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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



May 20, 1986

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

Honorable Members in Session:

SUBJECT: Amendment to the 1986 Agency Budget for Project
Area No. 6 - Alkali Flat

SUMMARY

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

RECOMMENDATION

The staff recommends approval of the attached resolution amending the Agency budget.

Respectfully submitted,

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COMMITTEE:

SOLON WISHAM, JR.
Assistant City Manager

Attachment



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



May 14, 1986

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Amendment to the 1986 Agency Budget for Project
Area Number 6 - Alkali Flat

SUMMARY

The attached resolution authorizes the Executive Director to amend the 1986 Agency Budget for the Alkali Flat Project Area by reprogramming certain funds as set forth in Exhibit A, attached hereto.

BACKGROUND

Historically the Agency Budget is compiled in the fall and adopted by the Redevelopment Agency in December of each year. Periodically, however, the budget must be amended to reflect completed or cancelled activities, transfer surplus funds to new projects, or existing projects which contain insufficient funds to meet their program goals.

In February and March 1986, Agency staff undertook a thorough assessment of projects and determined that the Agency budget should be amended based on the findings set forth in Exhibit A and summarized in narrative form below.

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A. PROJECTS TO HAVE FUNDS TRANSFERRED

- 1) The Sidewalk Reconstruction Program - This program was delayed during 1985 due to a financing shortfall. To meet this shortfall, staff requested \$255,000 in Tax Allocation Bond funds. In the interim another activity was cancelled and the necessary funds were transferred to the Sidewalk Reconstruction Program. Since the bonds were sold in December 1985, staff now recommends the reprogramming of all funds in excess of the IPA with City Engineering, with the exception of a \$20,000 reserve as a contingency. A total of \$282,289 is recommended for reprogramming.
- 2) The Historic Infill Program - This program provides vacant sites for developers who are prepared to move a threatened historic home. Five sites have been "land banked" for this purpose and the Agency staff and PAC has set sales price of the parcels at \$9.00/square foot in accordance with the guidelines set forth in the approved Alkali Flat Implementation Strategy. Details of the program have been forwarded to the Director of Preservation. Since the sale of these properties at fair market value will provide program income which will keep this activity viable, staff is recommending a developer assistance subsidy be made available not to exceed \$12,000 per site. This money could be used for loan buy downs, rehabilitation assistance or public improvements, as needed. Since the existing level of financing is no longer necessary, staff recommends reprogramming \$296,171.
- 3) The Twelfth Street Capital Improvement Program - This program provides capital improvements along the west side of 12th Street in conjunction with Light Rail Transit (LRT). The executed LRT contract is for \$293,385 and the total project budget is \$374,638. \$332,069 represents Community Development Block Grant funding and is not addressed in this staff report. Staff recommends that \$42,569 in surplus Project 6 Tax Increment Funds be reprogrammed.

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B. PROJECTS TO RECEIVE REPROGRAMMED FUNDS

- 1) The Parking Study Program - This program was identified in the 1984 Implementation Strategy. Essentially the program permits the City Parking Authority to issue a Request for Proposal (RFP) to study parking needs and financing options for specific zones in Alkali Flat (C-2, O-B, and R-0). Agency staff has transmitted the written "scope of the project" and met with City staff to implement the assignment, however, due to the time lag between program estimate and implementation an additional \$3,000 is requested. This amount would bring the budget for this activity to \$10,000.
- 2) The Land Maintenance Program - This program is administered by the Agency's Technical Services Division and provides for fencing and ongoing trash removal and weed abatement. During the past year the Agency acquired 15 parcels which require maintenance at least three times a year. A total of \$20,000 is requested.
- 3) The Developer Assistance Program - This program would help private developers expedite approved redevelopment projects which meet Agency goals but require assistance of some form (i.e., loan buy downs, construction of capital improvements, etc.). Staff has identified several projects which could benefit from this assistance. A total of \$257,947 is requested to initiate the program.
- 4) The 12th Street Acquisition Program - This program permits the acquisition of the City Center Motel, the Thunderbird motels and the Reno Club and is currently underway. Additional funds are required to complete the acquisition and demolition of both motels and the night club located between the two motels. Long range plans are to market the 480' of street frontage for retail commercial development. Reprogramming of \$300,000 would bring the total budget for this activity to \$1,800,000.

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- 5) The Alkali Flat Project Area Committee (PAC) - This activity provides for staff and overhead for the Alkali Flat Project Area Committee. Historically these administration costs have been funded with a combination of tax increment and Community Development Block Grant funds; however, due to recent decreases in federal entitlements there is a need to finance all PAC operations solely from TI funds. An additional \$35,000 is needed to replace lost CDBG funding and to meet a unanticipated rent increase for the project office.

In summary, the current allocation for the above-listed programs is \$3,032,286. A total of \$621,029 is being recommended for reprogramming.

FINANCIAL DATA

All financial data is set forth above and in Exhibit A, attached.

ENVIRONMENTAL REVIEW

The existing programs were included under previous CEQA and NEPA reviews. The Developers Assistance Program and the 12th Street Acquisition programs will be reviewed on an individual basis when contracts have been awarded and construction plans are available.

POLICY IMPLICATIONS

The action proposed in this staff report is consistent with previously approved policy and there are no policy changes being recommended.

VOTE AND RECOMMENDATION OF PROJECT AREA COMMITTEE (PAC)

At its April 2, 1986 meeting the Alkali Flat PAC recommended your approval of the attached resolution authorizing the Executive Director to amend the 1986 Agency Budget by reprogramming certain funds as set forth in Exhibit A.

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VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of May 19, 1986, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES:

NOES:

ABSENT:

RECOMMENDATION

The staff recommends adoption of the attached resolution which amends the 1986 Agency budget by reprogramming certain funds identified in Exhibit A.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: TRISH DAVEY, 440-1315

mw:0007K

RESOLUTION NO.

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

AMENDMENTS TO THE 1986
ALKALI FLAT BUDGET

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

Section 1: The 1986 Agency Budget for Alkali Flat
Project Area No. 6 is hereby amended as set forth in Exhibit A,
attached hereto.

Section 2: This resolution shall take effect
immediately.

CHAIR

ATTEST:

SECRETARY

EXHIBIT A
 ALKALI FLAT PROJECT AREA NO. 6
 BUDGET AMENDMENT

| FUND/COST CENTER/ ORGANIZATION | PROJECT | CURRENT ALLOCATION | REVISED ALLOCATION | AMOUNT TO BE TRANSFERRED | COMMENTS |
|---|----------------------------------|-----------------------------------|-----------------------|-----------------------------|---|
| A. PROJECTS TO HAVE FUNDS TRANSFERRED | | | | | |
| 246/0680/6300 | Sidewalk Reconstruction | \$ 255,000 6TAB \$ 455,034 6TI | \$ 427,745 6TI | \$ -255,000 - 27,289 | Construction to commence 7/86. City IPA is for \$407,745. \$20,000 is reserved for change orders. |
| 246/1006/6100 | Historic Infill | \$ 196,000 6TAB \$ 165,171 6TI | \$ 65,000 6TI | \$ -196,000 \$ -100,171 | Acquisition complete. Recommend adoption of policy which permits either land write-down or maximum cash subsidy up to \$12,000 per parcel. |
| 246/4297/6300 | 12th Street Improvement (LRT) | \$ 42,569 6TI \$ 321,363 CDBG | \$ 321,363 CDBG | \$ - 42,569 | Work underway. LRT contract for \$293,385. Reserve \$38,684 for change orders. |
| B. PROJECTS TO RECEIVE TRANSFERRED FUNDS | | | | | |
| 246/0602/6300 | Parking Study | \$ 7,000 6TAB | \$ 10,000 TI | \$ 3,000 | City Parking Division has prepared request for proposal (RFP). Additional funds required for consultant. |

EXHIBIT A

ALKALI FLAT PROJECT AREA NO. 6

BUDGET AMENDMENT

| FUND/COST CENTER/ ORGANIZATION | PROJECT | CURRENT ALLOCATION | REVISED ALLOCATION | AMOUNT TO BE TRANSFERRED | COMMENTS |
|---|--|-----------------------------------|------------------------------------|-----------------------------|--|
| <u>B. PROJECTS TO RECEIVE TRANSFERRED FUNDS - CONTINUED</u> | | | | | |
| 246/0621/2550 | 12th Street Acquisition | \$ 750,000 TI 750,000 Sec. 108 | \$1,050,000 TI 750,000 Sec. 108 | \$ 300,000 | Budget change is to cover updated costs of two motels and a nightclub on 12th St. under commercial acquisition program. Ultimate plans are to market 480' street frontage for retail/commercial development. |
| NEW 246/0688/2550 | Developer Assistance/ Replacement Housing | \$ -0- | \$ 257,947 TI | \$ 257,947 | This is a new activity which will assist the Agency to meet its low and moderate housing legislative requirements. It also permits private developers to expedite projects which meet redevelopment goals but require subsidy. Guidelines to be established. |
| 246/0672/6300 | Land Maintenance | \$ 4,490 | \$ 24,490 TI | \$ 20,000 | Recent land acquisition of 17 parcels require regular maintenance and fencing. Also provides funds to board up hazardous buildings. |

EXHIBIT A

ALKALI FLAT PROJECT AREA NO. 6

BUDGET AMENDMENT

| FUND/COST CENTER/ ORGANIZATION | PROJECT | CURRENT ALLOCATION | REVISED ALLOCATION | AMOUNT TO BE TRANSFERRED | COMMENTS |
|-----------------------------------|-----------------|---|------------------------------------|------------------------------------|--|
| 246/0620/2550 | Alkali Flat PAC | \$ 85,659 6TI <u>\$ 30,000 CDBG*</u> | \$ 125,741 6TI <u>-0- CDBG*</u> | \$40,082 <u>-\$30,000 CDBG*</u> | Substitution of TI for CDBG funds and adding \$10,082 to cover PAC office rennovation and additional needs for services and supplies. |
| TOTALS | | \$3,032,286* | \$3,032,286* | \$621,029* | |

LEGEND

TAB = 1985 Tax Allocation Bond
TI = Tax Increment Funds
CDBG = Community Development
Block Grant

* Total does not include CDBG reallocation which will
be authorized in a separate resolution.

108:Alkali No. 6
5/14/86