, and enforce the affordability requirements of the Funding Commitment, such as a Regulatory Agreement; provided however that the Funding Commitment and other agreements shall be made in accordance with all applicable law, regulations, and policies regarding the making of the loan and use of the allocated funds.

3. The City Manager is authorized to make technical amendments to said agreements and documents when such amendments are in accordance with the Funding Commitment, with City policy, with this resolution, and good legal practices for the making of such a loan.
4. The Funding Commitment is contingent upon Lyon Homes entering into a Regulatory Agreement with the City that requires, at a minimum, the following:
 - a. Lyon Homes shall restrict the sales prices of the 13 low income units and 38 moderate income units to prices that do not exceed the maximum sales prices identified below:

Unit Size	Low Income	Moderate Income
Three Bedroom	\$174,930	\$241,440
Four Bedroom	\$188,025	\$259,342


¹Affordable sales prices are based on a 6.0%, 30-year mortgage, property tax rate of 1%, \$5,000 downpayment, and annual insurance, homeowner association, and assessment costs of \$550.

- b. Lyon Homes shall cause to be recorded a security instrument acceptable to the City's Planning Director against each affordable unit restricting the resale of the affordable unit to a low income household, or moderate income household if the unit was sold at the moderate level, at an affordable price. The instrument shall also contain provisions requiring, in the event that the unit converts to market rate if no low or moderate income household is available to purchase the unit, a fee be paid into the Affordable Housing Fund commensurate with the difference between the market rate price and affordable price.

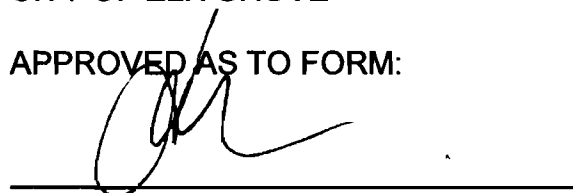
PASSED AND ADOPTED by the City council of the City of Elk Grove on this 21st day of July 2004.


 SOPHIA SCHERMAN, MAYOR OF THE
 CITY OF ELK GROVE

ATTEST:


 PEGGY E. JACKSON, CITY CLERK

APPROVED AS TO FORM:


 ANTHONY B. MANZANETTI,
 CITY ATTORNEY

CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2004-159

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)

I, Peggy E. Jackson, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on the 21st day of July 2004 by the following vote:


AYES 5: COUNCILMEMBERS: Scherman, Soares, Briggs, Cooper, Leary

NOES 0: COUNCILMEMBERS:

ABSTAIN 0: COUNCILMEMBERS:

ABSENT 0: COUNCILMEMBERS:





Peggy E. Jackson, City Clerk
City of Elk Grove, California