

RESOLUTION NO. 2011-003

Adopted by the Redevelopment Agency
of the City of Sacramento

February 8, 2011

AUTHORIZING ACQUISITION OF PROPERTY AT 5266 YOUNG STREET FOR JUST COMPENSATION; AMENDMENT OF 2010 AGENCY BUDGET; APPROVAL OF REPLACEMENT HOUSING PLAN

BACKGROUND

- A. The proposed project to acquire property at 5266 Young Street supports the Stockton Boulevard Five-Year Implementation Plan, specifically the strategies to Strengthen the Residential Neighborhoods and Attract High Quality Design and Development on Obsolete Motel and Key Catalyst Sites along the Boulevard. The proposed project is consistent with the Stockton/Broadway Urban Design Plan and the Broadway/Stockton Special Planning District and it also supports the objectives of the County's General Plan Economic Development Element by creating a catalyst site for commercial corridor redevelopment to improve community quality of life, balance land uses, and increase the tax base.
- B. Acquisition of the property as described herein is in furtherance of the Stockton Boulevard Redevelopment Plan. The proposed action of demolishing and removing a multi-family structure not more than six units and no more than three single-family units is exempt from CEQA pursuant to CEQA Guidelines section 15301 (I). The Replacement Housing Plan consists of an administrative action designating units within a previously approved low-income housing development to replace the low-income units lost by demolition of the structure at 5266 Young Street. The purchase of the properties and funding of an Environmental Site Assessment are also administrative actions associated with the demolition project. As such, these actions do not constitute a separate project under CEQA Guidelines Section 15378, and do not require further environmental review. Therefore, the entirety of the proposed action is exempt from further CEQA review.
- C. The Stockton Boulevard Redevelopment Advisory Committee recommends defunding \$140,000 from the 5700 Stockton Boulevard Acquisition project and allocating those funds to the budget for the acquisition of 5266 Young Street
- D. The Agency has prepared a Replacement Housing Plan for replacement of two lost housing units, a copy of which is attached as Exhibit A.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY RESOLVES AS FOLLOWS:

- Section 1. After due consideration of the evidence presented, the findings, including the environmental findings regarding this action as stated above, are approved.
- Section 2. The Executive Director, or designee, is authorized to take all actions as may be reasonably necessary to purchase the following parcels ("Property") including real and personal property, for not substantially more than just compensation, as established by the appraisal of a duly qualified appraiser:
- 5266 Young Street (APN: 026-0073-004-0000)**
- Section 3. The Executive Director, or designee, is authorized to amend the Agency budget by allocating \$140,000 to the 5266 Young Street Acquisition Project and carrying out all related actions, and defunding \$140,000 from 5700 Stockton Boulevard Acquisition Project
- Section 4. The Executive Director, or designee, is authorized to purchase the Property and carry out all actions reasonably necessary to accomplish the purchase and maintenance of the real and personal Property, including demolition, security, site maintenance, environmental site assessment, remediation as necessary, and property management.
- Section 5. The Replacement Housing Plan is approved and adopted.

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Exhibit A: Replacement Housing Plan – 3 Pages

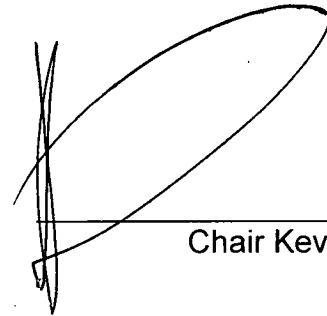
Adopted by the Redevelopment Agency of the City of Sacramento on February 8, 2011 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, McCarty, Pannell, Schenirer, Sheedy, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: None.

A handwritten signature in black ink, consisting of a large, stylized loop on the right side and a vertical line on the left side, crossing the loop.

Chair Kevin Johnson

Attest:

A handwritten signature in black ink, written in a cursive style, appearing to read "Shirley Concolino".
Shirley Concolino, Secretary

5266 Young Street

Replacement Housing Plan for Very-Low Income Dwelling Units

Description of Property

The 5266 Young Street Demolition and Replacement Housing Plan includes two one-bedroom units located at 5266 Young Street. The Redevelopment Agency of the City of Sacramento is seeking authority to enter into negotiations for the property located at 5266 Young Street.

Young Street between Stockton Boulevard and Nina Way is plagued with vacant and underutilized properties, foreclosures and heightened police and code enforcement activity. As a result, the Agency has committed significant redevelopment resources on Young Street and the immediate vicinity over the last several years. The acquisition of 5266 Young Street continues the Agency's most recent efforts, which include the purchase of an obsolete motel and home/trailer park located at 5700 Stockton Boulevard, an adjacent vacant parcel at 5716 Stockton Boulevard, four properties at 5270, 5300, 5320 and 5340 Young Street creating the Stockton Boulevard Opportunity Site. Upon demolition of 5266 Young Street, this property will be included as part of this larger redevelopment initiative.

Project Status

The Agency is seeking purchase authority for 5266 Young Street from the City Council on February 8, 2011.

Responsibility of Agency

California statutes require redevelopment agencies to replace low and moderate-income housing lost to residential use if that action involved either a development agreement or financing by the Agency. The specific provision of the California Health and Safety Code (Sec. 33413) is as follows:

"Whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low- and moderate-income housing market as a part of a redevelopment project which is subject to a written agreement with the Agency or where financial assistance has been provided by the Agency, the Agency shall, within four years of the destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed; for rental or sale to person and families of low or moderate income, an equal number of replacement dwelling units which have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the territorial jurisdiction of the Agency. When dwelling units are destroyed or removed after September 1, 1989, 75 percent of the replacement

dwelling units shall replace dwelling units available at affordable housing cost in the same income level of very low income households, lower income households, and persons and families of low and moderate income, as the persons displaced from those destroyed or removed units. When dwelling units are destroyed or removed on or after January 1, 2002, 100 percent of the replacement dwelling units shall be available at affordable housing cost to persons in the same or a lower income category (low, very low, or moderate), as the persons displaced from those destroyed or removed units.”

Replacement Housing Needs

State Guidelines

Because the proposed acquisition and demolition of the duplex at 5266 Young Street would involve the participation of the Redevelopment Agency, the project is subject to state replacement housing law, California Health and Safety Code 33413. Under state law, if a unit was occupied by a very low or low income family (regardless of actual housing costs), and taken off line through demolition or other actions, that unit must be replaced at the same income level, and must be regulated at that affordability level for the longest feasible time as determined by the Agency but for not less than the period of the land use controls established in the Redevelopment Plan. State law requires that replacement units be created within four years of removal or destruction.

The affordability level, type and number of units/bedrooms required to be replaced are outlined below:

Address	Owner Occupied	Rental	Total Bedrooms	Units	Very Low Income	Low Income
5266 Young Street	no	yes	2	2	2	0
Totals			2	2	2	0

Replacement Dwelling Units

The Agency will replace the two one-bedroom units with comparable very low income units as part of La Valentina project. Each unit will be replaced at a level affordable to very low-income households. These apartments will be located on 429 12th Street in City Council District 2.

All replacement units are located outside the Stockton Boulevard Redevelopment Project Area. At this time the Stockton Boulevard area has an abundance of very low income housing, therefore, the two one-bedroom units will be replaced at a one for one ratio as previously cited.

All replacement units will have recorded affordability restrictions attached and will run for not less than 55 years. By the end of year four (2014) all units demolished will have been replaced.

Schedule for Demolition

The duplex at 5266 Young Street is anticipated to be demolished by June 2011.