

RESOLUTION NO. 2011-202

Adopted by the Sacramento City Council

April 5, 2011

3700/3714 RIO LINDA BOULEVARD; APPROVAL OF FINDINGS REGARDING SALE OF REDEVELOPMENT AGENCY PROPERTY LOCATED WITHIN THE DEL PASO HEIGHTS REDEVELOPMENT PROJECT AREA

BACKGROUND

- A. The Redevelopment Agency of the City of Sacramento ("Agency") has adopted the Del Paso Heights Redevelopment Plan ("Redevelopment Plan") and an "Implementation Plan" for the Del Paso Heights Redevelopment Project Area ("Project Area").
- B. The Agency owns real property located at 3700/3714 Rio Linda Boulevard (APNs: 251-0093-013, 251-0093-014 and 251-0093-024) in the Del Paso Heights Redevelopment Project Area purchased with Del Paso Heights Development Assistance taxable bond funds (Property).
- C. The Property was acquired in October 2008 as part of a comprehensive redevelopment strategy for the area to address blight and severe nuisances attributed to the Property.
- D. Since 2005, the Housing Authority of the City of Sacramento ("Housing Authority") has invested over \$1.5 million toward the renovation of its 40-unit residential community known as Grand Casa Linda, which serves a senior and disabled (all-ages) residential population. Grand Casa Linda is located directly adjacent to the Property.
- E. The Agency and the Housing Authority desire to enter into a Disposition and Development Agreement ("DDA") to convey Property, to the Housing Authority for the development of a public housing administrative office for the adjacent housing complex and surrounding housing communities.
- F. A report under Health and Safety Code has been prepared, filed with the Agency Clerk and duly made available for public review, a copy of which report (33433 Report) is attached as Exhibit A and incorporated in this resolution by this reference, and, proper notice having been given, a hearing has been held in accordance with Health and Safety Code Sections 33431 and 33433.
- G. The proposed actions consist of the transfer of properties from the Redevelopment Agency to the Housing Authority and agreements necessary to allow the construction of a new 1,200 square foot office building to be used as an administrative office for the existing buildings. The new office building will be less than 2,500 square feet, and is Categorically Exempt pursuant to CEQA Guidelines Section 15303. All other actions are administrative, and no further environmental review is required under CEQA.

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

- Section 1. The above statements including the environmental statement are found to be true and correct.
- Section 2. After due consideration of the report filed with the Agency Clerk, made available to the public pursuant to California Health and Safety Code Section 33433 and attached hereto as Exhibit A, it is determined that the disposition of the Property to the Housing Authority is consistent with the goals and objectives of the Del Paso Heights Redevelopment Plan and the 2009-2014 Implementation Plan to improve the neighborhood environment and image, eliminate blighted and blighting conditions, provide all appropriate amenities to support the basic residential character of the area and develop a superior level of community facilities providing for the cultural, health and social needs of the residents. Additionally, the project meets the Public Housing Authority (PHA) Plan goals to improve community quality of life and economic vitality, by providing an improved living environment and implementing public housing security improvements. The project will remove blighting conditions. The statements and findings of the 33433 Report are true and correct and are hereby adopted.
- Section 3. After due consideration of the 33433 Report, it is determined that the Property be granted to the Housing Authority, at no cost, conditional on satisfactory completion of the project. Conveyance of the following properties is approved:
- 3700 Rio Linda Boulevard APN: 251-0093-013
3714 Rio Linda Boulevard APN: 251-0093-014
0 Rio Linda Boulevard APN: 251-0093-024
- Section 4. The sale of this Property, as described above, is approved.

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Exhibit A - 33433 Report

Adopted by the City of Sacramento City Council on April 5, 2011 by the following vote:

Ayes: Councilmembers Ashby, D Fong, R Fong, McCarty, Pannell, Schenirer, Sheedy.

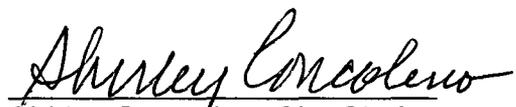
Noes: None.

Abstain: None.

Absent: Councilmember Cohn and Mayor Johnson.


Bonnie Pannell, Vice-Mayor

Attest:


Shirley Concolino, City Clerk

Report Regarding the Disposition of Property Acquired Directly or Indirectly with Tax Increment Funds (Health & Safety Code Section 33433)

I. Agreement

A copy of the Purchase and Sale or Lease Agreement ("Agreement") disposing of an interest in Agency real property is attached to this Report.

II. Summary of Terms of Disposition

AGENCY'S COST OF ACQUIRING THE LAND	
Purchase Price (or Lease Payments Payable During Agreement)	\$298,500
Commissions	0
Closing Costs	\$2,595
Relocation Costs	0
Land Clearance Costs	\$25,100
Financing Costs	0
Improvement Costs (e.g. utilities or foundations added)	0
Other Costs	0
TOTAL	\$326,194.50

ESTIMATED VALUE OF INTEREST CONVEYED	
Based on an April 10, 2010 appraisal for a similarly sized and zoned parcel located at 810 Roanoke Avenue (owned by the Sacramento Municipal Utility District (SMUD) the estimated value of the subject property is \$7,000/unit. Given existing zoning and density requirements, it is anticipated that 9 units would be allowed bringing the value of the property to \$63,000, rounded to \$65,000. The market for vacant residential land has not improved since the appraisal was completed.	\$65,000

ESTIMATED REUSE VALUE OF INTEREST CONVEYED	
Value of property determined with consideration of the restrictions and development costs imposed by the Agreement	\$0
The reuse value under this agreement is consistent with Health &	

Safety Code Section 33442 which states that a Redevelopment Agency may donate real property acquired by the Agency to a housing authority for public housing related projects.	
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VALUE RECEIVED ON DISPOSITION	
The purchase price or the total of the lease payments due to the Agency under the Agreement.	\$0
The total payment under this agreement is consistent with Health & Safety Code Section 33442 which states that a Redevelopment Agency may donate real property acquired by the Agency to a housing authority for public housing related projects.	

III. Explanation of Disposition for Less than Full Value

3700/3714 Rio Linda Boulevard, was acquired by the Redevelopment Agency of the City of Sacramento (Agency) to combat significant code-enforcement and illegal activity at this location and to attract housing opportunities/services or promote neighborhood serving businesses. Upon transfer of the property from the Agency, the Housing Authority of the City (Housing Authority) proposes to develop and maintain a public housing administrative office for on-site residential management benefiting the adjacent public housing property, Grand Casa Linda, a 40-unit senior and disabled residential community and other public housing residents in the north area of the City. The Housing Authority has limited funds and will assume the entire cost of developing the administrative office; therefore the properties are being disposed of at no cost pursuant to Health & Safety Code Section 33442. Once conveyed, the Housing Authority will be responsible for the development and maintenance of the property.

IV. Elimination of Blight

3700/3714 Rio Linda Boulevard and surrounding area has a long history of issues as it relates to crime, code and blight. The City of Sacramento, Redevelopment Agency and Housing Authority have invested significant resources in the area to combat these issues. Upon purchase of the properties in 2008, the former vacant warehouse at 3700 Rio Linda Boulevard was demolished and the entire site cleared for future development. In addition, on the adjacent parcels the Housing Authority has invested over \$1.5 million toward the renovation of Grand Casa Linda.

With the transfer of the three parcels from the Agency to the Housing Authority, the goal is to eliminate blighted conditions by developing a vacant parcel and improving service levels to public housing residents. Specific redevelopment goals being met (as stated in the Implementation Plan) are to 1) to improve the neighborhood environment and image, eliminate blighted and blighting conditions and provide all appropriate amenities to support the basic residential character of the

area 2) develop a superior level of community facilities providing for the cultural, health and social needs of the residents.