



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



6

January 5, 1987

Budget and Finance Committee
of the City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Approving Program Guidelines and Authorizing
Advertisement of Historic Infill Program

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 resolution approving the Historic Infill Program Guidelines and authorize the expenditure of up to \$2,500 to advertise the program.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COMMITTEE:

Jack R. Crist

JACK R. CRIST
Deputy City Manager

Attachment

00960



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



December 10, 1986

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Approving Program Guidelines and Authorizing
Advertisement of Historic Infill Program

SUMMARY

Staff is requesting that you recommend (1) the approval of the Historic Infill Program Guidelines as attached hereto, and (2) authorize marketing of the program by means of appropriate signs, brochures and newspaper advertisements.

BACKGROUND

On July 17, 1984, the Redevelopment Agency of the City of Sacramento adopted the Alkali Flat Implementation Strategy which sets forth the Historic Infill Program as one of its activities. Under the program, threatened historic structures within the downtown area may be moved to and rehabilitated on available sites within the Alkali Flat area. Subsequently, four vacant properties were authorized for purchase. These were acquired during 1985, and added to the Alkali Flat property inventory. A total of seven (7) vacant parcels are currently recommended for sale under the terms set forth in these guidelines. Five of the sites were approved in the "Strategy", the remaining two sites were previously designated ownership housing sites, but due to their locations (8th and E Streets) in a National Historic District and their small size, staff recommends inclusion here. Historically a number of historic residential structures have been moved within the Downtown area on an annual basis. Few of these structures have been relocated within the Alkali Project Area, due to either the unavailability of vacant sites or the high cost of sites caused by real estate speculation for other uses.

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With the implementation of this program, staff anticipates that threatened homes will be saved and that the subsequent infill and rehabilitation of historic homes will complement long term Redevelopment goals as they pertain to supplying decent and safe housing.

In order to make this program known to potential developers, staff is also recommending that marketing materials be prepared. These materials will consist of signs which will be posted at each site; a marketing brochure as well as copies of guidelines which will be available in the PAC Office, the City Planning Division, City Real Estate Division and the Agency Neighborhood Development Division; and newspaper advertisements which will be noticed once every six months or more often until all sites have been sold. A tentative estimate of all marketing costs is \$2,500.

FINANCIAL DATA

The sales price of historic infill parcels has been set at \$9.00 a square foot based on appraisals of fair market value for R3A zoned land. These appraisals were performed in April 1985. Recognizing, however, that a potential developer may incur many costs in conjunction with a house move and subsequent rehabilitation thereof, these guidelines permit the developer to apply for several forms of subsidy. These subsidies include low-interest rehabilitation loans, a small cash grant of \$5,000 for rehabilitation costs, or a write-down of the land sales price based upon project cash needs.

In order to determine the necessary subsidy Agency staff will work with the developer and the proposed project and develop proforma(s) which demonstrate project feasibility. Each project will then be returned to the governing boards for their action. This action would consist of approval of execution of a Disposition and Development Agreement with a Scope of Development, a Schedule of Performance and Evidence of Financing.

ENVIRONMENTAL REVIEW

The proposed activity is exempt and environmental review staff are in the process of filing the appropriate documents.

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POLICY IMPLICATIONS

The above recommended actions are consistent with adopted policy and the Alkali Flat Implementation Strategy and no new policies are being recommended. Additionally, the Guidelines have been reviewed by City Design Review Staff.

VOTE OF PROJECT AREA COMMITTEE

At its special meeting of November 19, 1986, the Alkali Flat Project Area Committee considered this matter and directed staff to include language which would provide for the office of Historic Preservation to review proposed projects which are located in any of Alkali Flat's National Register of Historic places. The PAC then unanimously approved the staff recommendation.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of December 15, 1986, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The vote was as follows:

AYES: Glud, Moose, Pettit, Sanchez, Simon, Simpson, Wiggins, Wooley,
Yew, Amundson
NOES: None
ABSENT Sheldon

RECOMMENDATION

Staff requests that you adopt the attached resolution which approves the Historic Infill Program Guidelines, as attached, and authorize the expenditure of up to \$2,500 to advertise the program.

Respectfully submitted,

William H. Edgar
WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: Trish Davey

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RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
ON DATE OF

January 13, 1986

AUTHORIZING APPROVAL OF HISTORIC INFILL PROGRAM GUIDELINES ALKALI FLAT

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

SECTION 1. The HISTORIC INFILL PROGRAM GUIDELINES,
attached to the staff report accompanying this resolution are
hereby approved.

SECTION 2. This resolution shall take effect
immediately.

CHAIR

ATTEST:

SECRETARY

0616L

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

HISTORIC INFILL HOUSING PROGRAM GUIDELINES

General Purpose

The purpose of these guidelines is to set forth the criteria by which the Redevelopment Agency of the City of Sacramento will select owner/developers to carry out redevelopment goals as they relate to moving and restoring threatened historic homes.

Background and Program Description

On July 17, 1984, the Redevelopment Agency of the City of Sacramento adopted the Alkali Flat Implementation Strategy which set forth the Historic Infill Program.

In-Fill Sites - This program provides for utilization of seven Agency-owned sites within the Project Area for in-fill. These sites will be made available for residential structure moves generated from within the downtown area. Upon acquisition, the Agency would notify the Design Review Preservation Board of the availability of these sites and upon approval of the structure move by the Board these sites would be recommended to the Agency for disposition. (Board will consider the impact of the move in relation to the site and its neighboring environs). The sale conditions would include the following:

- 1) the purchase of the site at fair market value;
- 2) the deposit with the Agency of a fee equivalent to 10% of the fair market value of the land to be repaid upon expedient completion of rehabilitation;
- 3) the approval of preliminary rehabilitation plans by the Design Review Board and final rehabilitation plans by the Sacramento Housing and Redevelopment Commission;
- 4) the placement of a deed restriction on use of the structure as residential for a period not less than ten (10) years;

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- 5) the schedule of performance for rehabilitation not exceeding one year in length.

In addition, further conditions may be placed on the disposition of these properties depending on project specifics. All of the aforementioned conditions will be placed within the standard Agency disposition agreement. If the project applicant qualifies, Agency administered rehabilitation loan programs can be utilized to assist in the rehabilitation of the moved structure. If at the end of the term of this Implementation Strategy, all of the infill sites have not been acquired, the remaining sites will be made available for both structure moves and new residential construction."

IDENTIFICATION OF SITES

Five sites have been acquired for the purpose of implementing this program; and two additional parcels are recommended for similar disposition.

<u>ADDRESS</u>	<u>PARCEL SIZE</u>	<u>ZONING</u>	<u>APN</u>
1. 511 9th Street	40 x 80	R3A	002-112-02
2. 914 E Street	40 x 160	R3A	002-112-06
3. 1224 D Street	40 x 160	R3A	002-121-06
4. 416 13th Street	40 x 80	R3A	002-121-12
5. 516 10th Street	37.33 x 80	R3A	002-112-13
6. 800 E Street	27.58 x 80	R3A	002-104-03
7. 511 8th Street	40 x 90	R3A	002-104-02

APPROVAL PROCESS

These sites are available for purchase by the public if the criteria in these guidelines are met. Preliminary determination will be made by Agency staff, and if the site requested is within a National Register Historic District additional review shall be performed by the State Office of Historic Preservation (OHP). The project must be approved by OHP before a proposal can proceed. A negative response by OHP shall be cause to disqualify the proposed project.

Determination will be made by the Design Review Preservation Board of the City of Sacramento and the Sacramento Housing and Redevelopment Commission. Notwithstanding, each proposal is subject to the final approval of the Redevelopment Agency of the City of Sacramento at a public hearing.

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SALES PRICE OF LAND

The sales price of the land has been set at \$9.00/sf as of March 1986 based on appraisals of fair market value performed in April 1985. The Agency assumes the responsibility for obtaining any new appraisal at the time a purchase offer is received. The sales price of the property may be raised at that time. The Agency may also waive this right on a case-by-case basis in order to expedite the transfer of title or ensure the financial feasibility of the property. See also Agency Financial Assistance.

OPTION FEE

Each applicant shall pay an option fee which is 10% of the fair market value of the land. This fee shall not be reduced or waived even if the sales price of the land is reduced. The fee shall be returned after a Notice of Completion has been recorded.

PRIORITY FOR SELECTION OF OWNER/DEVELOPER

First Priority will be given to developers who propose to move threatened historic homes within the ALKALI FLAT REDEVELOPMENT AREA. See Definitions.

Second Priority will be given to developers who propose to move threatened historic homes from outside the ALKALI FLAT REDEVELOPMENT AREA but within the CENTRAL DOWNTOWN AREA. See Definitions.

HOUSE MOVING COSTS

All costs associated with transportation of the threatened historic home from its existing site to the designated site in ALKALI FLAT shall be borne by the owner/developer.

FUTURE PROPERTY USE

The owner/developer must be willing to maintain the property in residential useage for a minimum of ten (10) years from the execution of the Disposition and Development Agreement.

REHABILITATION COSTS

The owner/developer may apply to the Agency's Rehabilitation Division for rehabilitation assistance once the historic home has been moved. The majority of the Agency's loans are for 15 years at 3% and the maximum loan amount is \$27,000 as of January 1987. Updated information can be obtained by calling (916) 440-1350.

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If the owner/developer does not qualify for any of the Agency-administered programs and is unable to finance a project independently, cost estimates and appraisals may be obtained and submitted to the Agency with a request for assistance.

AGENCY FINANCIAL ASSISTANCE

An amount of Alkali Flat tax increment funding has been set aside to assist in the development of individual sites. To obtain the financing, however, it must be demonstrated that the project cannot proceed without additional assistance. The type of assistance available is set forth below.

- (1) A cash grant not-to-exceed \$5,000. This grant may be used for rehabilitation costs only.
- (2) A 3%, 15 year term rehabilitation loan which cannot exceed \$15,000.
- (3) A write-down of the land sales price based upon project cash needs. The reduction in land cost must be approved by the Project Area Committee and Housing and Redevelopment Commission.

In most instances, only one form of financial assistance shall be recommended for approval and insertion in the Disposition and Development Agreement DDA between the Agency and the owner/developer.

SALES DOCUMENTS

The owner/developer will be required to execute the following legal documents:

- 1) Disposition and Development Agreement (DDA)
- 2) Promisory Note and Deed of Trust
[if Financing is Required]
- 3) Declaration of Restrictions
[Limiting Property to Residential Use for
10 years]

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REHABILITATION PLANS

The owner/developer shall prepare both exterior and interior rehabilitation plans. The exterior rehabilitation plans shall be approved by the Design Review Preservation Board and the City Planning Commission. The interior rehabilitation plans shall be approved by the Housing and Redevelopment Commission.

REHABILITATION SCHEDULE

The owner/developer shall complete the rehabilitation of the project within one year from the approval of the rehabilitation plans. Notwithstanding, unusual and unforeseen circumstances are subject to appeal for possible extension of this timeframe. This appeal must be made to the Housing and Redevelopment Commission. See definitions.

PENALTIES

Owner/developers who fail to perform under the terms of the Disposition and Development Agreement or Declaration of Restrictions may be subject to fees and penalties which shall be charged as liens on the subject property. In addition the Agency may elect to revert the title to the property.

DEFINITIONS

Attachment "A" entitled Definitions is a part of these Guidelines.

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ATTACHMENT "A"

DEFINITIONS PERTAINING TO HISTORIC INFILL PROGRAM

1. historic Any structure which is on the "Official Register Containing Structures of Architectural or Historical Significance" as published by the Design Review Preservation Board of the City of Sacramento.
2. threatened A structure which is designated unsafe or condemned by the City of Sacramento, or which is about to be demolished to make way for new development.
3. ALKALI FLAT REDEVELOPMENT PROJECT AREA
All that area which falls within the boundaries of the Redevelopment Plan for Project Area No. 6 as set forth by legal description. See Map labeled Attachment "B".
4. central downtown area All that area which is bounded by freeways I-5, Highway 50, Business 80 and the Southern Pacific Railroad tracks. See Map which is labeled Attachment "C".
5. sales price Fair Market Value of the land as determined by an M.A.I. appraiser, or any discounted price established at a regular meeting of the Housing and Redevelopment Commission.
6. Disposition and Development Agreement (DDA)
The legal document which sets forth terms of sale, financing and the schedule of performance for development of property.
7. Design Review Preservation Board (DRPB)
That board which is charged with administering the "Listed Structures Plan" and acts to protect and maintain the character of architecturally, historically and culturally significant structures.

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ATTACHMENT "A"
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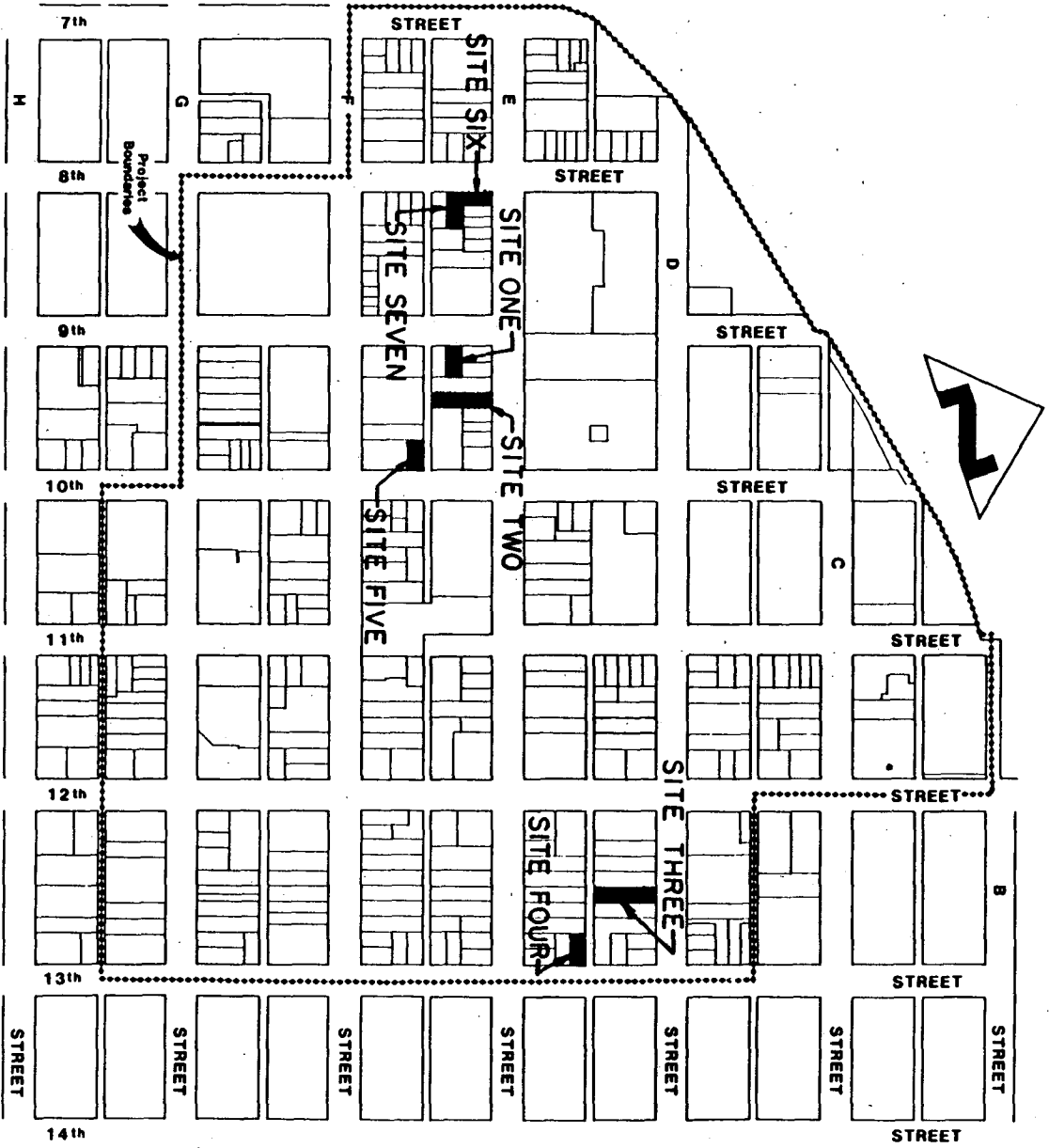
DEFINITIONS PERTAINING TO HISTORIC INFILL PROGRAM

8. "unusual and unforeseen circumstances"

These guidelines call for a one (1) year rehabilitation schedule, however, extensions without penalty may be granted on a case-by-case basis for delays caused by fire damage, death of developer or contractor, or bank foreclosure. Appeals should be filed with Agency staff for recommendation to the Housing and Redevelopment Commission.

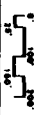
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HISTORIC INFILL PROGRAM

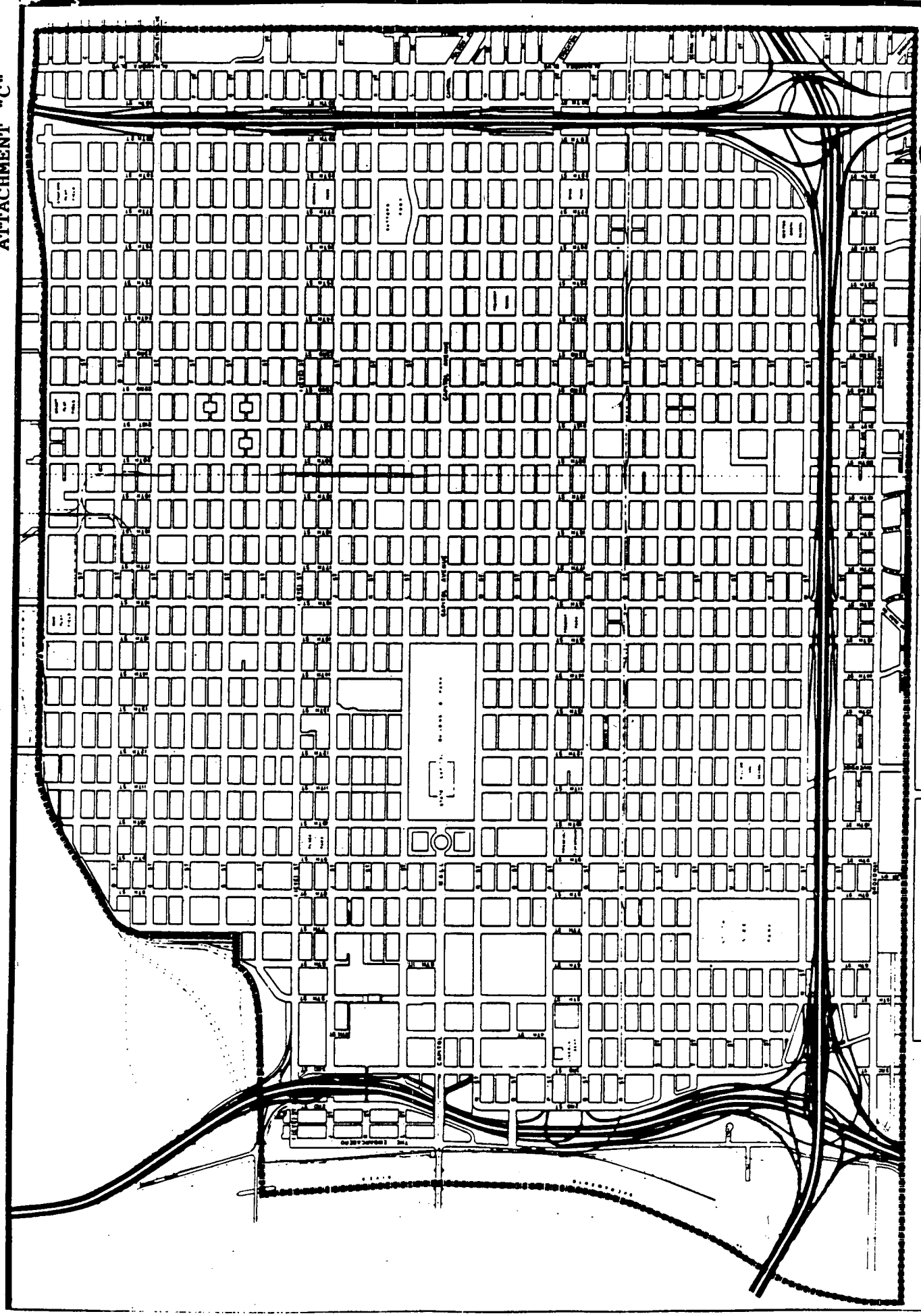


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ALKALI FLAT



ATTACHMENT "C"



SACRAMENTO HOUSING and REDEVELOPMENT AGENCY

CENTRAL CITY

Scale in Feet



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