



February 4, 1998



APPROVED
BY THE CITY COUNCIL

FEB 17 1998

OFFICE OF THE
CITY CLERK

City Council
Sacramento, California

Honorable Members in Session

SUBJECT ALLOCATION OF NORTH SACRAMENTO TAX INCREMENT REVENUE TO THE
COMMERCIAL LOAN PROGRAM AND EXTERIOR REBATE PROGRAM.

COUNCIL DISTRICT District 2

RECOMMENDATION

Staff recommends approval of the attached resolution which authorizes the Sacramento Housing and Redevelopment Agency to:

- Amend the 1998 Agency budget by transferring \$120,982 from the North Sacramento Developer Assistance Project to the Commercial Loan Program and Exterior Rebate Program.

CONTACT PERSON John Dangberg, Director of Community Development, 440-1357

COUNCIL MEETING OF February 17, 1998

SUMMARY

This report recommends the Agency amend the 1998 Agency budgets to transfer \$120,982 from the North Sacramento Developer Assistance Fund to the Commercial Loan Program and Exterior Rebate Program.

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PAC ACTION

At its January 23, 1998 meeting, the North Sacramento Project Area Committee Economic Development Subcommittee recommended approval of the attached resolutions. The votes were as follows:

AYES: 8
NOES: 0

COMMISSION ACTION

At its meeting of February 4, 1998, the Sacramento Housing and Redevelopment Commission recommended approval of the attached resolution. The votes were as follows:

AYES: Castello, Cespedes, Dobbins, Hoag, Newsome, Rotz, Simon, Harland
NOES: None NOT PRESENT TO VOTE: Amundson, Holloway, Taylor
ABSTENTION: None
ABSENT: None

BACKGROUND

The North Sacramento Redevelopment Plan was adopted June 30, 1992, and the North Sacramento Implementation Plan adopted on November 22, 1994. The plans indicate that for the first five years of the redevelopment program there would be little tax increment revenue generated. This was in fact the case for the North Sacramento Redevelopment Area. However, as of December 31, 1997, there is \$120,982 available in the North Sacramento Developer Assistance Fund. This report recommends that the Agency amend its 1998 budget to allow for the use of those tax increment revenues under the existing Commercial Loan Program and Exterior Rebate Program approved May 21, 1997.

Commercial Loan Program

This program was established in 1984 to loan funds to property owners and tenants for property acquisition and rehabilitation or new construction of commercial properties in targeted areas of the City and County of Sacramento. The program allows an eligible applicant who meets underwriting criteria to borrow a maximum of \$250,000. Since the North Sacramento Redevelopment Plan was adopted in 1992, eight commercial loans have been funded by the program.

Notably, commercial loans were provided to important revitalization projects such as the Musician's Union acquisition and rehabilitation of 1925 Del Paso Boulevard, Design Mart's rehabilitation of an obsolete grocery store building, and The Building on the Boulevard at 1616 Del Paso Boulevard, which houses the Michael Himovitz Gallery, Port/e Roughe Brasserie Francaise, Omega Creations, and Actors Workshop Theater.

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A total of \$1.6 million of Community Development Block Grant (CDBG) funds have been invested, leveraging at least another \$1.5 million in private investment. The business community's interest in the program and the Agency's ability to identify new projects has not slowed. Staff anticipates on-going need for this program and recommends that in addition to the on-going use of CDBG funds, that \$120,982 of North Sacramento tax increment revenue be allocated to the Commercial Loan Program and Exterior Rebate Program for use within the North Sacramento Redevelopment Area.

Exterior Rebate Program

This program offers up to \$65,000 as a rebate to property owners and tenants for eligible improvements made to the exterior of buildings in targeted areas of the City and County of Sacramento. Since 1992, 26 rebates have been provided in the North Sacramento Redevelopment Area. A total of \$253,000 of CDBG funds have been invested, leveraging at least \$321,000 in private investment. The Exterior Rebate Program is still a central part of the Agency's revitalization efforts in North Sacramento. Staff anticipates strong on-going interest in this program and recommends that in addition to the on-going use of CDBG funds that \$120,982 of North Sacramento tax increment revenue be allocated to the Commercial Loan Program and Exterior Rebate Program for use in the North Sacramento Redevelopment Area.

FINANCIAL CONSIDERATIONS

Amend the Agency budget to transfer \$120,982 from the North Sacramento Developer Assistance Project to the Commercial Loan Program and Exterior Rebate Program.

POLICY CONSIDERATIONS

The action recommended in this report is consistent with the North Sacramento Redevelopment Plan adopted June 30, 1992, and the North Sacramento Implementation Plan adopted on November 22, 1994. No policy changes are recommended.

ENVIRONMENTAL REVIEW

The proposed action does not constitute a project under CEQA pursuant to CEQA Guidelines Section 15378 (b) (3), nor a federal undertaking under NEPA.

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M/WBE REVIEW

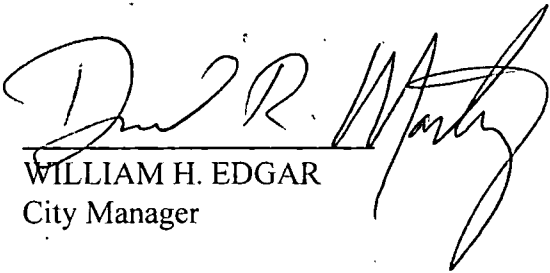
The Agency's M/WBE policy will be followed for all construction related activities on federally funded projects.

Respectfully submitted by,



ANNE M. MOORE
Acting Executive Director

Transmittal approved by:



WILLIAM H. EDGAR
City Manager

for:

APPROVED
BY THE CITY COUNCIL

FEB 17 1998

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 98-048

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**ALLOCATION OF NORTH SACRAMENTO TAX INCREMENT
REVENUE FOR EXISTING COMMERCIAL LOAN PROGRAM
AND EXTERIOR REBATE PROGRAM**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
SACRAMENTO:

Section 1. The budget of the Redevelopment Agency of the City of Sacramento is amended to transfer \$120,982 in funds from the North Sacramento Developer Assistance Fund to the Commercial Loan Program and Exterior Rebate Program.

Section 2. The Sacramento Housing and Redevelopment Commission is authorized to make technical changes to the guidelines of the Commercial Loan Program and Exterior Rebate Program consistent with the adopted program as may be necessary to conform to funding requirements.

MAYOR

ATTEST:

CITY CLERK

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____