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OFFICE OF THE  
CITY MANAGER

CITY OF SACRAMENTO  
CALIFORNIA

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SACRAMENTO, CA  
95814-2684

916-449-5704

September 24, 1990

Joint Budget and Finance  
Transportation and Community Development Committee  
Sacramento, CA

Honorable Members in Session:

**SUBJECT: REPORT BACK ON POSSIBILITY OF ADDING TWO  
ADDITIONAL MEMBERS TO THE CAPITOL AREA  
DEVELOPMENT AUTHORITY GOVERNING BOARD**

**SUMMARY**

At the September 11, 1990 City Council meeting, under Ideas and Questions from City Council, Councilmember Lyla Ferris asked the City Manager's Office to look into the possibility of adding two additional members to the Capitol Area Development Authority Governing Board. It was also requested that information be provided on the relationship between the Capital Area Development Authority and the Sacramento Housing and Redevelopment Agency.

**BACKGROUND**

According to the Joint Exercise of Powers Agreement developed by attorneys for the City of Sacramento and the State of California, the following are the key elements pertaining to the Governing Board:

**CADA GOVERNING BOARD**

Five members, two appointed by the City of Sacramento; two appointed by the State Department of General Services; and one appointed by the other four. The Chairman will be selected from the two State appointees. Members of the Board will serve four-year staggered terms at the pleasure of the respective appointing authorities. The member appointed by the Board may be removed by the Board.

## CADA MISSION

By creating a Joint Powers Authority known as the Capitol Area Development Authority, the City of Sacramento and the State of California created an entity to carry out the recommendations of the Capitol Area Plan as it relates to non-State government facilities within the capitol area, particularly housing and parking. The City is to incur no costs.

The Capitol Area Plan, as completed and adopted by the State, the City Planning Commission, and the City Council, called for the establishment of an agency to serve as "master developer" of the Capitol Area to coordinate the implementation efforts of the City and State governments, to manage State owned commercial and residential properties, and to construct parking garages.

CADA's core area is bounded on the north by L Street, on the south by R Street, on the west by S Street at 5th Street, and to the east by 17th Street.

## CADA RELATIONSHIP TO THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Attached is a memorandum from Sacramento Housing and Redevelopment Agency Executive Director Bob Smith which outlines the relationship between SHRA and CADA.

## FINANCIAL DATA

There have been no costs related to the City's participation in the Capitol Area Development Authority. If the Governing Board is increased by two members, no costs to the City of Sacramento would be anticipated by this action.

## POLICY CONSIDERATION

Current City policy as embodied in the Joint Exercise of Powers Agreement forming the Capitol Area Development Authority calls for a five member Governing Board. The addition of two members to the Governing Board would amend current policy.

## MBE/WBE EFFORTS

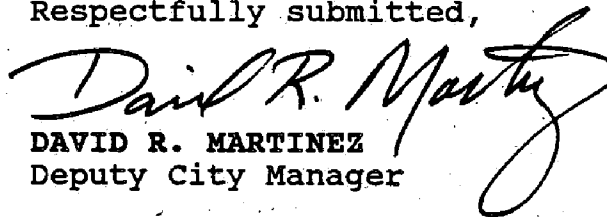
MBE/WBE provisions are not applicable to this item.

## RECOMMENDATION

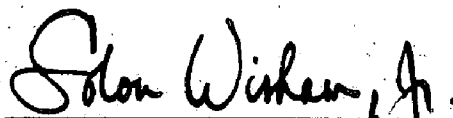
Staff believes that it is possible to amend the Joint Exercise of Powers Agreement (with the consent of the State) to add two additional members to the Capitol Area Development Authority Governing Board other organizational arrangements might also be considered.

action and forward the recommendation to the full City Council for action.

Respectfully submitted,

  
DAVID R. MARTINEZ  
Deputy City Manager

Recommendation Approved:



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Solon Wisham, Jr.  
Assistant City Manager

Contact Person: David R. Martinez, Deputy City Manager  
449-5704

October 2, 1990  
All Districts

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

## MEMORANDUM

September 26, 1990

TO: David Martinez, Assistant City Manager

FROM: Bob Smith, Executive Director

SUBJECT: Outline of Sacramento Housing and Redevelopment Agency (SHRA)  
Relationship with and to the Capitol Area Development Authority (CADA)

Pursuant to your request, I have prepared the following information relative to SHRA and CADA.

Currently, there are a number of areas in which SHRA relates to or may be compared with CADA. These can be categorized, for the sake of discussion, into the following groupings:

- A) Similarities in Functional Charge
  - B) Legal/Administrative/Organizational Comparisons
  - C) Geographical Layout
  - D) Role in Downtown Planning
  - E) Financial Relationships
- 1). Functionally, CADA and SHRA have very similar charges in that both organizations have housing development, housing management and redevelopment functions.

CADA, as manager of housing units on state (and CADA) owned property within their area of jurisdiction (see map and lists - attached), fulfills a *housing authority like* role in that area. Unlike SHRA, however, its units are not "public housing" in the sense of housing developed and operated under the federal "public housing" program. In CADA's case, no federal public housing operating subsidies are tied to the units. Rather, CADA attempts to maximize affordability by employing an income mix within their projects whereby market rate units subsidize low-income units. CADA is mandated by the Capitol Area Plan, its governing document, to provide 20-25% low income units within the projects it develops or rehabilitates. Additionally,

CADA is required to maintain a minimum of 176 low-income housing units which existed at the time CADA was established. In some instances, Section 8 (federal) rent subsidies may be employed. (Thirty-three Section 8 certificate recipients currently reside in CADA units.)

CADA has participated in numerous privately developed housing projects as well. This role is very similar to the one SHRA has played in many of its public/private housing partnerships.

All told, CADA is landlord for approximately 750  $\pm$  units while SHRA owns around 3,500  $\pm$  and administers Section 8 contracts on another 5,000  $\pm$ .

CADA and SHRA also have functional similarities on the redevelopment side. Both receive tax increment funds from growth of property taxes within their areas. SHRA is much more heavily involved in commercial/office development than CADA, however, CADA does some commercial/office development as well. (For example, the Capitol Athletic Club and restaurant is a CADA project.) Nevertheless, much of CADA's tax increment funding is used to subsidize their housing developments. For example, maintenance of the pre-existing low-income units costs \$300,000 $\pm$  annually. As noted above, CADA has developed housing itself and worked with private developers to develop housing. A summary of CADA's projects is attached. A similar list of Agency projects is available but is very lengthy and probably beyond the scope of this memorandum.

2). **Legal/Administrative/Organizational Issues**

Legally, CADA is established as a Joint Powers Authority between the City of Sacramento and the State of California. The governing board is a five member board, two of whom are appointed by the City, two by the State, and one by the other four. CADA is authorized by Government Code Section 8182 to act as both a redevelopment agency and as a housing authority. Currently, the Board members are: Richard Rathfon, Chairman (State); Raymond Kwong (Board Appointee); David McMurtry (City); Brian Van Kamp (State); and Harold Thomas (City).

The scope of SHRA operations encompasses those which CADA typically performs in its area. CADA's development and management functions are organized beneath a single Executive Director, just as with SHRA except that SHRA also has a substantial social services component which it administers.

As you know, SHRA is a combination of four legal entities: The City Housing Authority, City Redevelopment Agency, County Housing Authority, and County Redevelopment Agency. The City Council and Board of Supervisors serve as governing boards on matters under their respective jurisdiction. An eleven member advisory Commission oversees the joint operations. There are many similarities between the function of the Commission, our Boards, and the CADA Board. A similar joint powers agreement or shared commission appointments would certainly be feasible should SHRA increase its involvement with the state or other jurisdictions such as newly incorporating cities.

3). **Geographical Layout**

CADA's geographical area is contiguous with the Downtown Redevelopment Area in many places. (See attached map).

4). **Role in Downtown Planning**

From a planning perspective, CADA and SHRA share many common interests. CADA has participated in the Housing Finance Tax Force, the "R" Street Corridor Committee and figures to be an important player in the formulation of the Downtown Housing Strategy currently being developed jointly by the Agency and City Planning Department. Both agencies are interested in furthering housing development in Downtown. CADA's jurisdiction, however, includes proportionately more suitable housing development area than SHRA's Downtown Redevelopment Project Area, which is heavily commercial. SHRA conversly has more financial capability to implement housing objectives than CADA.

5) **Financial Relationships**

SHRA has participated financially in several CADA projects over the years. A list is attached.

If I may be of further assistance, please let me know

# SHRA/CADA PROJECT AREAS

SHRA Downtown Project Area

CADA Project Area

1

Scale in Feet

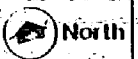


EXHIBIT  
CAPITOL AREA DEVELOPMENT AUTHORITY PROJECTS 6/

| SITE | ACTIVITY  | STATUS  |
|------|---|---|
| 1    | Capitol Commons<br>92 Condominiums  | Pending Resolution of Governor's Mansion/Legislative Office Building issue.   |
| 2    | Somerset Parkside<br>75 Condominiums<br>26 Apartments<br>5,200 square feet of<br>commercial space | Condominiums sold and apartments occupied. Apartments funded by Housing and Community Development loan. Commercial space purchased by CADA with private financing 1984. Tenant improvements include bagel shop, laundromat, florist, restaurant and croissant shop. |
| 3    | 43 multifamily units<br>on top of State office<br>building  | Cancelled; alternate site allocated, see 19C/15B.   |
| 1A   | Commercial/Hotel  | 150 unit Sheraton Hotel with ground floor commercial space proposed.  |
| 1B   | Saratoga<br>36 Townhomes  | Completed.  |
| 1C   | Restaurant  | Completed, 1985 -- The Club Restaurant.   |
| 1D   | Raquetball/Health Club  | Completed, 1985 -- The Capitol Athletic Club.   |
|      | 17th Street Commons<br>25 cooperative townhomes<br>and commercial space                           | Completed, 1984.  |
| A    | Brannan Court<br>40 Apartment Units   | Completed, 1988.  |
| B    | Biele Place<br>35 Units for the Elderly   | Completed, May 1984.  |
| A    | Development Site  | Future development site.  |



| SITE  | ACTIVITY  | STATUS  |
|-------|---|---|
| 7B    | 14th and Q Streets<br>9 apartment units                                 | Historic Row, completed 1984.   |
| 7C    | Development Site  | Future development site.  |
| 8A    | Von Stohl Manor<br>4 units  | Victorian building will be moved to a Sacramento Housing and Redevelopment Area site outside the Capitol Area.  |
| 8B    | Single Family   | Completed, 1988. Rehabilitation conversion to 3 apartments.   |
| 8C    | Residential Infill  | Developer selected for 60-unit 80% elderly/20% low income apartments. Construction to begin Spring 1989.  |
| 9     | 16 units (Manager's<br>apartment unit, plus<br>15 rooms)                | Completed in 1982. Development by CADA with equity participation by Sacramento Housing and Redevelopment Agency, community development grant funds and below mark interest rate construction loans from savings loan association, SHRA, and from builder. |
| 10    | Future residential<br>development                                       | Pending   |
| 11    | Now State Office Site 4   | Exchanged for increased size of Site 17.  |
| 12    | Future residential<br>development                                       | Pending   |
| 13    | Exchanged for increased size<br>of Sites 15 and 19.                     | Scheduled for future development.   |
| 14A   | 12 apartment units  | Relocated from 1020 P Street. Completed and occupied in early 1983.   |
| 14B,C | Future development site   | Must be purchased from Department of Veteran's Affairs.   |
| 15A   | Greentree Commons<br>18 units, 3,000 square<br>feet of commercial space | Purchased by CADA in 1986 and converted from condominiums to apartments.  |

## ACTIVITY

## STATUS

Stanford Park, 16  
townhouse condominiums

Completed, 1986.

Admail Express, Inc.  
7 apartments, 3,000 square  
feet commercial

Completed, 1984.

Admail Express, Phase II  
9 apartments, 4,500 square  
feet commercial

Project will be readvertised Spring, 1989..

Future residential  
development

Pending.

B,C Development Sites

Delayed for development, pending garage program. Currently used for parking.

B Rehabilitation of  
14 apartment units.

Developed by CADA using Department of Housing and Community Development low interest loan (SB 966 financing) and matching funds from savings and loan association; construction completed.

Stanford Park  
34 condominium units

Completed, 1986. Recipient of Pacific Coast Builder's Conference Gold Nugget Award, 1988. Includes 3,000 square feet of commercial space.

Now garage site

Site exchanged for increased size of Site 18.

New residential project  
mid-rise at 14th and N.

Project being readvertised, Spring, 1989.

Major rehabilitation  
of 16 apartment units.

Completed, 1980.

Major rehabilitation  
of 42 apartment units,  
"Park Mansion".

Completed, 1980.

| SITE | ACTIVITY   | STATUS           |
|------|--|------------------|
| 24   | Major rehabilitation of 12 apartment units, "The Lombard".                             | Completed, 1980. |
| 25   | Major rehabilitation of 8 apartment units.   | Completed, 1980. |
| 26   | Major rehabilitation of 2 apartment units with ground floor market.                    | Completed, 1979. |
| 27   | Major rehabilitation of 5 apartment units "The Victorians".                            | Completed, 1980. |
| 28   | OB2000, 1001 P Street, temporary structure demolished. Business moved to Site 2.       | Completed, 1985. |
| 29   | Major rehabilitation and adaptive reuse of 26 alternative living units, "The Elmwood". | Completed, 1979. |
| 30   | New "Pocket Park"  | Completed, 1982. |
| 31   | Golden 1 Credit Union modular teller facility.   | Completed, 1984. |
| 32   | Existing commercial space. Future development site.                                    | Unscheduled.     |
| 33   | Minor rehabilitation   | Completed, 1979. |
| 34   | Rehabilitation - new roof  | Completed, 1980. |
| 35   | Rehabilitation - new roof  | Completed, 1980. |

ACTIVITY

STATUS

Street Light Program for  
Capitol Area

Completed, 1982. (CADA and Capitol Park Renter's Fund)

Relocation of hazardous  
structure (1979). Miscel-  
laneous exterior painting  
roof replacement and re-  
pair of several existing  
buildings (1984).

Completed

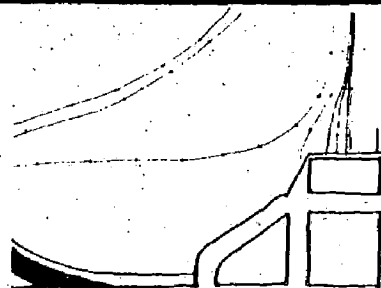
Relocation of 1509-  
11 - 16th Street for  
Rehabilitation in Alkali  
Flat.

Completed

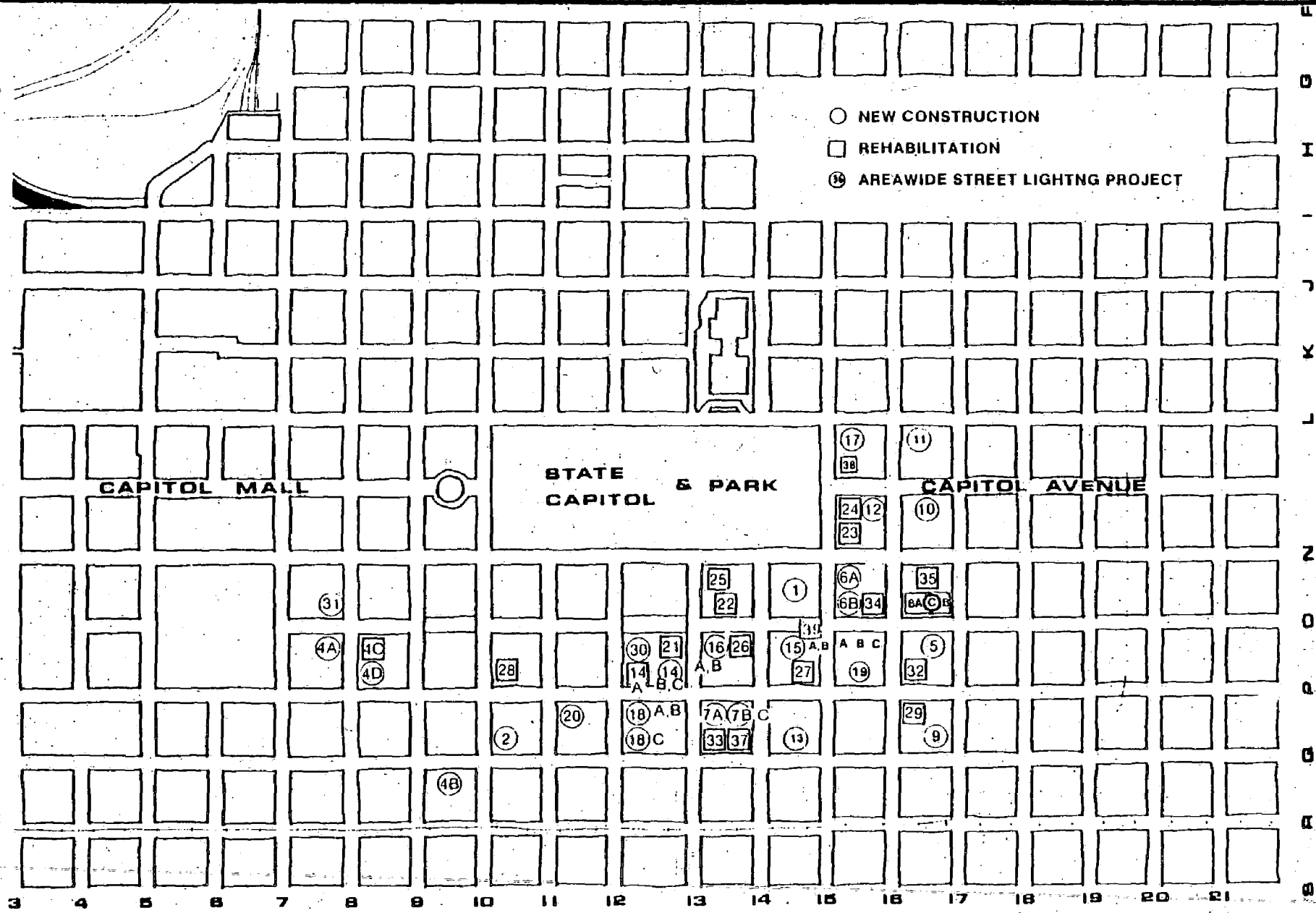
Major rehabilitation  
of 25 apartment units,  
"The Auslander."

Completed, 1986

Map 4  
CADA PROJECTS



- NEW CONSTRUCTION
- REHABILITATION
- ⊕ AREAWIDE STREET LIGHTING PROJECT



13

AGENCY LOANS TO  
CAPITAL AREA DEVELOPMENT AUTHORITY  
(CADA)

1. Project: Biele Place - 1415 15th Street  
Original Amount: \$75,000  
Loan Balance: \$59,793  
Terms: 15 years, 5%, loan fully amortized between 1985 and 1998  
Status: Payment requirements suspended from July 1990 to February 1998. Interest at 7.5% will accrue, with all principal and interest due in 1988.
  
2. Project: 1619 "Q" Street  
Original Amount: \$39,000  
Loan Balance: \$36,317  
Terms: 30 years, 9%  
Status: Current

This loan was provided to supplement CADA funds used to construct a 16 unit SRO complex.

3. Project: 17th Street Commons  
Original Amount: \$445,000  
Loan Balance: \$445,000  
Terms: Payment period 1/1989 - 1/2016. Structured payment schedule, no interest charged

This project is a 19-unit cooperative located on CADA property at 1524 17th Street. The Agency provided a zero-interest, deferred loan to 17th Street Commons in the amount of \$445,000 to supplement funds loaned by the National Cooperative Bank (NCB). In 1987, the Agency re-structured its loan payment schedule in order to provide requested relief to the project. NCB likewise provided relief by decreasing the interest rate charged on its loan. CADA continues to receive ground lease payments of approximately \$4,000 from the cooperative. CADA would not agree to reduce its ground lease payments as a part of the relief package provided in 1987.

4. Project: Minor Rehabilitation of Existing Units  
Original Amount: \$108,000  
Loan Balance: \$0  
Terms: 4 years, 0%

CADA employed this loan to repair the sub-standard conditions of several of its housing units. The loan was approved concurrently with the Biele Place loan and has been retired. State and Federal funds loaned to CADA have been passed through the Agency on several occasions. The Agency may monitor regulatory provisions of the agreements governing these loans. These loans have, therefore, been excluded from this summary.