



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



5

June 25, 1991

Transportation/Community Development
and Budget & Finance Committees
of the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: Acquisition of Residential Properties in a Portion of the
Del Paso Heights Redevelopment Project Area

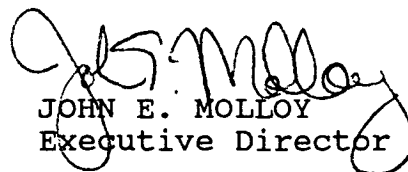
SUMMARY

The attached report is submitted to you for review and
recommendation prior to consideration by the Redevelopment Agency
of the City of Sacramento.

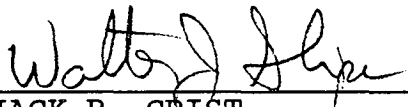
RECOMMENDATION

The staff recommends approval of the attached resolutions approving
the just compensation and acquisition.

Respectfully submitted,


JOHN E. MOLLOY
Executive Director

TRANSMITTAL TO COMMITTEE:


FOR JACK R. CRIST
Deputy City Manager

Attachment



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



July 2, 1991

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Acquisition of Residential Properties in a Portion of the
Del Paso Heights Redevelopment Project Area

SUMMARY

This report requests: 1) establishment of just compensation, and 2) authorization for the Executive Director to take all actions necessary to acquire properties in the area bounded by Norwood Avenue, Ford Road, Taylor Street and Arcade Creek of the Del Paso Heights Redevelopment Project Area. The staff recommends adoption of the attached resolution.

BACKGROUND

In August of 1989, the Redevelopment Agency of the City of Sacramento completed a revitalization strategy for Del Paso Heights Redevelopment Project Area which identified actions necessary to upgrade and revitalize the overall economic base. The Del Paso Heights Redevelopment Strategy identified the need to intensify residential uses in order to provide more housing opportunities and to strengthen the market base. The area's access to Downtown Sacramento and the large amount of vacant land lends itself to a pro-active housing development strategy, a major component of which is the development of a market-rate single-family housing development.

The Agency initiated the first step towards implementation of such a project with the November 1990 approval to negotiate for the acquisition of parcels listed for sale within an area bounded by Ford Road on the north; Taylor Street on the east; Arcade Creek on the south; and Norwood Avenue on the west (see Exhibit A).

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In order to determine the fair market value of parcels for sale, staff has ordered MAI appraisals of properties in this area. One appraisal for a listed property located at 445 Carroll Avenue sets a fair market value which is less than the assessment requested by the seller. This one acre parcel contains an unfinished 800 square foot house and was appraised for \$85,000 or \$1.88 per square foot. Staff recommends the establishment of just compensation for the parcel at the appraised value of \$85,000.

In order to consolidate more property for a developable site, staff is also requesting the authority to begin the acquisition process on all marketed and unlisted properties located within the area indicated in Exhibit B. Staff may attempt to negotiate long-term options to purchase parcels when possible.

Staff requests that just compensation for these parcels as well as all others to be acquired by the Agency for this residential development project be established as follows. Purchase prices would be, where applicable, the specified offer price, subject to verification by an appraisal or an amount not substantially greater than the fair market value. All acquisitions will be subject to the California Relocation Act and Real Property Guidelines.

Throughout this acquisition process, staff has been working with the City's Planning Division and Public Works Department staff to receive their input on the conceptual development plans. Staff has also been meeting with developers to receive their reactions and solicit their interest to initiate a residential project consistent with the goals of the Agency as well as the community's call for market rate housing. The Agency's control of the property will be used to leverage private participation to construct new market-rate homes. Staff will forward a report outlining the development process and strategy within the next ninety days.

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FINANCIAL DATA

The total amount of funding allocated for this project is \$926,084 in the Del Paso Heights Planned Unit Development fund. It is anticipated that these funds will be used entirely for acquisition with the financing of infrastructure improvement left as the developer's responsibility. Staff estimates that the current funding will be sufficient to purchase approximately five acres. Though it is hoped that some of the funds will be returned once the homes are constructed and sold, the actual amount of subsidy required will not be known until the developer is selected.

POLICY IMPLICATIONS

The above recommended actions are consistent with the Del Paso Heights Redevelopment Plan Implementation Strategy, and the 1989 Del Paso Heights Revitalization Strategy, and the 1991 Del Paso Heights Redevelopment Strategy update.

MBE\WBE

The recommended action has no MBE\WBE policy impact.

ENVIRONMENTAL REVIEW

CEQA: CEQA does not apply to the acquisition of property for residential development is exempt for environmental review per Guidelines Section 15267. At such time as the Agency prepares development plans for new construction on any site, a complete environmental review will be conducted on such plans prior to approval of the residential project.

NEPA: Not applicable, no federal funding involved.

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VOTE AND RECOMMENDATION OF THE DEL PASO HEIGHTS REDEVELOPMENT ADVISORY COMMITTEE (RAC)

The RAC reviewed the concept of market-rate housing development in the 1989 Revitalization Strategy and adopted the idea as one of their main goals. At its meeting of September 13, 1990, the Redevelopment Advisory Committee (RAC) voted to proceed with acquisitions in the area bounded by Norwood Avenue, Ford Road, Altos Avenue, and Arcade Creek as recommended in this report.

A RAC subcommittee was appointed to provide ongoing assistance in the development of the project.

At its meeting of June 13, 1991, the Del Paso Heights Redevelopment Advisory Committee (RAC) adopted a motion recommending adoption of the attached resolution. The votes were recorded as follows:

AYES: Ayo, Dinkel, Driever, Moore, Rockwell, Sullivan

NOES: None

ABSENT: Perez, Spyres, Turner

VOTE AND RECOMMENDATION OF COMMISSION

At its meeting of June 19, 1991, the Sacramento Housing and Redevelopment Commission, adopted a motion recommending the attached resolution. The votes were as follows:

AYES: Amundson, Diepenbrock, Simon, Simpson, Williams,
Wooley, Yew

NOES: None

NOT PRESENT TO VOTE: Cespedes, Pernel

ABSENT: Moose, Strong

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RECOMMENDATION

Staff recommends adoption of the attached resolution which: 1) establishes just compensation for the properties in the Del Paso Heights Project Area for single-family housing development, and 2) authorizes the Executive Director to take all actions necessary to acquire properties in the area bounded by Norwood Avenue, Ford Road, Taylor Street, and Arcade Creek.

Respectfully submitted,


JOHN E. MOLLOY
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: Leslie Fritzsche, 440-1315

J:\JR\STAFFRPT\ACQUIPRO.DPH

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

ESTABLISHMENT OF JUST COMPENSATION AND ACQUISITION OF PROPERTIES IN DEL PASO HEIGHTS FOR RESIDENTIAL PLANNED UNIT DEVELOPMENT PROJECT

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE
CITY OF SACRAMENTO:

Section 1: Just compensation for any real property in the area bounded by Norwood Avenue, Ford Road, Taylor Street and Arcade Creek which may be acquired by the Redevelopment Agency of the City of Sacramento, is hereby determined as follows:

(a) Just compensation for a property offered to the Agency or to the public at a specified price is specified price.

(b) Just compensation for a property not offered to the Agency or to the public at a specified price is hereby determined to be an amount equal to fair market value established by appraisal.

Section 2: The Executive Director is hereby authorized to take all actions necessary, including the execution of option or purchase agreements, to consummate the purchase of real property in the area bounded by Norwood Avenue, Ford Road, Taylor Street and Arcade Creek for inclusion in the residential planned unit development project in an amount not to exceed \$926,084.

CHAIR

ATTEST:

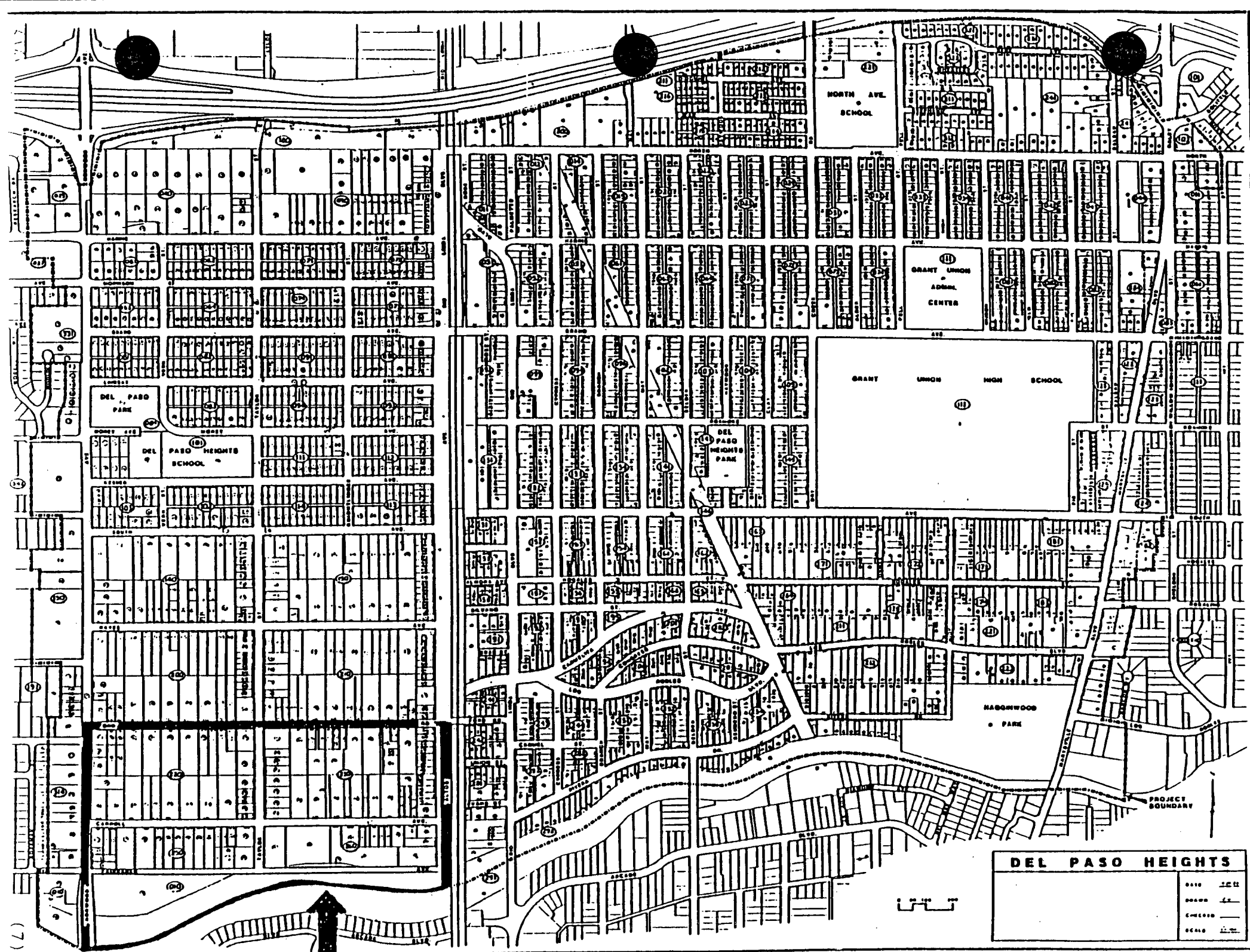
SECRETARY

P:\SHARE\RESO\JUSTCOMP

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____



| DEL PASO HEIGHTS | |
|------------------|-------|
| DATE | 12-22 |
| DRAWN | --- |
| CHECKED | --- |
| SCALE | --- |

EXHIBIT A

DEL PASO HEIGHTS HOUSING DEVELOPMENT

