



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



7

March 12, 1991

Transportation/Community Development
and Budget & Finance Committees
Sacramento, CA

Honorable Members in Session:

SUBJECT: Selection of New Commercial Revitalization Strips and
Amendment to the 1989 and 1990 Community Development
Block Grant Program

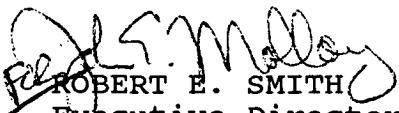
SUMMARY

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

RECOMMENDATION

The staff recommends approval of the attached resolutions approving
the commercial strip selection and budget amendments.

Respectfully submitted,


ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COMMITTEE:



JACK R. CRIST
Deputy City Manager

Attachment

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

March 5, 1991

Redevelopment Agency of the
City of Sacramento and

Sacramento City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Selection of New Commercial Revitalization Strips and
Amendment to the 1989 and 1990 Community Development
Block Grant (CDBG) Program (PUBLIC HEARING)

SUMMARY

This report presents a study of all the commercially zoned areas of the City and County of Sacramento. The study was undertaken to identify the commercial districts that are a) on the verge of economic obsolescence, b) seriously blighted and detract from the surrounding low-income neighborhoods, and c) able to benefit from participation in the Sacramento Housing and Redevelopment Agency's Commercial Revitalization Program.

The study identified a number of commercially zoned districts in varying states of economic health. Some are prospering and have no need for the Agency's assistance. Others are experiencing blight but are not eligible for assistance through the Commercial Revitalization Program because of a shortage of neighborhood-serving businesses and/or a low concentration of poverty in adjoining residential areas -- a requirement for use of federal funds. Still others are experiencing deterioration, and are eligible for assistance under the Agency's criteria.

As a result of the study, it is recommended that the Agency expand the Commercial Revitalization Program as follows:

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1. Designate a new target area in the City located on Stockton Boulevard from Fruitridge Road to Riza Avenue. (east side of the street is in the City of Sacramento, the west side crosses the City boundary and is in the County of Sacramento.)
2. Designate a new target area in the County unincorporated area located on Franklin Boulevard from Fruitridge Road to Martin Luther King Jr. Boulevard.
3. Designate a new target area for Del Paso Boulevard between Highway 160 and Evergreen Street and issue requests for proposals for commercial revitalization coordinator services.
4. Designate a new target area along a small commercial district on Fruitridge Road between 65th Expressway and Power Inn Road.

Each of these recommendations was made with the strong support and endorsement of the Council and Board representatives from the respective districts.

This report also requests authorization for the Executive Director to issue Request for Proposals and execute contracts with the selected commercial revitalization consultants for the new Stockton Boulevard target area, the Franklin Boulevard target area, and Del Paso Boulevard. Furthermore, because of the addition of Del Paso Boulevard and Fruitridge Road, an additional \$250,000 in loan funds is recommended to be added to our commercial development loan fund for loans in those districts.

The attached resolutions also authorize the Executive Director to:
1) amend the 1989 CDBG Program by transferring \$250,000 of 1989 CDBG contingency to 1991 Economic Redevelopment (see Chart/Exhibit A); and 2) amend the 1991 CDBG Final Statement (application) to indicate that the commercial strips to be addressed are: Del Paso Boulevard and Fruitridge Road.

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INTRODUCTION

This section describes the current Commercial Revitalization Program in the Agency. Currently, nine commercial revitalization areas are located in the Sacramento area--- three in the County and six in the City. The City areas include Stockton Boulevard, Franklin Boulevard, Broadway, Meadowview/24th, Marysville Boulevard, and Downtown. The County areas include Rio Linda, Walnut Grove, and Isleton. (Note: a small section of the Stockton Boulevard commercial area lies in the County).

Businesses in the target areas are eligible for:

- Grants for storefront improvements;
- Low interest loans for rehabilitation of commercial buildings; and
- Low interest loans for new construction.

In addition, the Agency has contracted with commercial revitalization consultants to work in a number of these areas to assist developers, business owners, property owners and community groups in increasing sales and attracting new investment to the targeted areas. The coordinators' primary goal is to organize the business owners so that they can undertake their own revitalization activities and take the lead in improving their commercial districts.

To that end, the commercial revitalization coordinators' responsibilities include:

- Marketing the Agency's financing programs;
- Providing technical business management assistance;
- Organizing business associations and/or Business Improvement Districts where appropriate;
- Establishing design guidelines for rehabilitation and new construction;

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- Coordinating promotional events designed to increase sales and strengthen businesses; and
- Encouraging new investment in the areas and attracting new businesses that will provide neighborhood serving retail services and a complementary business mix.

Other commercial revitalization services include:

- Free financial advice and loan packaging through a contract with the Greater Sacramento Certified Development Corporation;
- Construction management and oversight carried out by Agency technical staff services; and
- Architectural design services provided by professionals under contract to the Agency.

The Commercial Revitalization Program has grown over the years and has disbursed almost \$5.9 million in grants and loans, rehabilitating approximately 300 storefronts overall. The program's accomplishments are evident in the current target areas. For example, on Stockton Boulevard from 1986 to 1989, the number of businesses increased by 200% from 65 to 192. Gross sales grew by 85% from \$31,400,000 to \$57,947,750 and over \$4,000,000 of new investment has flowed into the target area. The five key blighted commercial nodes targeted for development in the original Five-Year Stockton Boulevard Revitalization Plan have been developed. Completed projects include 51 storefronts, 13 major commercial rehabilitation projects and 5 new construction projects. An effective business association has been organized along with a Business Improvement District which generates income for ongoing operations. Similar data can be generated for other areas as well.

SELECTION METHODOLOGY AND CRITERIA

The purpose of the study was to survey the City and County to determine if new target areas are warranted and if so, where they should be. The study methodology involved two phases.

In Phase 1, areas were scored according to:

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- proximity to low income neighborhoods and degree of poverty,
- evidence of neighborhood-serving businesses, and
- degree of physical deterioration in the commercial district.

In Phase 2, the areas that passed the screening in Phase 1 were evaluated and ranked to determine:

- the potential for growth (analysis of the business mix, competition, traffic flow, and population trends and projections) and
- the interest and support of the business community in commercial revitalization and organizing a business association.

Phase I Evaluation

Phase I of the study identified six City and five County commercially zoned strips that were in neighborhoods with a low-to-moderate income level. The Agency traditionally has targeted such areas for assistance, and a high degree of poverty is part of the eligibility criteria for the use of Community Development Block Grant (CDBG) funds. Though CDBG funds can be used for economic development in higher-income areas for some purposes (e.g., to remove blight), it makes sense to look primarily to the most needy neighborhoods in times when funds are scarce.

Neighborhoods suffer when nearby commercial districts are deteriorated or poorly maintained. Commercial blight exacerbates negative elements -- such as crime, drugs, and loitering -- that often are found in poor neighborhoods. In addition, blight in the highly visible, heavily trafficked commercial districts tends to deter developers from building much needed housing stock in nearby residential areas. The physical appearance of poorly maintained commercial areas, then, can have a doubly negative impact on an area by discouraging new business investment, and by deterring housing construction.

For the purposes of this study, households with incomes of 50 percent to 80 percent of the County median household income were

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defined as low to moderate income. Neighborhoods with the highest percentage of these households were considered most distressed.

The commercial areas in the City located near the lowest-income neighborhoods are Northgate Boulevard, Florin Road, Del Paso Boulevard, South Stockton Boulevard*, Fruitridge Road and Freeport Boulevard. In the County, the lowest income neighborhoods are South Franklin Boulevard**, two sections of Auburn Boulevard, Folsom Boulevard and Watt Avenue.

Note: * South Stockton Boulevard lies in both the City and County.
** South Franklin Boulevard has a small section within City boundaries.

COMMERCIAL STRIPS AS RANKED BY PERCENTAGE OF THE LOW INCOME POPULATION FOUND IN THE SURROUNDING NEIGHBORHOODS

<u>County</u>	<u>PERCENTAGE OF LOW-INCOME HOUSEHOLDS</u>	<u>City</u>	<u>PERCENTAGE OF LOW-INCOME HOUSEHOLDS</u>
<u>South Franklin Boulevard</u> Fruitridge to Martin Luther King	66%	<u>Northgate Boulevard</u> Garden Hwy. Senator	45.48%
<u>Auburn Boulevard</u> Bell to Watt	52.75%	<u>Florin Road</u> 24th to City Limits	55.89%

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<u>Auburn Boulevard</u> Winding Way to Greenback	52.19%	<u>Del Paso Boulevard</u> Highway 160 to Evergreen Street	61.0%
<u>Folsom Boulevard</u> Bradshaw to Sunrise Boulevard	46%	<u>South Stockton</u> Fruitridge to Riza Avenue	52.59%
<u>Watt Avenue</u> Winona Way to U Street	45%	<u>Fruitridge Road</u> 65th to Power Inn	51.87%
		<u>Freeport Boulevard</u> Sutterville 43rd Street	48.4%

"South" is included on Stockton Boulevard and Franklin Boulevard areas studied to distinguish them from the existing target areas to the north.

Note: The percentages shown here were calculated with information provided by 1980 and updated 1985 Census map figures, which are broken down by Census Tracts, Block Groups and Enumeration Districts.

After the areas were evaluated for concentration of poverty as shown above, they were surveyed for degree of physical deterioration, economic deterioration, (as evidenced by vacancies), and evidence of neighborhood-serving businesses.

The surveys identified the following:

- The condition of signs;
- The condition of the facades;
- The ease of access to businesses;
- The availability of parking for customers;
- The existence of proper infrastructure, such as curbs, gutters, street lighting and the condition of utility lines;
- The ability of the businesses to serve the surrounding neighborhoods; and
- The prevalence of vacancies.

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A map of all the areas surveyed is shown in Attachment B, and a sample of a physical survey is in Attachment C.

In the County as a result of Phase I of the study, the commercial district adjoined to the neighborhood with the highest percentage of low-income households and exhibiting the greatest degree of physical deterioration was South Franklin Boulevard from Fruitridge Road to Martin Luther King Jr. Boulevard. (Auburn Boulevard, from Watt Avenue to Bell Street is also distressed but will be addressed separately as a redevelopment area). None of the others were judged to qualify.

In the City, the commercial districts meeting the Phase 1 criteria were:

- South Stockton Boulevard (Fruitridge Road to Riza Avenue)
- Fruitridge Road (65th Street Expressway to Power Inn Road)
- Northgate Boulevard (Garden Highway to Senator Avenue- east side only)
- Del Paso Boulevard (State Highway. 160 to Evergreen Street)

(Florin Road while meeting the income criteria, was nowhere near the level of physical distress that the others were).

Phase II Evaluation

The five areas identified above received further analysis in Phase II. The focus of Phase II was to determine the potential for retail growth. The analysis was made by identifying the market trade area, the consumer purchasing power within the trade area, traffic flow trends, population trends and projections, and proximity of competition.

Phase II also determined the interest and support of the business community in joining business improvement associations in order to spur revitalization. Written surveys were mailed to South Franklin Boulevard, South Stockton Boulevard and Fruitridge Road.

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For Del Paso Boulevard, staff met with the Chamber of Commerce. A sample questionnaire is shown in Attachment D.

Recommendations for New Target Areas

A summary of all the areas examined and the final recommendations for each is shown in Attachment E. As a result of Phase I and II of the study, it is recommended that new target areas in the City be designated on South Stockton Boulevard (from Fruitridge Road to Riza Avenue), Del Paso Boulevard (from State Highway 160 to Evergreen) and Fruitridge Road (from 65th to Power Inn Road). In the County, the recommended target area is South Franklin Boulevard from Fruitridge to Martin Luther King, Jr. Boulevard. The east side of Northgate Boulevard has limited development potential due to constraints associated with small parcelization and adjacent residential zoning. In comparison with other targeted strips there is also a lower level of physical distress. Therefore, Northgate Boulevard is not being recommended at this time.

The recommendations for the City and County areas are discussed separately below. Attachment F provides an analysis of commercial strips studied, but not selected as target areas.

City

The study of all the commercially zoned areas in the City that met our income requirements reaffirmed our belief that we are already serving the most needy commercial districts in the City. Even though improvements have been made, Stockton Boulevard, Franklin Boulevard, Marysville Boulevard, Broadway, Meadowview/24th and Downtown still have the greatest distance to go to full revitalization.

In examining areas for new designation, three were almost equal in need -- the southern extension of the existing Stockton Boulevard target area, Del Paso Boulevard, and Fruitridge Road.

South Stockton Boulevard

The section of Stockton Boulevard from Fruitridge Road to Riza Avenue is our first choice for a new target area for the Commercial Revitalization Program because of the high degree of poverty in adjoining neighborhoods, the excellent potential for growth and the support from the business owners. Designation has also been

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requested by the City Council representative who has met with the business owners within this commercial district. The business owners have expressed a strong interest in participating in this program. The percentage of surrounding low/moderate income population is high at 52.59%. Many of the businesses are neighborhood-serving, including grocery stores, restaurants and services.

South Stockton Boulevard BUSINESS MIX

<u>Type of Business</u>	<u># of Businesses</u>
Consumer Services (Hair Care, Cleaners, Etc.).....	34
Restaurants.....	21
Groceries.....	17
General Merchandise (Hardware, Furniture, Etc.).....	18
Car Related (Tires, Auto Sales, Etc.).....	15
Clothing Related.....	13
Motels.....	7
Doctors.....	7
Legal/Financial Services.....	7
Electronics (Repair shops).....	7
Jewelry.....	7
Florists/Gifts.....	6
Video Rentals.....	4
Bars.....	3
Liquor Stores.....	2
	<hr/>
Number of Businesses	168

While clearly not as blighted as the more northern section of Stockton Boulevard (an established revitalization area), the strip from Fruitridge Road to Riza Avenue has a high need and good potential to revitalize.

Blighted structures are common on the strip. From the physical structure survey, it is seen that roughly 66 of the 168 businesses are located in buildings needing maintenance or facade updates. Some of the physical problems are the following:

- Prominent power lines on both the east and west side of the strip which cause general visual blight;

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- Numerous aging budget motels, which lack proper maintenance, cause blight, and provide a place for prostitutes;
- An open water reservoir just past 47th Avenue which causes considerable blight due to exposed weeds, litter, and graffiti;
- Numerous unmaintained vacant lots between 47th Avenue and 65th Avenue; and
- An unsightly large growth of weeds around the motels and vacant lots.

The potential for growth on Stockton Boulevard is very good. The Sacramento Area Council of Governments projects a rate of population increase of 21% for the Stockton Boulevard study area by 2010. Furthermore, the County of Sacramento is projecting an increase of 63% for all of South Sacramento. This is important since Stockton Boulevard is a major link to the South areas. There is also growth potential if this commercial district can be recognized as a specialty retail area for Vietnamese/Asian services and products. One positive development is the increased investment by Southeast Asians along Stockton Boulevard. If the Agency could assist and coordinate the Southeast Asian people through renewal of the strip, a planned cluster of Asian shops and restaurants might attract people from all over Sacramento. Coordinated planning and architectural design could enhance the Vietnamese/Asian flavor of the community and bring a cultural identity to the neighborhood.

The traffic count in this area is high with a range from 21,300 to 26,300 in the total number of vehicles.

Note: In regard to traffic counts, a source at the Henderson Group (a local commercial real estate company) indicated to staff that counts of at least 20,000 cars in a 24 hour period could support a healthy business environment for small-medium retail "mom and pop" stores, while larger regional serving commercial retail outlets need 50,000 cars or more for a healthy environment.

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The level of interest in revitalization expressed by the Stockton Boulevard business community is the strongest of any area surveyed. The Stockton Boulevard Merchant and Property Owners Association (SBMOPA) has shown sophistication in its outreach to the Boulevard south of Fruitridge over the last year. The SBMOPA has already contacted businesses on the strip within the study boundaries with the intent of expanding the size of the Business Improvement District and has received positive support for the BID.

This district should fully participate in the commercial revitalization program with the Agency providing low-interest loans and grants, and a commercial revitalization coordinator to work with the merchants and property owners. Though a more thorough market study and revitalization plan will be prepared if this area is designated as a target area, some likely implementation actions may be to:

- establish a BID,
- create a special identity such as "Asian Village",
- enforce the nuisance abatement program, and
- identify funds to build the curbs, gutters and sidewalks.

Fruitridge Road

Fruitridge Road within the City is also a good candidate for the Agency's Commercial Revitalization Program. This is the section of Fruitridge Road from 65th Street Expressway to Power Inn Road. It was brought to our attention by the City Council representative for this area who has requested designation as a way to upgrade business conditions. It is a small, contained commercial strip with only 34 businesses in the study boundaries. Over 51% of the population in the surrounding neighborhood is from low and moderate income households.

Nearly all the businesses are neighborhood-serving. The business mix is shown below:

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<u>Type of Business</u>	<u>Fruitridge Road Business Mix</u>	<u># of Businesses</u>
Specialty Services.....		8
(Hair Care, Shoe repair)		
Restaurants.....		5
Asian Sewing/Garment Shop.....		5
Auto Services.....		3
(Car wash, Car parts)		
Bars.....		3
General Retail.....		3
(Thrift shop, Drug store)		
Groceries.....		2
Offices.....		2
Liquor Store/Mini Mart.....		<u>.1</u>
	Businesses	32

An interesting aspect about the area is the presence of many Asian garment workshops. These small sewing shops produce work for the garment districts in San Francisco and other major cities. Unfortunately, the garment workshops use rented space with no attention to the maintenance of facades or any exterior conditions. Consequently, it will be difficult to get them to fully cooperate in the revitalization effort. Roughly sixteen of the structures along the strip are in need of serious maintenance, and inadequate parking is a major problem.

There is potential for growth given the expected population increase. The Sacramento Area Council of Governments projects a 72% increase in population by 2010 for the Fruitridge Road Study Area. Businesses in the area will need to update and expand to meet the needs of the future customers in the area.

Agency staff will develop a revitalization strategy for the target area, after assessing obstacles to business growth and development, and interviewing business and property owners.

It is anticipated that the strategy will recommend a "paint the town" program, tree planting, financial workshops, enhanced nuisance abatement, design services and possibly establishing a Special Planning Area. Low-interest loans and grants will also be available for building improvements.

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Del Paso Boulevard

The third City commercial district recommended for inclusion in the Agency Commercial Revitalization Program is Del Paso Boulevard. Del Paso Boulevard from Highway 160 to Evergreen Street was previously designated as a revitalization target area from 1983 through 1987. Low interest loans and storefront improvement grants were offered and commercial revitalization coordinators worked with the business and property owners. Some of the main accomplishments of the revitalization program were the following:

- establishing an active North Sacramento Chamber of Commerce,
- conducting a streetscape design charette,
- printing a Chamber newsletter,
- assisting in the preparation of Arden-Garden connector proposal,
- conducting many promotional events,
- initiating a parking needs study,
- developing recommendations for a future parking district,
- coordinating with the Rapid Transit District on Light Rail construction and grand opening,
- establishing a Business Improvement District,
- providing proposals for a special planning district between Highway 160 and El Camino, and
- rehabilitating 39 commercial buildings with improvements totaling \$845,923. This amount represents \$527,519 in Agency loans and grants and \$318,404 in private funds.

Given this progress and the hope that the Chamber was self-sufficient enough to continue the revitalization efforts, Agency support was discontinued in 1987. However, some problems remain and public sector assistance is needed once again. The City Council representative has requested that the area be re-designated as a target area in order to address these problems. Vacancies on the Boulevard continue to detract from a viable business atmosphere. Also the numerous thrift stores there do not reflect the diversity of shopping needs since these stores predominantly cater to lower income shoppers. Customer access is another problem with inadequate parking both along the business strip and around the light rail stations. Lack of signage, bike racks, and paving

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pose other challenges to improving access to the commercial areas. Finally, nuisance problems and a perception of crime make the Boulevard a less desirable place to shop. To offset these problems, Del Paso Boulevard has the benefit of a strong and motivated Chamber of Commerce. The Chamber meets weekly to identify issues affecting business, and has created committees to address local concerns. Committees include Ambassadors/Membership, Community Services, Transportation, Economic Development, Promotions, Education, Organization/Administration and Planning and Design. The Chamber has been working hard over the last year to establish its goals and objectives for the future. The list of desired actions is ambitious and thorough.

Therefore, it is felt that the Agency can best help by funding a Commercial Revitalization Coordinator position to work with the Chamber. Some specific activities could well include maximizing use of parking lots on Arden and Del Paso Boulevard and at the El Camino light rail station and making other transportation improvements. Additional economic development activities can address infill development and business recruitment. Some development opportunities exist on the now underutilized sites around the light rail stations and at the city-owned site on El Camino. To encourage development, the Agency should also re-evaluate the Special Planning Area ordinances and their impact on development in the district. Another strong argument for assisting Del Paso Boulevard is the fact it is within the boundaries of the proposed North Sacramento Redevelopment area. The redevelopment plan will certainly be addressing commercial development, which is key to enhancing tax increment revenues. Approval of the redevelopment area authorizes the City to assemble land to aggregate the parcels necessary for successful larger commercial development. As part of the redevelopment plan, the Chamber could request funding for low-interest loans and grants to aggressively pursue building improvements.

The Agency has received a request to align the Commercial Revitalization Target Area with the Business Improvement District (BID). Upon review, it was determined that the BID comprised an area much greater than our commercial resources can provide for and contains residential units as well.

Loan and grant funds can be utilized on those buildings fronting Del Paso Boulevard within the target area. To accommodate the

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request for the expanded area, the loan and grant funds can also be utilized for buildings or adjoining corners to the Del Paso Target area and those structures visible from the Boulevard which impact the commercial revitalization strip.

County

In the County, it was much more difficult to identify appropriate areas for the Agency's Commercial Revitalization Program. While many of the commercial areas were not aesthetically pleasing because of the proliferation of signs and the clash of non-harmonious architectural and design features, most contained apparently healthy and viable businesses. (Actual sales figures were not available). There were only occasional vacancies, and signs of deteriorated buildings were scattered and isolated. Forming business associations in these areas would be especially difficult for several reasons. There are few, if any, separate definable commercial districts in the County, especially any associated with a particular residential neighborhood. County commercial development is continuous in many places with no interruption except for a few vacant lots and underutilized land. In many cases, the mix of stores is not efficient. There are large regional stores located next to "mom-and-pop" stores, retail operations next to service businesses and office businesses. Given these problems, the best Agency staff can do is work with County staff to develop more effective mechanisms to control the quality of commercial development. Key opportunities include County implementation of the General Plan for Transit Oriented Districts as well as the County's efforts to enhance its Sign Control Program.

South Franklin Boulevard

Staff does, however, recommend South Franklin Boulevard from Fruitridge Road to Martin Luther King Jr. Boulevard on the south for revitalization. This is an extension of an existing revitalization area on Franklin Boulevard (Sutterville Road down to Fruitridge Road). It ranks the highest of all County areas examined in its proximity to a low income neighborhood. The Census indicates that the low-to-moderate income percentage is very high at 66%. Many of the businesses along the strip are neighborhood serving with nine restaurants and four grocery stores. In addition, the eight specialty retail stores (general merchandise) and the nine consumer services businesses (hair care, taxidermy, etc.) are primarily neighborhood serving.

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This section of Franklin Boulevard also exhibits a high level of physical deterioration. Roughly 30 of the 60 plus structures are old and not properly maintained. Many driveways and parking areas are in need of repaving. Other blighting factors include an abundance of weeds, and out of date facades. At this time, six vacant structures and four vacant and weedy lots were counted in the target area.

The potential for growth is good on this section of Franklin Boulevard. First of all, it is diverse in its retail mix as shown below:

South Franklin Boulevard MIX OF BUSINESSES

<u>TYPE OF BUSINESSES</u>	<u># OF ESTABLISHMENTS</u>
Car Repair/Service.....	16
Specialty Retail..... (Aquarium supplies, Lawn supplies, etc.)	8
Consumer Services..... (Car rentals, Pet Hospital, etc.)	9
Restaurants.....	9
Groceries.....	4
Gas Stations.....	3
Bars.....	2
Light Industry.....	3
Car/Motorcycle Sales.....	2
Heavy Industry.....	1
Financial Institution.....	1
Liquor/Mini Market.....	2
Businesses	<u>60</u>

There are also expectations of a significant population increase in the area. The Sacramento Area Council of Governments projects a population increase of roughly 13.4% by the year 2010 for the census tract surrounding Franklin Boulevard. Furthermore, the County of Sacramento is projecting a total growth rate of 63% for all of South Sacramento by the year 2010. The large growth rate for South Sacramento is important to Franklin Boulevard as many motorists use this strip as a link to the south areas. In fact, the traffic count is very high. According to information provided by the City of Sacramento, the 24-hour traffic volume is 29,200 vehicles.

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The final test for designation is the evidence of support for revitalization from the business operators. This support was revealed in a survey mailed to businesses on the strip. Sixteen of the 23 responses from the survey show a positive response to the idea of forming a business association to spur revitalization.

If this commercial area is designated, a specific implementation strategy and recommendations will be developed by the commercial revitalization coordinator, Agency staff, the business operators, and property owners. Low-interest loans and storefront improvement grants will also be offered. One likely implementation action may be to coordinate the clustering of all automobile service businesses. Perhaps this section of Franklin Boulevard could become better known to the public as an auto services hub, luring people from all over Sacramento. (It is unknown at this time whether the zoning is appropriate or if the lot size is large enough for this type of development.) Business recruitment will probably be the focus of the revitalization strategy given the number of underdeveloped or underutilized parcels. From the physical survey, the area also needs curbs, gutters and sidewalks and strict enforcement of the nuisance abatement ordinance. Of course, the commercial revitalization coordinator would also organize a business association.

Another strong argument for designating this section of Franklin Boulevard as a commercial revitalization target area is the fact that it is within the boundaries of the proposed South Sacramento Redevelopment Area. The redevelopment plan will certainly be looking at commercial development which is key to enhancing the tax increment revenues. Approval of the redevelopment area authorizes the County to use land assembly eminent domain powers to aggregate the parcels necessary for successful larger commercial development.

POLICY IMPLICATIONS

The actions proposed in this staff report are consistent with previously approved policy and no policy change is being recommended.

FINANCIAL IMPLICATIONS

The 1991 Budget as approved includes allocations for three new commercial revitalization coordinators:

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AREA	CONTRACT AMOUNT	SOURCE OF FUNDS
New City/County Area	\$12,500	City CDBG
	\$12,500	County CDBG
New County Area	25,000	County CDBG
Del Paso Boulevard	25,000	City CDBG

Additionally, a new allocation of \$250,000 is requested for loans and grants for Del Paso Boulevard and Fruitridge Road. This action will transfer \$250,000 of City CDBG funds from 1989 contingency to 1991 Economic Development (see Exhibit A).

In the County CDBG areas, a new allocation of \$42,750 was approved for loans and grants in the 1991 Budget. Loan repayments will also approximately increase the amount available by the amount of \$50,000.

MBE/WBE IMPACT

The action proposed in this report has no MBE/WBE impact.

ENVIRONMENTAL REVIEW

CEQA The designation of new commercial revitalization areas is exempt from environmental review per CEQA Section 15378 (b) (3). Individual projects occurring within the areas will be subject to case-by-case review.

NEPA The proposed action is exempt from federal environmental requirements per 24 CFR Part 58.34 (a) (2). Subsequent individual loans or grants will be subject to further part 58 requirements.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting February 20, 1991, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolutions. The votes were as follows:

AYES: Amundson, Diepenbrock, Moose, Pernell, Simon,
Simpson, Strong, Wiggins, Williams

NOES: None

ABSENT: Wooley, Yew

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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RECOMMENDATION

Based on the study results presented above, staff recommends adoption of the attached resolution authorizing the Executive Director to take all actions necessary to allow the Agency to expand and modify its commercial revitalization efforts as follows:

South Stockton Boulevard

Designate the City and County portions of Stockton Boulevard from Fruitridge Road to Riza Avenue as a new target area. Initiate a full Commercial Revitalization Program and provide commercial revitalization coordinator services.

South Franklin Boulevard

Designate Franklin Boulevard from Fruitridge Road to Martin Luther King, Jr. Boulevard as a new target area. Initiate a full Commercial Revitalization Program and provide commercial revitalization coordinator services.

Fruitridge Road

Designate Fruitridge Road (from 65th Expressway to Power Inn Road) as a target area. Provide staff services to develop a revitalization strategy, and provide low-interest loans and grants to upgrade existing properties.

Del Paso Boulevard

Designate Del Paso Boulevard as a new target area. Initiate a full commercial revitalization Program and issue a request for proposals for a commercial revitalization coordinator. Low-interest loans and grants will be available for building improvements.

Finally, some changes are also recommended in the Commercial Revitalization Program in the currently designated targeted areas:

Isleton

Discontinue loans and grants after December 1991, but provide staff involvement for historic preservation and land use (See Attachment G for a description of Isleton's status).

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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Rio Linda

Discontinue coordinator services in 1991 and phase out loans and grants after December 1991 (see related staff report presented March 5, 1991, to the County Board of Supervisors)

The programs for Walnut Grove, Franklin Boulevard, Stockton Boulevard, Broadway, Meadowview/24th Street, Downtown, and Marysville Boulevard will continue as previously approved.

Overall

Authorize the extension of the current Stockton Boulevard and Franklin Boulevard coordinator contracts to include the expanded areas.

Extend all coordinator contracts on a month-to-month basis. Evaluate the overall program and coordinators' performance in three months and on a quarterly basis thereafter. Review the contract monitoring process and the accomplishment of Agency goals and objectives. After the evaluation, determine if RFPS should be issued for all or some of the coordinator contracts.

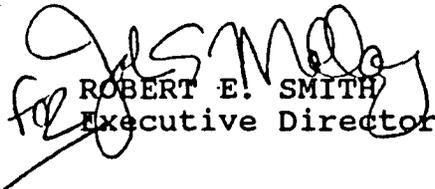
Authorize distribution of a Request for Proposal leading to selection of a strip coordinator for Del Paso Boulevard and execution of a contract with the selected coordinator.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
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Authorize 1) use of \$250,000 from 1989 City CDBG Contingency funds to 1991 Economic Development to provide loans and grants on Fruitridge Road and Del Paso Boulevard, and 2) amend the 1991 CDBG Final Statement to include newly designated commercial target areas.

Respectfully submitted,


ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COUNCIL

WALTER J. SLIPE
City Manager

Contact Person: Gene Masuda

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RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

DESIGNATION OF NEW COMMERCIAL REVITALIZATION TARGET AREAS FOR SOUTH STOCKTON BOULEVARD, SOUTH FRANKLIN BOULEVARD, FRUITRIDGE ROAD, AND DEL PASO BOULEVARD AND ISSUANCE OF A REQUEST FOR PROPOSALS FOR COMMERCIAL REVITALIZATION COORDINATOR SERVICES FOR DEL PASO BOULEVARD

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

Section 1: South Stockton Boulevard from Fruitridge Road to Riza Avenue; South Franklin Boulevard from Fruitridge Road to Martin Luther King, Jr. Boulevard; Del Paso Boulevard from Highway 160 to Evergreen Street; and Fruitridge Road from 65th Street to Power Inn Road, are designated as new Commercial Revitalization Target Areas.

Section 2: The Executive Director is authorized to issue a Request for Proposals for Commercial Revitalization coordinator services for the Commercial Revitalization Target Area Del Paso Boulevard.

Section 3: The Executive Director of the Redevelopment Agency of the City of Sacramento is hereby authorized to amend the 1991 CDBG Final Statement to include the newly designated commercial target areas and to transfer \$250,000 of 1989 CDBG contingency funds to the 1991 Economic Development Program.

Section 4: The Executive Director is directed to return to the Sacramento Housing and Redevelopment Commission in three months to present a status report and performance evaluation regarding current Commercial Revitalization Coordinators, at which

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

time the commission shall consider and determine whether, and when, requests for proposals for Commercial Revitalization Coordinators for all Commercial Revitalization Target Areas should be issued.

CHAIR

ATTEST:

SECRETARY

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RECOMMENDED REPROGRAMMING ACTIONS
CITY OF SACRAMENTO - CDBG PROGRAM

YEAR/ COST CENTER	PROJECT	CURRENT ALLOCATION	RECOMMENDED ALLOCATION	NET CHANGE TO CONTING.	COMMENTS
1989	BEGINNING CONTINGENCY BALANCE			\$372,361.72	
1991 MO4931	Economic Development	\$20,883.86	\$270,883.86	-\$250,000.00	Additional Funding to expand commer- cial strip loans & and grants
1989	ENDING CONTINGENCY BALANCE			\$122,361.72	

F:\CPC\CDBGPROG.RAM

Definitions of Ratings

- I. MAJOR STRUCTURAL PROBLEMS - Condition of the structure itself; the problems which may be encountered are roof problems (where roofs are visible), wall problems (cracks, etc.), and/or foundation defects. (chipped paint is not a criteria for this category and should not be confused with cracks. This type of problem is cosmetic and should be recorded in its proper category).

Ratings:

- (1) good condition - no structural problems
- (2) fair condition - minor cracks, breaks, makeshift construction/ repair on walls, roofs or foundations.
- (3) poor condition - major structural problems; serious cracks in walls or foundations, holes in roof (if visible), and/or any other major problems indicating a possibly rapid deterioration of the structure.

- II. MINOR COSMETIC PROBLEMS - Condition of the exterior of the building; it's "physical appearance." The problems which maybe encountered are peeling or chipped paint, worn spots, patches of repaired areas that haven't been repainted, and broken windows.

Ratings:

- (1) good condition - no highly visible cosmetic problems.
- (2) fair condition - minor exterior problems; peeling paint here and there, small worn spots. In general, a simple coat of paint would eliminate any problems in this category.
- (3) poor condition - serious cosmetic problems; an overall "shabby" appearance. Appears to need extensive painting and perhaps minor repair remodeling.

- III. SIGN CONDITION - Physical condition and appropriateness of sign.

Ratings:

- (1) good condition - proper sign - sign is in good condition and is judged to be an appropriate size and located in an appropriate place.
- (2) fair condition - sign has minor cosmetic problems.
- (3) poor condition - sign is in poor condition; broken, has holes or is in need of paint.
- (4) inappropriate - sign is too large
- (5) too many signs - footnoted; other than sign condition score
(Pole signs were rated separately if in any condition other than #1)

IV. PARKING - Presence and condition of parking facilities.

- (1) good condition - adequate - parking area is in good condition; amount of space is adequate for the business.
- (2) adequate fair condition - unpaved, well-kept, paved slightly deteriorated, disconsonant paving.
- (3) inadequate - parking area is not adequate for customers of the business.
- (4) poor condition - adequate existing parking is in poor condition; unpaved, broken.
- (5) absent - no parking is available. (Parking areas of surrounding businesses are not included unless parking lot is meant to be shared. ie. shopping centers, etc.)

V. EASE OF ACCESS - Accessibility of the business to the customer. (This category may be omitted for certain industrial purposes.)

- (1) easy accessibility - entering and exiting parking areas and the actual business establishment may be completed with ease.
- (2) difficult accessibility - due to congested traffic patterns, one-way streets or other barriers, access to the business is hampered. (and/or) Access from parking to the actual establishment's door is difficult. (No left turn lane on congested streets)

VI. LANDSCAPING - Visual enhancement of the structure via plantings, beams, special decorations or other acc

- (1) landscaping present; adequate, and well maintained.
- (2) landscaping present-(inadequate) but with minor signs of deterioration (eg. plantings not trimmed, boxes broken, etc.)
- (3) landscaping present in poor condition - (dead vegetation, weeds, etc.)
- (4) no landscaping present-

VII. LITTER - Surrounding property (parking area, etc.) containing broken glass, junk, trash.

- (1) no litter - absent of trash
- (2) litter present - some broken glass, small items, paper etc.
- (3) large amount of litter - large discarded items; heavily littered area; and/or debris clogging up gutters.
- (4) sloupy external storage - visual blight

ROAD CONDITION - Condition of street on which business is located.

- (1) good condition - wide, paved; adequate safety to enter establishments' parking area. (left-turn lanes, etc.)
- (2) fair condition - paved, adequate safety (could use lanes)
- (3) poor condition - unpaved or paved-"in need of repair," narrow, unsafe turning into business.

SIDEWALKS: CURBS AND GUTTERS - Presence and condition of sidewalks, curbs and gutters.

- (1) present; good condition - no weeds.
- (2) broken - badly cracked, large breaks, overgrown with weeds, sections missing.
- (3) not consistent with neighboring improvements; visually dissonant.
- (4) absent - no sidewalks, curbs or gutters.

STREET LIGHTS - Presence and adequacy of street lighting.

- (1) present and adequate; area lit in systematic manner.
- (2) one light -one street light in the vicinity (on a corner, etc.), but insufficient for the block.
- (3) absent - no street lights in the vicinity.

UNITY: FRANKLIN (CONT'D)

IFY DATE: _____

ET NAME: _____ FROM: _____ TO: _____

OR ZONE (LEFT): _____ MINOR ZONE (RIGHT): _____

NAME AND ADDRESS OF BUSINESS	PURPOSE	ACTUAL STRUCTURE		SITE					ENVI- RONMENT		
		MAJOR (STRUCTURAL) PROBLEMS	MINOR (COSMETIC) PROBLEMS	SIGN CONDITION	PARKING	EASE OF ACCESS	LANDSCAPING	LITTER	ROAD CONDITION	SIDEWALKS	ST. LIGHTING
TIRE : Wheel Emporium											
THE FISH BOWL		1	2	1	1	1	2	1	2	1	1
Altra Auto Rental	VACANT	1	2	4	1	1	2	1	2	1	2
B & T Kawasaki		1	2	3	1	1	2	1	2	1	1
PACIFIC TIRE Service		2	3	3	1	1	4	2	2	1	2
G / W Carpet & Appliances		2	3	3	1	1	4	2	2	1	2
Beacon GAS STATION		3	3	3	3	1	4	2	2	1	2
Bli's Power Lawn Equip		2	3	3	2	1	4	2	2	1	3
Jim's COBR CORNER		3	3	3	2	1	4	2	2	1	3
ENTERPRISE RENT-A-Car		1	2	1	1	1	2	1	2	1	3
Pelli & GUSTAF Body Shop		2	3	3	3	2	4	2	2	1	3
Amco TRANSMISSION Shop		2	3	3	3	2	4	2	2	1	3
NAPA Auto Care Center		2	3	3	3	2	1	1	2	1	3
Black Art Gallery		1	2	1	2	2	4	1	2	1	3
Daniels Appliances Services		2	3	3	2	2	4	1	2	1	3
Eagle MINI Mart Gas		2	3	3	1	1	1	2	1	1	2
Billy Madison THRIFT Bakery		2	3	3	2	1	3	2	1	1	1
Christo Auto Repair		3	3	3	3	2	4	2	2	4	2
Lovang HIN Market		3	3	3	3	2	4	2	2	2	2

**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



The SHRA is studying Stockton Blvd., from Fruitridge Road to Riza Avenue, to determine the potential for revitalization. The first step in our process is to complete a market analysis.

Your prompt cooperation in completing and returning this survey will greatly aid in our process of selecting a new revitalization area.

Name and Address of Business: THOMAS
STOCKTON BLVD.
SACRAMENTO, CALIF. 95824

BUSINESS SURVEY QUESTIONNAIRE
(All answers are strictly confidential)

- * What kind of Business do you own or operate? OFFICE
- * How many square feet are you using? (Rough Estimate) 980
- * What were total gross sales last year? (Rough Estimate) 100,000
- * How large is your market area? In other words, where do most of your customers come from?
 - Within a 5 block radius
 - Within a 1 mile radius
 - Within a 2 mile radius ✓
 - Within a 5 mile radius
 - From all over Sacramento
- * As a business person operating on Stockton Boulevard, would you be interested in working with a Business Association to improve business along Stockton Boulevard? YES
- * What kind of problems do you feel are hindering growth in sales and/or discouraging customers?

CRIME, DRUGS, AND SLOW
EROSION OF A STABLE COMMUNITY

Please return to: Sacramento Housing & Redevelopment Agency
Economic Development Attn: Jack Poukish
P.O. Box 1834
Sacramento, Ca 95812-1834
(916) 440-1318

Stamped, Self-addressed envelope attached

SUMMARY OF COMMERCIAL STRIPS

<u>CITY</u>	<u>COMMERCIAL STRIPS</u>	<u>% OF LOW INCOME</u>	<u>PHYSICAL CONDITION</u>	<u>POTENTIAL GROWTH</u>	<u>INTEREST</u>	<u>RECOMMENDATION</u>
	South Stockton Boulevard (Fruitridge to Riza Ave.)	52.59%	SEVERE BLIGHT	VERY HIGH	HIGHEST RESPONSE	DESIGNATE AS NEW TARGET AREA
	Del Paso Boulevard	61%	SIGNIFICANT BLIGHT	GOOD	POSITIVE RESPONSE	DESIGNATE AS NEW TARGET AREA
	Fruitridge Road (65th to Power Inn Rd.)	51.87%	SEVERE BLIGHT	SOME	GOOD RESPONSE	PROVIDE STAFF SERVICES AND LOANS & GRANTS
	Northgate Boulevard (Garden Hwy to Senator)	45.98%	PARTIAL BLIGHT	SOME	GOOD RESPONSE	NEEDS REZONING AND PARCEL CONSOLIDATION
	Freeport Boulevard	48.4%	PARTIAL BLIGHT	N/A	NOT EXAMINED	NO ACTION RECOMMENDED
	Florin Road	55.89%	GOOD	NOT EXAMINED	NOT EXAMINED	NO ACTION RECOMMENDED
<u>COUNTY</u>						
	South Franklin Boulevard (Fruitridge Rd. to MLK Blvd.)	66%	SEVERE BLIGHT	HIGH	VERY GOOD RESPONSE	DESIGNATE AS NEW TARGET AREA
	Auburn Boulevard (Bell to Watt Ave.)	52.75%	GOOD	NOT EXAMINED	NOT EXAMINED	PART OF PROPOSED REDEVELOPMENT AREA
	Auburn Boulevard (Winding Way to Greenback)	52.19%	GOOD	NOT EXAMINED	NOT EXAMINED	NO ACTION RECOMMENDED
	Folsom Boulevard (Bradshaw Rd. to Sunrise Blvd.)	46%	GOOD	NOT EXAMINED	NOT EXAMINED	NO ACTION RECOMMENDED
	Watt Avenue (Winona Way to U Street)	45%	GOOD	NOT EXAMINED	NOT EXAMINED	NO ACTION RECOMMENDED

AUBURN BOULEVARD, BELL TO WATT AVENUE

A survey of Auburn Boulevard was conducted from Bell Avenue to Watt Avenue because it had a very high (52.75%) percentage of low-to-moderate income households in the surrounding neighborhoods.

This strip is one which, for the most part, was developed originally to cater to the interstate traveler. Only the south side of the strip is open for commercial use due to the presence of Business 80 on the north side. The primary businesses of the strip are inexpensive lodgings for auto travelers, and new car dealerships. Structures on the strip are not deteriorated, but neither are they attractive. The Greater Sacramento Surgery Center is a new positive development for the strip which will slowly change the mix of businesses. Its location there is a good indication that new investment is being attracted to the strip.

However, many negative elements are present:

- Roughly six of the older motels need landscape and facade rejuvenation.
- Due to the large number (12) of inexpensive motels, a somewhat large population of prostitutes work the strip.
- The business mix does not serve the neighborhood.
- An abundance of weeds outlines most of the parking lots of the motels.

At this time, Auburn Boulevard is not recommended for designation as a commercial revitalization target area because its businesses are not neighborhood-serving. Revitalizing these types of businesses does not assist the surrounding low income neighborhoods. Also, the private sector may be active enough to engender revitalization on its own. For example, new development, such as the Greater Sacramento Surgery Center (already in existence), will attract new investment to the strip, including businesses in the medical field.

Also, a full-blown Agency revitalization program that includes hiring a coordinator may not be necessary since only seven or eight businesses really need financial assistance. Problems may be resolved since the establishment of the new North Sacramento Redevelopment Area is being considered. This would give the City the necessary tools to take out blighted businesses and encourage new development.

RECOMMENDATIONS

If the City wishes to upgrade this area, the following actions should be taken:

- Organize efforts to clean up the older motel lots. Nuisance abatement guidelines can be implemented to clear all weeds and visible litter.
- Pave the north shoulder of Auburn Boulevard within the boundaries shown above to facilitate easier parking for shoppers and to assist in general beautification for the strip.
- Implement a "new paint" program to improve facades on older motels and businesses.
- Discuss with law enforcement agencies what can be done to stop prostitution on the strip.

AUBURN BOULEVARD (Winding Way to Greenback)

A survey of Auburn Boulevard was also conducted from Winding Way to Greenback given the 52.19% of low/moderate income population in the neighborhood.

Again most of the businesses are not neighborhood-serving. Also, there is not a great extent of blight. Businesses on this stretch of Auburn Boulevard are mostly chain retail establishments with well-maintained parking areas and landscaping. Most of the development is new and infrastructure such as curbs and gutters is present.

Blighting elements on the strip include:

- Some vacant structures such as Sam's Hof Brau at Garfield and Cody's Cafe at College Oak.
- The old Auburn Park Apartments, which is poorly maintained and marked by litter and graffiti.
- The chain-linked fences running along Auburn Boulevard in the front of heavy industry businesses.
- A mobile home park at 5662 Auburn Boulevard which is poorly maintained.

Due to the lack of major blight on the strip, this report makes no recommendations at this time for Auburn Boulevard from Winding Way to Greenback.

FOLSOM BOULEVARD (Bradshaw to Sunrise Boulevard)

A survey of Folsom Boulevard was conducted from Bradshaw to Sunrise Boulevard.

The percentage of low/moderate income population is only 46%, but a survey was warranted due to the perception of public officials and SHRA staff that this strip was blighted.

The physical survey of Folsom Boulevard showed it is a strip which has consistently attracted new investment over the last ten years or so. This is evident in the abundance of new retail businesses on the strip. The condition of the road is average to good and curbs and gutters are present at least on the north side of the strip. While the survey recognized little blight on the strip, the entire south side of the strip is taken over by railroad tracks and litter was present in many parking lots.

This strip is not suitable for revitalization because there is a healthy mix of businesses and most of the strip is newly developed - some buildings are even brand new, which indicates new investment for the strip.

WATT AVENUE (Winona Way to U Street)

A survey of Watt Avenue was conducted from Winona Way to U Street.

The percentage of low/moderate income population is only 45%, but the survey was warranted due to the perception of public officials and Agency staff who felt Watt Avenue is in a depressed area.

The physical survey showed that this section of Watt Avenue situated in North Highlands is a commercial strip dominated by large retail outlets and many well maintained buildings with multiple commercial tenants. The business mix is dominated by large chain-retail stores which maintain a high level of economic health, such as Price Club, Home Builders Outlet, Levitz, etc., and there is a lack of business operator-owned businesses. Overall, the strip appears to be newly developed with little physical deterioration and most of the strip is attractively landscaped. From the survey, it appears that most business owners maintain their property very well and that major blighting elements were not evident.

Some problems do exist, including:

- Prominent power lines on both sides of the strip.
- Vacant structures, such as the gas station at Don Julio Street.
- Market Basket Grocery.
- Old deteriorating structures around the E Street crossing.
- Many vacant weed lots on the West side of the strip around the Van Owen crossing.

This strip is not recommended for designation as a target area because it is not economically depressed.

McClellan Air Force Base serves as the area's main economic draw -- and also its biggest liability. Many new businesses are reluctant to locate near an air force base which has an uncertain future due to unpredictable military expansions or cutbacks.

RECOMMENDATIONS

If the county wishes to upgrade this area, the following actions could be useful:

- Assisting in the sale of the empty lots dotting the strip.
- Implementing plans to sell and/or renovate the vacant structures.
- Enforcing nuisance abatement ordinances to clear litter and weeds from empty lots and vacant structures.
- Monitoring for Defense Department cutbacks resulting in economic ramifications in this area.

NORTHGATE BOULEVARD (Garden Highway to San Juan)

A survey of Northgate Boulevard was conducted from Garden Highway to San Juan.

The percentage of low/moderate income population is 45.98%

The study area of Northgate Boulevard has a diverse business mix. However, the entire west side of Northgate Boulevard cannot even be considered eligible since it is all newly developed and economically healthy. The east side has not been as fortunate; therefore, this study concentrates on the east side.

Unfortunately, on the east side of Northgate Boulevard there is a prevalence of small lots unsuitable for large-scale retail uses. Due to a dominance of south flowing traffic down Northgate Boulevard (motorists coming off of I-80 heading south), east side businesses unfortunately receive less business than their neighbors across the street. East side businesses are showing the signs of this competition by the west side. Approximately one third of all businesses in the study area are in need of exterior updates. Unfortunately, the strip has a mixed use with housing intermingled with the retail establishments. Thus, one does not find a continuous shopping district. Aid to businesses on Northgate will spur future investment which is needed to keep up with the North area's high growth rate.

Other reasons warranting revitalization:

- One third of all businesses are in poorly maintained structures.
- Six empty weed infested lots and approximately 4 vacant structures in the area.
- There is need for facade improvements on existing storefronts.
- A majority of businesses are neighborhood serving.

BUSINESS MIX

<u>Type of business</u>	<u># of businesses</u>
Specialty Retail.....	7
Specialty Services.....	7
Restaurants.....	6
Auto Services.....	3
Grocery.....	2
Gas/Mini Market.....	2
Bar.....	2
Liquor Store.....	2
Car Sales.....	1
	<u>32 Businesses</u>

The Sacramento Area Council of Governments projects a dramatic increase in population of 93% by 2010 for the Northgate Boulevard study area. Furthermore, the County of Sacramento is projecting the entire South Natomas area to more than double by 2010.

The staff of the City office of Economic Development considers this area ripe for development. New development and existing buildings, together with available vacant land for development, offer many opportunities to improve the community via increased job creation and direct tax dollar contribution.

This area has received considerable attention from City Planning staff in the way of a formulation of a Special Planning District (SPD). Other actions that can be taken include the following:

- Evaluate zoning and building regulations, especially set-back requirements
- conduct a circulation study to determine how traffic patterns deter growth or make upgrading building difficult.
- work with nuisance abatement to contact property owners.
- work with existing businesses to hire a graffiti/weed removal service.

When funds are available it is recommended that this area be the next area designated as an Agency commercial revitalization target area. With the changes in the economy in the last six months, financial institutions have become reluctant to lend money to smaller types of retail/office businesses because of their concerns that this type of loan is a marginal investment.

Therefore, a targeted program coupled with the SPD and the current emphasis in formalizing a business association by the City Office of Economic Development would be the catalyst for change and create a very successful effort.

FREEMONT BOULEVARD (43rd Street to Sutterville Road)

The surrounding percentage of low/moderate income population on Freemont Boulevard is only 48.4%. However, the survey was warranted due to the existence of blight on the strip.

A survey was conducted of Freeport Boulevard from Sutterville to 43rd Street. This is a highly commercialized strip with many well-maintained buildings which have multiple tenants. The business mix has several neighborhood serving stores but there are also many vacancies.

Presently, the problems for this commercial strip are:

- The condition of the road itself. There is a continuous web of tar crack filler on the surface of the road.
- The presence of weeds along many sidewalks.
- Poor parking and access to businesses located in some of the older buildings on the strip.
- The part of the strip near Executive Airport exhibits most of these blight causing problems.

This strip is not a high candidate for revitalization because:

- there are few vacancies,
- most of the businesses are highly developed and healthy, and
- most goals for the strip could easily be met without initiating a full-blown revitalization effort

Recommendations

The main recommendation for this area is road resurfacing and weed abatement. The Agency might consider facade grants or loans for the older businesses on the strip.

FLORIN ROAD (24th to Franklin Boulevard)

A survey was conducted of Florin Road from 24th Boulevard to Franklin Boulevard.

The only reason a survey of this commercial strip was warranted is the high percentage (55.89%) of low/moderate income people in the surrounding neighborhoods.

At this time, the only blight causing factors are:

- A few used car dealerships which are run down and fenced off.
- The sporadic loitering of high school students on the strip. Whether this is blight or not is debatable.

At this time, it is not recommended this part of the strip be revitalized for the following reasons:

- The majority of businesses are not neighborhood-serving; this strip is dominated by large car dealerships. Most of these car dealerships keep their lots attractive, and businesses look healthy
- Most businesses are chain retail stores which maintain their lots well
- Most stores are new
- A general lack of any form of blight

Main Street in Isleton was designated as a commercial revitalization target area in 1984. Though Isleton is a separately incorporated city and the County of Sacramento receives less property tax revenue from the area, the County decided to assist the community under an Entitlement City Agreement. Given the current budget, however, the County no longer has the luxury of having a relatively high level of expenditures where it has no real obligation or responsibility.

The commercial revitalization program really has seen success in Isleton. The area has a unique historic heritage which the Agency has tried to preserve in its activities. This has included paying for a historic survey and establishing a historic district, now in the process of final public review. The Main Street Business Association is strong and is capable of organizing important promotional events such as the popular Crawdad Festival. These kinds of events bolster the tourism industry, which must replace the declining agricultural economic base. Twenty-one of the storefronts in Isleton have been rehabilitated with Agency funds. Given that this is a relatively small commercial district, the rehabilitation has made a major visible impact. Unfortunately, because of the degree of disrepair and the age of the buildings, rehabilitation is very expensive. Agency expenditures on loans and grants now total \$395,650.

Momentum has been generated with the rehabilitation of nearly half of the storefronts. A new Isleton city redevelopment area plan is being formulated contiguous to the target area and is likely to provide incentives for privately financed rehabilitation.

Recommendations

It is recommended that applications for loans and grants continue to be accepted through December, 1991. Additionally, staff will pursue approval of the National Historic District Registration for Main Street Isleton.