



REPORT TO COUNCIL

City of Sacramento

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STAFF REPORT
July 21, 2005

Honorable Mayor and
Members of the Redevelopment Agency of the City of Sacramento

Subject: Riverfront Housing Initiative and California Indian Heritage Center

Location/Council District: Richards Boulevard Redevelopment Project Area
(Districts 1 and 3)

Recommendation:

Adopt a Resolution which directs the City Manager or his designee to evaluate riverfront parcels located within the Richards Boulevard area for potential development of riverfront housing, and in support of the proposed California Indian Heritage Center (CIHC), and 2) approve a commitment of \$2.4 million in Richards Boulevard Redevelopment Area tax increment, and Lot A proceeds to be loaned to the Richards Boulevard Redevelopment Area to undertake such property acquisitions.

Contact: Paul Blumberg, Senior Project Manager, (916) 808-7223
J.P. Tindell, Advance Planning Manager, (916) 808-1955

Presenters: Paul Blumberg, Senior Project Manager
Robert G. Overstreet, Director of Parks and Recreation

Department: Economic Development

Division: Downtown Development

Organization No: 4451

Summary:

The area along the south bank of American River within the Richards Boulevard Redevelopment Project Area generally consists of low-density industrial uses that have no relationship to the River. The basic issue of access to the River, open space, setbacks from the levee, and appropriateness of uses on the River is affected by the successful revitalization of the area. To date, the Agency has not made significant progress in achieving the adopted policies for revitalizing the area, i.e. development of riverfront housing, creation of a riverfront parkway, and integration of the American River Parkway with the adjacent Richard Boulevard area and Central City. Approval of the attached Resolution will commence an initiative to implement adopted Agency and City policy objectives for the area, and support proposed initiatives such as the CIHC and the placement of the Dos Rios Light Rail station near the River.

Committee/Commission Action: None.

Background Information:

On December 13, 1994, the Redevelopment Agency adopted the Richards Boulevard Area Plan (RBAP) in order to guide redevelopment of the former industrial area to a new mixed-use urban neighborhood. The RBAP contained specific implementation actions to be undertaken in the first ten years of the plan, among which was the recommendation to staff to “. . .focus on the development of larger housing projects, which will be strategically located and sized to establish a beach head for subsequent residential development.” The RBAP specifically identifies the objective of creating “riverfront mixed-use” district, with the Agency acquiring the property for subsequent development either by the Agency, or by the Agency in conjunction with a private developer.

The RBAP also describes the development of a new parkway element on the south bank of the American River which would include establishment of a greenway and “riverfront drive” on the landward side of the levee.

In recent years, the Agency has focused on the North Town Project (425 N. 7th Street) application as a means to achieving the catalyst riverfront housing and an initial segment of parkway development. A master plan for the 65-acre riverfront parcel has been developed that would include 2,000 residential units and creation of a neighborhood park and parkway element along the American River. In May 2005, the applicant withdrew the development application pending resolution of business issues unrelated to the application. While Agency staff has met with the property owner representative to support re-submittal of the North Town project, staff believes that an alternative riverfront housing and parkway initiative should be prepared by staff.

As a first step in establishing the Riverfront Housing Initiative, staff is recommending that the Agency direct staff to evaluate potential sites for development of catalyst riverfront housing project, or projects. There are a number of properties currently for sale, and/or vacant or underutilized that would be appropriately sited for residential development.

The Riverfront Housing Initiative would support another key City priority, the development of a California Indian Heritage Center along on the American River within the City of Sacramento. On March 23, 2004, the City Council directed staff to support the CIHC initiative and work with the State of California to identify a possible site for the Center on the Lower American River, between Cal Expo and the confluence of the Sacramento River. The State has identified a site for the CIHC off of Northgate Boulevard within the American River Parkway. Because of sensitivities regarding locating certain uses in the parkway, there is a programmatic need to locate “non-interpretive” elements within the Richards Boulevard area. The recommendation contained in the attached resolution also directs staff to identify a potential site for the State’s non-interpretive functions, including office space, meeting rooms, archive storage, parking areas and other support facilities.

Both the Riverfront Housing Initiative and CIHC would complement other projects underway in the Richards Boulevard Area, including:

- American River Parkway: Riverfront Housing Initiative will increase public use and improve safety along the parkway.

- Two Rivers Trail: New uses such as housing and the CIHC can be integrated with and will directly support public use of Two Rivers Trail.
- Gateway Streetscape Master Plan: Proposed streetscape improvements in the Gateway District will also serve adjacent residential uses and the estimated 900,000 annual visitors to the CIHC.
- Dos Rios Light Rail Station: The study of a new Light Rail station on North 12th Street includes a riverfront location that would also serve residents and visitors to the CIHC.
- Other private housing initiatives: By initiating riverfront housing and parkway development, the Agency will pioneer residential development in an untested market area, thereby sending a strong message to other property owners who are considering redeveloping their properties for housing. The North Town Project will continue to remain a high priority for the City, pending a re-submittal of the entitlement application by the property owners.

Financial Considerations:

There are financial considerations associated with the actions recommended in the attached Resolution, specifically the commitment of both Merged Downtown and Richards Boulevard tax increment funds undertake property acquisition. The action recommended does direct staff to identify feasible sites, the acquisition of which will be subject to future Agency approval. The Agency hereby commits 1) \$1.0 million in Richards Boulevard housing funds, 2) \$400,000 in Richards Boulevard Low/Mod Tax Increment funds, and 3) \$1.0 million in Lot A proceeds to be loaned to the Richards Boulevard Redevelopment Project Area for property acquisition. The Richards Boulevard housing funds are to come from repayment of a past loan of Richards Boulevard Tax Increment to the Phoenix Housing Project. The Richards Boulevard Low/ Mod funds are to be allocated from the existing Low/Mod fund, and as such will be used to create affordable housing units in the Richards Boulevard Redevelopment Area. The funding for acquisition of land to support the CIHC would come from a loan of Lot A proceeds to the Richards Boulevard Redevelopment Project Area. The loan will be repaid from future Richards Boulevard tax increments funds.

Environmental Considerations:

The action to conduct a study to identify sites that could support future redevelopment projects does not constitute a project subject to environmental review per CEQA Guidelines Section 15262 (feasibility study for possible future action) and is not a federal undertaking under NEPA.

Policy Considerations:

The recommendation is consistent with previously approved Council direction related to the Richards Boulevard Redevelopment Project Area. The action recommended in the attached Resolution is consistent with adopted City policy. The Richards Boulevard Area Plan contains specific recommendations to acquire property along the American River for catalyst riverfront housing and dedication of new parkway land.

Emerging Small Business Development (ESBD):

No good or services are being purchased.

Respectfully submitted by:  for
Wendy Saunders
Economic Development Director

 for
Robert G. Overstreet
Director of Parks and Recreation

Recommendation Approved:

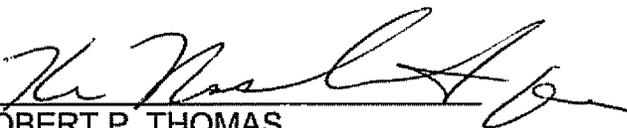

ROBERT P. THOMAS
City Manager

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RESOLUTION NO.

Adopted by the Redevelopment Agency of the City of Sacramento

EVALUTING POTENTIAL LAND ACQUISITION WITHIN THE RICHARDS BOULEVARD REDEVELOPMENT PROJECT AREA FOR THE RIVERFRONT HOUSING INITIATIVE AND CALIFORNIA INDIAN HERITAGE CENTER

BACKGROUND

- A. The Richards Boulevard Area Plan (RBAP), adopted on December 13, 1994, established policies for development of riverfront housing and a river parkway along the American River. The initial Ten-Year Strategy has not been realized through private sector initiatives, and there is a need for Agency involvement in creating a "catalyst" project or projects.
- B. On March 23, 2004, the City Council directed staff to support the California Indian Heritage Center ("CIHC") initiative and to work with the State of California to identify a possible site for the CIHC on the Lower American River between Cal Expo and the confluence of the Sacramento River. The State has identified a site for the CIHC off of Northgate Boulevard within the American River Parkway. Because of sensitivities regarding locating certain uses in the parkway, there is a programmatic need to locate "non-interpretive" program elements within the Richards Boulevard area
- C. There is a need to evaluate appropriate sites along the American River to be acquired by the Agency for both riverfront housing and non-interpretive elements of the CIHC.

BASED ON THE FACTS SET FORTH IN ABOVE, THE REDEVELOPMENT AGENCY RESOLVES AS FOLLOWS:

The Agency hereby directs the City Manager or his designee to evaluate appropriate sites to be acquired along the American River within the Richards Boulevard Redevelopment Project Area for development of riverfront housing and the California Indian Heritage Center. The Agency hereby commits 1) \$1.0 million in Richards Boulevard housing funds, 2) \$400,000 in Richards Boulevard Low/Mod Tax Increment funds, and 3) \$1.0 million in Lot A proceeds to be loaned to the Richards Boulevard Redevelopment Project Area for such acquisitions.