

Granite Construction Company Affordable Housing Strategy for District 2 of the West Jackson Highway Master Plan

Proposed Project / Master Plan

Granite Construction Company is the owner (“Developer”) of a portion of that real property in the County of Sacramento (“County”) referred to as the West Jackson Highway Master Plan (“WJHMP”). Developer proposes to potentially develop up to 1,203± acres of District 2 in the 5,913± acre WJHMP (“Development Project”), as shown on **Figure 1**, consisting of a broad mix of residential, commercial, employment, industrial and open space land uses on properties that either formerly or currently support surface mining and construction materials land uses.

The WJHMP is located adjacent to the eastern limits of the City of Sacramento and the southern boundary of Mather Airport, in unincorporated Sacramento County. The WJHMP boundaries are generally Jackson Highway (State Highway 16), Kiefer Boulevard, and Goethe Road to the north; portions of Elder Creek Road and Florin Road to the south; the City of Sacramento to the west; and Excelsior Road to the east.

The residential portion of the Development Project consists of the following unit mix:

Land Use	Acres	Target Density (DU / acre)	Dwelling Units
LDR	124.7	5.0	623
HDR	7.0	30.0	210
MU	16.4	30.0	295*
	148.1		1,128

* For Mixed Use (MU), dwelling unit count is based on 60% of gross acreage.

Affordable Housing Policy

On February 25, 2014, the Sacramento County Board of Supervisors (“Board”) repealed the existing Chapter 22.35 of Title 22 of the Sacramento County Code known as the County’s Affordable Housing Ordinance (“Repealed Ordinance”) and adopted a revised Ordinance (“Ordinance”). The Ordinance requires new residential developments contain housing opportunities to households of low, very low and extremely low-income through a standard affordable housing fee accessible to all and also provides a variety of other options an applicant/developer may choose to satisfy a development project’s affordable housing obligations.

To ensure compliance with the Ordinance, the Sacramento Housing and Redevelopment Agency (“SHRA”), in consultation with the County Director of Community Development, prepared the Affordable Housing Program Guidelines (“Guidelines”). The Guidelines were approved by the Board on June 9, 2015 to aid applicants, landowners, developers, homebuyers, and others in understanding and complying with the Ordinance. Section 22.35.030 of the Ordinance allows the Developer to meet their affordable housing obligation by paying the affordability fee on newly constructed market rate units at the time building permits for their projects are paid, complying with the development project’s approved affordable housing plan, if one exists, or entering into a development agreement or other form of agreement with the County, which provides for a fee credit for land dedication, construction of affordable housing units, or other mechanism which leads to the production of affordable housing in an amount at least equivalent to the affordability fee established by Section 22.35.050(A) of the Ordinance.

Pursuant to Section 22.35.030 (A)(3) of the Guidelines, development projects that opt to enter into a development agreement must submit an Affordable Housing Strategy (“Strategy”) as part of the Development Agreement (“DA”).

Section 22.35.030(A)(3) of the Guidelines sets forth the required information to be included in this Strategy. All future approvals for the Development Project shall be consistent with this Strategy (as supplemented and amended from time to time).

Affordability Fee

The Developer proposes to meet its affordable housing obligation by paying the applicable affordability fee at the time of development. Based on input from SHRA, the applicable fee at the time of preparation of this Strategy is:

1,128 units at 2,150 square feet/unit = **\$8,876,232**

$(1,128 \times 2,150 \times \$3.66^1 = \$8,876,232)$.

Land Suitability Findings

Pursuant to Section 22.35.030(A)(3) of the Ordinance, the Developer may dedicate land to comply with the affordable housing obligation, where the site is approved and accepted by the County and SHRA and consistent with the guidelines prepared pursuant to Section 22.35.100. In order for land to be deemed suitable for dedication by the County and SHRA, the land obligation of the Development Project plus the additional land proposed to be donated must be, at a minimum, four net buildable acres. The amount of land dedicated shall be based on the number of affordable units required when utilizing the construction option as outlined in section 22.35.030(A)(3)(b)1 of the Guidelines.

¹ Fee as of March 1, 2024 is \$3.66/habitable square foot of each market rate unit. Fee will be adjusted annually.

At this time, the Developer is not proposing to meet its affordable housing obligation through land dedication. Instead, the Developer proposes to comply with its affordable housing obligation by fee payment, as allowed by the Ordinance and set forth in the calculations presented above. However, Developer reserves the right to coordinate with the County and SHRA to update this strategy to allow for a combination of fee payment and land dedication option in the future, subject to making the necessary findings.

If Developer elects to pursue land dedication as an option in the future, then by way of example, using current fees and subsidies, the anticipated land dedication requirement would be calculated as follows:

Valuation of Multifamily Constructed Units:

Assuming Average Public Subsidy/Unit = \$88,496 per unit, **101 affordable housing units** would need to be constructed to equal the affordability fees ($\$8,876,232 / \$88,496 = 101$ units).

Land Dedication Equivalency:

Total amount of land to be dedicated would be calculated by dividing the number of affordable units to be constructed by 20. Therefore, **5.05 acres** would need to be dedicated to satisfy the affordable housing requirement ($101 \text{ units} / 20 \text{ units/acre} = 5.05$ acres).

If land value < \$8,876,232, then the Developer would need to pay the difference between the affordability fee and the land value via fee, constructing affordable units, or some other agreed upon equivalent option. If the land value is > \$8,876,232, then no further payment would be required.

Developer Acknowledgement

I attest that I have prepared this Affordable Housing Strategy to comply with the affordable housing requirements of Chapter 22.35 of the County Code and that all information provided is accurate and complete to the best of my knowledge.

Granite Construction Company

Signed by:

Brian R. Dowd

By: Brian R. Dowd

Its: Sr. Vice President

6/24/2025

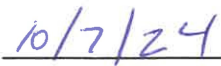
Date

Sacramento Housing & Redevelopment Agency

SHRA has reviewed and finds this Strategy to be complete and acceptable under the Ordinance.

A handwritten signature in blue ink, appearing to read 'Christine Weichert', is written over a horizontal line.

By: Christine Weichert
Its: Director

A handwritten date '10/7/24' in blue ink is written over a horizontal line.

Date