

RESOLUTION NO. 2014-0338

Adopted by the Sacramento City Council

October 7, 2014

AUTHORIZING PARK DEVELOPMENT IMPACT FEE INFILL RATE TO BE APPLIED TO 700 BLOCK OF K STREET PROJECT

BACKGROUND

- A. On October 19, 2004, the City Council adopted Resolution No. 2004-820 which established a lower rate for the Park Development Impact Fee for infill projects in targeted infill areas as an incentive for development because of the financial challenges of infill projects.
- B. Per Resolution No. 2004-820, the targeted infill areas included the Central City, and the definition of infill projects within the Central City was all residential projects, small commercial projects of 20,000 sq. ft. or less, and mixed-use projects consisting of at least two residential units and 20,000 sq. ft. or less of commercial development.
- C. The 700 Block of K Street Project, located in the Central City, encompasses the rehabilitation of nine existing commercial buildings on the south side of the 700 block of K Street and a new five story residential building containing 137 units, of which 83 units are to be affordable to low income households (the "Project"). The new residential building will be located behind and above the existing commercial buildings. The parcels are to be subdivided, so that the new residential building will be separate from the commercial buildings. If the residential component of the Project had been a separate development application, it would have qualified for the infill rate.
- D. Development of the Project has been delayed due to the dissolution of the Redevelopment Agency of the City of Sacramento (Agency) and implementation of the Dissolution Law (AB x1 26) with regard to the transfer of the Agency properties and release payment of the Agency funding. In addition, and the State Department of Finance eliminated \$2.6 million in Agency funding that had been pledged for the Project.
- E. The City of Sacramento (City) has been assigned the Agency agreements for the Project, the Agency 700 Block of K Street properties are being conveyed to the City, and the remaining \$1,026,485 in Agency bond funds pledged for the Project are being transferred to the City. The City is now charged with assisting the project developer, 700 Block Investors, LP and 7000 Block Commercial, LP in implementing the Project.
- F. Due to the three year delay caused by the enactment of the Dissolution Law in 2011, the Project construction costs have increased. Along with the loss of the Agency funding, there

is now a significant financial gap in Project funding. Additional City funding, along with the Agency funding, will be needed for the Project's construction costs.

- G. In order to assist in financing the Project, the City desires to apply the Park Development Impact Fee Infill Rate for the Project.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The residential and non-residential Park Development Impact Fee for Specified Infill Projects as set forth in Resolution No. 2004-820 shall apply to the 700 Block of K Street Project.

Adopted by the City of Sacramento City Council on October 7, 2014, by the following vote:

Ayes: Members Ashby, Cohn, Fong, McCarty, and Warren

Noes: None

Abstain: None

Absent: Members Hansen, Schenirer and Mayor Johnson

Vacant: District 8

Attest:

Digitally signed by Shirley A. Concolino
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Date: 2014.10.09 10:45:13 -07'00'

Shirley Concolino, City Clerk