

Planning Commission
Sacramento, California

Members in Session:

SUBJECT: STAFF REPORT ON PROPOSED HOUSING TRUST FUND (HTF) ORDINANCE

SUMMARY

This staff report reviews the proposed Housing Trust Fund (HTF) Ordinance distributed for public review on July 1, 1988 (Attachment A). The HTF Ordinance is designed to implement provisions of the North Natomas Settlement Agreement, the job/housing balance policies of the North Natomas Community Plan, and Citywide air quality mitigation measures of the General Plan. The staff report also explains the relationship or "nexus" between various employment uses and the proposed housing fee and/or housing construction requirement. The Sacramento Housing and Redevelopment Agency (SHRA) has reviewed and is in general agreement with the draft ordinance.

BACKGROUND

The City of Sacramento has prepared a first draft of the HTF Ordinance to fulfill the requirements of Exhibit "J" (Attachment B) to the North Natomas Settlement Agreement dated March 29, 1988. Section 7 of the Agreement provides for City adoption of a HTF Ordinance in substantial conformity with Exhibit J within nine months unless the City determines that a longer period of time is needed due to substantial public controversy or the need for additional information. Attachment C is the proposed public review schedule.

The proposed HTF Ordinance includes provisions to assure consistency with the previously adopted North Natomas Community Plan (NNCP) and the air quality mitigation measures for the General Plan EIR. The NNCP included a recommendation for the establishment of a Housing and Infrastructure Trust Fund and in-lieu construction program to stimulate 4,430 moderately priced dwelling units in North Sacramento. The NNCP suggested a fee of \$3,500 per dwelling unit to be paid at the time of issuance of building permits to be spread on an employee-per-acre basis on all employment generating land uses in North Natomas.

On December 15, 1987, the Council first approved the concept of a Housing Trust Fund to be applied Citywide, as part of the air quality mitigation measures adopted for the EIR on the Sacramento General Plan Update.

Legal Nexus:

In the opinion of legal counsel, a commercial development fee may be imposed by local government based on factual evidence showing that the construction of employment generating land uses create a need for low income housing and that the fees would be used to address this housing need. The recent Nollan decision by the U.S. Supreme Court emphasized the need to establish this relationship or "nexus" between the fee and expected need or impact.

An economic consultant, Keyser Marston Associates, was retained by SHRA to quantify the nexus for the Sacramento area. Their November 25, 1987 report to SHRA concluded that a clear nexus can be established between the construction of various commercial and industrial land use types and the number of very low income households associated with the land use.

Table 1 shows the methodology for calculating the fee amounts contained in the nexus report. These fees (shown on line 13 of Table 1) are \$2.74 for office, \$1.50 to \$1.87 for research and development (20% and 50% office use, respectively), \$1.32 for manufacturing, \$.82 for warehouse, \$4.33 for commercial and \$1.90 for hotel. This table reflects the City's recalculation of the housing subsidy amounts based on the employee densities for the City's office, research and development, and warehouse land use categories contained in the Sacramento General Plan. These fees represent the maximum, legally defensible nexus amount that the City could charge employers by land use category.

The nexus fee impact on construction costs (shown on line 15 of Table 1) range from a low of 3.3% for warehouse uses to 11.4% for commercial uses.

Proposed HTF Ordinance:

The proposed HTF Ordinance will apply to non-residential development projects proposing to construct 10,000 or more gross square feet or non-residential development projects proposing to remodel 10,000 or more square feet which results in a change in occupancy use (i.e., from warehouse to office). An applicant for a non-residential building permit may elect to either: 1) pay the housing fee by type of use as defined in Appendix A of the Ordinance or; 2) pay a combination 20% housing fee and construct units as defined in Appendix B of the Ordinance. Applicants within the North Natomas Community Plan area may elect to either: 1) pay the housing fee or; 2) construct units as defined in Appendix C of the Ordinance. Exhibit 1 illustrates how these alternatives would apply to a 100,000 square foot office building.

Proposed Fees:

The proposed housing fees are \$.95 for office, \$.90 for hotel, \$.80 for research and development (50% office), \$.68 for research and development (20% office), \$.75 for commercial, \$.60 for manufacturing, and \$.38 for warehouse. The proposed fees are significantly less than the maximum amounts established in the Nexus study. The proposed fees take into account the economic feasibility of projects and represent between 1.5-2% of construction costs.

The revenue potential of the proposed fees will be dependent on the type of exemptions and the amount of construction activity in any given year. For example, based on 1987 building permit activity for non-residential buildings over 10,000 square feet and based on the proposed fees, approximately \$800,000 or 68 low income units could be generated (Table 2). This estimate does not take into account potential revenue generated from changes in occupancy use (i.e., remodels), that also would be subject to the fee requirement or projects that elect to build housing in-lieu of fee payment.

Proposed Housing Unit Requirement:

The housing unit factors (in Appendix B of the Ordinance) are based on 18 employees per housing unit as specified in the Settlement Agreement. Table 3 shows the steps involved in calculating the fee and housing unit factors, based on the employee densities for each land use category.

The Ordinance provides for the construction of housing units within designated infill areas or on approved infill lots. Exhibit 2 shows the location of these identified infill areas. The General Plan estimates that there are 1,560 acres of potential infill property within the City limits which could yield 13,133 units.

North Natomas Requirement:

To assure consistency with the North Natomas Community Plan, non-residential uses located within the Plan area may elect to construct housing rather than pay the housing fee, based on the factors shown in Appendix C of the Ordinance. These housing unit factors are based on 15 employees per housing unit as adjusted for the employee densities for each land use category. Table 4 shows the steps involved in calculating the housing unit factors. The HTF Ordinance provides for the construction of these units within residential areas designated within the North Sacramento Community Plan Area (Exhibit 3).

Administration and Enforcement:

Small buildings under 10,000 square feet are exempted to minimize the financial impacts on primarily retail uses and local serving office projects. Projects within Redevelopment Project Areas (Exhibit 4) will also be exempt.

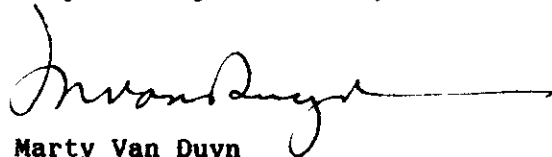
The fees are to be collected by the Building Inspection Division, after approval by the Planning Department, and deposited in a low income housing fund to be governed by a Board of Trustees and SHRA. The Ordinance provides for approval of the fee or building requirement at the building permit stage when other fees are collected and compliance with all planning conditions can be assured. A variance to the fee requirement may be approved by the Planning Commission if the owner can demonstrate special circumstance, project infeasibility and financial hardship.

Under the housing construction alternative, non-residential developers will be required to directly participate in the construction of housing that would not otherwise be built (i.e., within infill areas). The applicant must commence housing construction within one year and complete housing construction within two years of the issuance of the building permit for the non-residential use. A maximum two-year extension is allowed for good cause. The Ordinance enforces the housing unit construction requirement through the approval and recordation of a housing certificate, the payment of penalty fees or liens on the property, and ultimately through the revocation of the certificate of occupancy, for the non-residential use.

RECOMMENDATION

Staff recommends that the Planning Commission accept comments on the Draft HTF Ordinance.

Respectively submitted,



Marty Van Duyn
Planning Director

MVD:SP:jg
Attachment

ATTACHMENT A

AN ORDINANCE ADDING SECTION _____ TO THE ZONING
ORDINANCE OF THE CITY OF SACRAMENTO

I. FINDINGS

The Council of the City of Sacramento finds and declares as follows:

- A. New office, commercial, research and development, manufacturing, industrial and warehouse uses in the City of Sacramento have and continue to attract new employees to the region. A substantial number of these employees and their families reside or will reside in the City of Sacramento. These new employees and their families create a need for additional housing in the City.
- B. Traditionally these industrial uses have benefitted from a supply of housing for their employees available at competitive prices and locations close to the place of employment. However, in recent years, the supply of housing has not kept pace with the demand for housing created by these new employees and their families. If this shortage were to grow or continue, employers would have increasing difficulty in locating in or near the City due to problems associated with attracting a labor force. Employees would be unable to find appropriate housing in the area, and accordingly would be forced to commute long distances. This situation would adversely affect their quality of life, consume limited energy resources, increase congestion on already overcrowded highways, and have a negative impact on air quality.
- C. The competition for housing is especially acute with respect to households of low income. An identifiable portion of the new employees attracted to the City by new non-residential development will live in low & very low income households and will therefore compete with present residents for scarce affordable housing units in the City. Increasing the production and availability of low income housing is especially problematic. Prices and rents for housing affordable to households of low & very low income remain below the level needed to attract new construction. This is even more true for households of very low income (those with incomes less than 51% of median). Federal and State

housing finances and subsidy programs are not sufficient by themselves to satisfy the low income housing requirements generated by this employment.

- D. The City of Sacramento in cooperation with the County of Sacramento created a City\County Housing Finance Task Force to examine housing needs and financial mechanisms to address those needs in the Sacramento area. The report of the Task Force examined the connection between commercial and industrial development and very low income housing needs. The report concluded that a clear nexus can be established between the employees of various commercial and industrial buildings or land use types and the number of very low income employee households that are directly associated with such buildings and will accordingly impact the Sacramento housing market.

The City of Sacramento reviewed the nexus report and recalculated the housing subsidy amounts based on the employment densities contained in the City's General Plan. Assuming a housing subsidy of \$12,000 per unit, the City concluded that each additional square foot of office development, for example, contributes to the need for low income housing subsidy in the amount of \$2.74. Similar conclusions for other uses were as follows: research and development, \$1.50 to \$1.87; manufacturing, \$1.32; warehouse, \$.82; retail, \$4.33; and hotel, \$1.90.

While these numbers may be approximate, it is clear that such development brings in new employees, an estimable percentage of those employees will live in Sacramento County, and that this number yields a certain number of households from which a definable number will be of very low-income. Adjustments may be made to this number of households to take into account, household size, and multiple earner households, previously housed employees etc., to yield the approximate per square foot contribution each employment activity contributes to the net new need for housing subsidy.

- E. Accordingly, it is appropriate to impose some of the cost of the increased burden of providing housing for low & very low income households necessitated by such development directly upon the sponsors of the development, and indirectly upon the occupiers. The imposition of a housing impact fee and/or housing production requirement is an appropriate means to accomplish this purpose. In calculating the amount of such fee, the City Council has taken into account other

factors in addition to the simple calculation of contribution. These include impact of the fee on construction costs, special factors and hardships associated with certain types of development, and legal issues.

- F. The North Natomas Community Plan includes goals and policies to encourage a jobs housing balance partially through the stimulation of residential development in North Sacramento. The need for additional production of housing, especially infill and low income housing, was also addressed in the settlement of litigation surrounding the North Natomas Community Plan. On March 29, 1988, the City of Sacramento entered into a North Natomas Settlement Agreement. The parties to that Settlement Agreement recognized that new employment development, in addition to adversely impacting the supply & availability of affordable housing, increases housing demand, which if unmet in the City, will in turn increase commuting distances, create additional traffic congestion, energy consumption and air pollution.
- G. An appropriate method of offsetting and mitigating this traffic congestion is to provide additional housing in "infill" areas which are already substantially developed, and not otherwise experiencing new residential construction, since such areas are within or close to employment centers and will result in shorter commute distances. This need is particularly acute for very low income households, which in the absence of housing opportunities, would be forced to find housing in outlying areas and commute extremely long distances. The North Natomas Settlement Agreement recognized that the development of infill low income housing would be of benefit to the City and region, and accordingly provided that the City would adopt an ordinance providing a means by which new employment development would contribute to the supply of additional low income housing.
- H. The Housing Element of the City of Sacramento General Plan calls for the provision of additional housing for all sectors of the population, to accommodate the demands of both existing and new residents attracted to the region by increased employment. The housing element also provides that the City should make special efforts to encourage an increased supply of housing affordable to low & very low income households.
- I. It is the purpose of this chapter to establish a feasible means by which developers of new employment -

generating facilities assist in (1) increasing the supply of market rate housing and low income housing; and (2) increasing the supply of housing in close proximity to employment centers. The housing fees and housing construction requirements contained in this section are designed to create a rational relationship between the amount of housing need created by the employment use and the size of the fee or housing construction requirement, taking into account the impact of such fee on housing construction costs and economic feasibility.

This housing exaction is based upon the Sacramento General Plan, North Natomas Community Plan (NNCP), NNCP Environmental Impact Report and Settlement Agreement, the Sacramento City\County Housing Finance Task Force report and recommendations, together with the reports appended thereto quantifying the nexus between development and low income housing need. In view of the numerous assumptions and potential inexactitudes which must attend any such studies and recommendations, the City Council has determined that the fees will be set well below the calculated cost of providing market rate and low income housing to persons attracted to the City by these employment opportunities.

II. AMENDMENT TO ZONING ORDINANCE

Section _____ is hereby added to the Zoning Code of the City of Sacramento as follows:

SECTION _____

HOUSING REQUIREMENTS FOR NON-RESIDENTIAL DEVELOPMENT PROJECTS.

A. GENERAL PROVISIONS.

1. Limitation. Unless otherwise expressed in this zoning Ordinance, the provision of this Section are the exclusive procedures and rules relating to housing impact fees, and housing development requirements, in the event of conflict, these provisions shall prevail over any other provisions of this zoning Ordinance.

B. LOW INCOME HOUSING FUND.

1. Establishment and Definition. There is hereby established as a separate fund set aside for a special purpose called the Citywide Low Income Housing Fund ("Fund"). All monies contributed pursuant to this Section shall be deposited in the

Fund. The Fund may receive monies from other sources.

2. Deposit of Funds. All funds received pursuant to Paragraphs D and E of this Section shall be deposited in the Fund.
3. Purposes and Limitations. Monies deposited in this Fund shall be used solely to increase and improve the supply of housing affordable to households of low income, with priority given to very low income households. For purposes of this section, "low income households" are those households earning less than eighty (80) percent of the median income in the County of Sacramento as set forth from time to time by the U.S. Department of Housing and Urban Development and "very low income households" are those households earning less than fifty (51) percent of the same median income. No portion of the Fund may be diverted to other purposes by way of loan or otherwise.
4. Administration. The Fund shall be administered by the Director of the Sacramento Housing and Redevelopment Agency (hereinafter "SHRA Director") who shall have the authority to govern the Fund consistent with this Section, and to prescribe procedures for said purpose.
5. Board of Trustees. A Board of Trustees (hereinafter "Board") to the Fund shall be appointed by the City Council from members of the public with interest, expertise and experience in matters relevant to the purposes of the Fund. The Board shall consist of seven members & shall include one or more lenders, developers, realtors & public members. Not less than one member shall be a member of the Sacramento Housing & Redevelopment Commission. In the event a similar Housing Trust Fund Ordinance is adopted by the Sacramento County Board of Supervisors, the Board shall be jointly appointed by the City Council & the Board of Supervisors. The Board of Trustees shall provide oversight & direction to the SHRA Director in carrying out the duties set forth in this Section and shall report to the City Council on matters pertaining to the production of low income housing. The Board shall have the authority to approve disbursement and expenditures from the fund and take any and all actions, legal,

contractual or otherwise, to obtain and enforce performance in funded activities.

6. Use and Disbursement of Monies in the Fund. Monies in the Fund shall be used to construct, rehabilitate, subsidize, or assist other governmental entities, private organizations or individuals in the construction of low income housing. Monies in the Fund may be disbursed, hypothecated, collateralized, or otherwise employed for these purposes from time to time as the Board so determines is appropriate to accomplish the purposes of the Fund. These uses include, but are not limited to, assistance to housing development corporations, equity participation loans, grants, pre-home ownership co-investment, pre-development loan funds, participation leases, or other public-private partnership arrangements. The funds may be extended for the benefit of both rental or owner-occupied housing.

7. Annual Evaluation. Commencing one year after the effective date of this Section, and annually thereafter, the SHRA Director shall report to the City Council, the Board of Trustees and the Sacramento Housing and Redevelopment Agency Commission on the status of activities undertaken with this Fund. The report shall include a statement of the income, expenses, disbursements, and other uses of the Fund. The report shall also state the number of low income housing units constructed or assisted during that year and the amount of such assistance. The report shall evaluate the efficiency of this Section in mitigating the City's shortage of low income housing available to employees of the projects subject to this Section. In this report, the Director shall also recommend any changes to this ordinance necessary to carry out its purposes, including any adjustments necessary to the fee or number of housing units required. The report shall be prepared with the assistance of the Board of Advisors to the Trust Fund.

C. APPLICATION OF THE HOUSING REQUIREMENT.

1. This Section shall apply to development projects proposing to add or remodel 10,000 or more gross square feet of any commercial or industrial use as set forth in Section 2 of the Sacramento Zoning Ordinance. This Section shall apply to mixed or combined use projects

if such projects propose to add or remodel 10,000 or more gross square feet of such uses. For purposes of this Section, the fees for any remodel shall be the fees for the new use as defined in Appendix A, less any fees that have already been paid based on the original use of the building.

2. Exemptions. This Section shall not apply to:

- a) Residential uses as set forth in Section 2 of the Sacramento Zoning Ordinance.
- b) Other development projects which propose a net addition or remodel of less than 10,000 gross square feet.
- c) The Sports Complex development within the North Natomas Community Plan area.
- d) Projects within a redevelopment area.
- e) That portion of any development project located on property owned by the State of California, the United States of America or any of its agencies, with the exception of such property not used exclusively for state governmental or state educational purposes.
- f) That development project which has received all discretionary entitlements from the Planning Commission and the City Council prior to March 29, 1988.
- g) Any development project which has received a vested right to proceed without housing fees pursuant to state law.

D. HOUSING FEE REQUIREMENT

1. Payment of Fee as a Condition of Issuance of a Building Permit. Except as provided elsewhere in this Section, no Building Permit shall be issued for any development subject to this Section as set forth in paragraph C unless and until a Housing fee is paid to the Building Inspector of the City of Sacramento who shall deposit such fee in the Fund. The amount of the Fee shall be computed as follows: Gross Sq. Ft. Non-Residential Space X (Applicable Fee by type of use as listed in Appendix A to this Section) = Housing Units. Fee.
2. Compliance through Housing Construction. As an

alternative to payment of the Fee set forth in this Section, an applicant for development subject to the requirements of this Section may elect to comply with those requirements partially through the construction of housing as provided in paragraph E below.

E. HOUSING CONSTRUCTION REQUIREMENT.

1. Requirement. As an alternative to the fee requirement of Paragraph D, an applicant for a permit for uses subject to the requirements of this Section may elect to perform both of the following prior to the issuance of a building permit for such activity: (1) pay a fee that is at least 20 percent of the fee required pursuant to paragraph D above; and (2) demonstrate that it will construct or cause to be constructed any value or tenure type of housing as determined by the following formula: Gross Sq. Ft. Non-residential Space X (Applicable Factor by Type of Use as listed in Appendix B to this Section) = Housing Units. No building permit shall be issued by the Building Inspector unless and until the Planning Director has certified that the requirements of this paragraph have been met.

2. North Natomas Requirement.

As an alternative to the housing fee requirement as provided in paragraph D above, an applicant for any commercial or industrial use within the North Natomas Community Plan (NNCP) area may elect to construct or cause to be constructed any value or tenure type of housing as determined by the following formula: Gross Sq. Ft. Non-Residential Space X (Applicable Factor by Type of Use as listed in Appendix C to this Section) = Housing Units. This housing shall be located in the following areas of the North Sacramento Community Plan:

- a) Vacant or underutilized lands which have appropriate zoning and land use designations.
 - b) Vacant lands next to urban areas or areas with services which can be easily extended to accommodate development.
 - c) Vacant infill lots within existing urban areas south of I-80 where services are readily available.
3. Approval of Proposal by the Planning Director. An applicant who chooses to comply with the requirements

of this Section partially through the construction of housing shall submit to the Planning Director sufficient information to enable the Planning Director to determine that the applicant will construct or cause to be constructed the required number of housing units. The application shall demonstrate that the applicant possesses the financial means to commence and complete the construction of the housing within the required time period.

Where the applicant intends to construct housing units through participation in a joint venture, partnership, or similar arrangement, the applicant must certify to the Planning Director that the applicant has made a binding commitment, enforceable by the applicant's joint venturers or partners, to contribute an amount to the joint venture or partnership equivalent to or greater than the amount of the fee they would otherwise be required under paragraph D, less the portion of the housing requirement of this section actually met through the payment of fees, and that such joint venture or partnership shall use such funds to develop the housing subject to this Section.

The Planning Director may issue Guidelines for the administration of this requirement. If the Planning Director approves the proposal, he or she shall issue a Certificate so indicating. This Certificate shall be recorded and indicate that compliance with this Section is a obligation of the owner of the non-residential property.

4. Commencement of Construction. Within one year of the issuance of the first building permit for a use subject to this Section, the applicant shall provide written certification to the Planning Director that it has commenced construction of the housing units under this paragraph, and where the applicant elects to construct housing through a joint venture or partnership, or other legal entity, that the applicant's monetary contribution to the joint venture, partnership, or other legal entity has been paid in full or has been posted in an irrevocable letter of credit. No certificate of occupancy for the non-residential use shall be issued by the Building Inspector until the applicant complies with this paragraph. This one-year period may be extended by a maximum of two one-year periods based on evidence submitted by the applicant, the Planning Director determines that 1) there is good cause for an extension or an additional extension, 2) the failure to comply with the time limits of this paragraph is beyond the owner's control, and 3) the

owner has made a reasonable effort to comply with this paragraph.

5. Completion of the Housing Requirement. The applicant shall obtain a final inspection from the Building Inspector for the housing required by this paragraph within two years of the issuance of the building permit for non-residential use subject to this section. This time period may be extended by the Planning Director by a maximum of two one-year periods upon showing good cause as defined in paragraph E.4.
6. Fractional Housing Units. In the event the application of Appendix B or C to an applicable project creates an obligation to construct a fractional housing unit, that fraction shall be converted into an addition to the housing fee at the rate specified in Appendix B, or in the alternative at the election of the applicant, an additional unit may be constructed.
7. Location of Housing Units Constructed. Housing units constructed under this Article shall be located in designated Infill areas of the City as defined pursuant to paragraph G.5, and areas designated as a redevelopment area or a community development block grant target area.
8. Election to Pay Increased Fee and Construct Less Housing. An applicant may elect to pay increased fees and comply with the requirements of this section through the construction of a lesser number of housing units than would be otherwise required by the formulas set forth in Appendix A and B. The Planning Director shall determine compliance with this option.
9. Failure to Cause Housing Construction. In the event certification of housing construction is not provided as required by this paragraph G, the Planning Director will determine an amount equal to 150% of the fee which would have been due and owing under paragraph D to be paid to the City together with interest accrued from the date of building permit issuance for the non-residential use, or in the alternative the certificate of occupancy shall be revoked for the non-residential use.

If this amount is not paid by the applicant within sixty days of the expiration of the applicable time period, the City shall record a special assessment lien against the subject office, commercial or industrial development subject to this section in the amount of any fee and interest owed.

After appropriate notice, the City Council shall hold a special assessment hearing. If the assessment is confirmed, the delinquent fee shall constitute a special assessment against the parcel or parcels used in the development project subject to this section. Each such assessment shall be subordinate to all existing special assessment liens previously imposed upon such parcel and paramount to all other liens except for those state, county, and municipal taxes with which it shall be upon parity. The lien shall continue until the assessment and all interest due and payable thereon are paid to the City.

F. VARIANCES

1. Variences. A variance from the housing fee provisions of this Section may be granted to an applicant by the Planning Commission. The applicant must file an application for a variance within 10 days of the Planning Director's determination of the housing fee requirement pursuant to paragraph D.1. Any hearing required by the provisions of this Section shall be governed by the provisions of Section 14 of this Zoning Ordinance.
2. Application. The application for a variance shall include financial and other information that the Planning Director determines is necessary for staff to perform an independent evaluation of the applicants' rationale for the variance and shall be a matter of public record.
3. Standards. No variance shall be issued to an applicant unless:
 - a) Special circumstances, unique to that project and not generally applicable to other projects so that the same variance would be appropriate for any applicant facing similar circumstances, justify the grant of the variance; and
 - b) The project would not be objectively feasible without the modification; and
 - c) A specific and substantial financial hardship would occur if the variance were not granted; and


MEMO TO: Mark Morgan
January 13, 1988
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We would additionally like to concur with the recommendation made by Dick Hastings of the City Planning Division in his letter of December 7, 1987 regarding the use of a parking attendant in the garage. Attendant parking in the long-term portion of the garage will maximize both parking space and garage revenues as well as enforce the designated short- and long-term uses of the garage. This idea is worth consideration.

We also concur with Mr. Hastings' recommendation that street parking along 10th and I Streets be abandoned in order to provide additional space for landscaping.

Construction of the East End Garage will be one of the first major projects undertaken by the City since the City Council adopted the Urban Design Plan. Compliance, to the greatest extent possible, with the Urban Design Plan is not only important because of the significant effect the project will have on the Plaza Park District, but also because of the precedent it will set for compliance with these adopted policies in future public and private projects. We strongly urge you to consider these policies when making your decision.

If you have any questions, please feel free to call me or Wendy Saunders of my staff at 440-1355.



THOMAS V. LEE
Assistant Director
Community Development

TVL/WS:cmc

2698J

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

January 13, 1988

M E M O R A N D U M

TO: Mark Morgan, City Parking Division Manager

FROM: Thomas V. Lee, Assistant Director, Community Development

SUBJECT: Draft Environmental Impact Report for Proposed East End Garage

Thank you for the opportunity to comment on the Draft Environmental Impact Report (DEIR) for the proposed East End Garage.

The DEIR sufficiently addresses our concerns regarding the policy implications of each proposed design alternative, and adequately identifies inconsistencies between each design proposal, and adopted SHRA and City policies, especially the Sacramento Urban Design Plan, Architectural Guidelines and Streetscape Guidelines.

Each alternative considered presents conflicts with adopted policies. The most significant conflicts are posed by Alternatives 3a and 3b. Both of these alternatives block the view corridor along 11th Street to the Capitol. This view corridor is considered one of the three most important in the City, and its maintenance is stipulated by the Urban Design Plan. The impact on the visual character of the downtown, as well as the Alkali Flat area, would be extremely adverse if either of these two alternatives are selected.

The greatest adverse impact posed by Alternative 1 is its effect on the activities within and surrounding Plaza Park. An important goal of the Urban Design Plan is to increase pedestrian and community use of Plaza Park by framing it on 8th and 10th Streets with retail and commercial activities that attract pedestrians. Alternative 1 would effectively isolate the block east of 10th Street from Plaza Park since only a small portion of the area on 10th Street is devoted to commercial use. The bulk of the development along 10th Street associated with the parking structure would be the entrance point for the garage.

As stated in our comment on the Administrative DEIR dated November 3, 1987, we find Alternative 2 to have the fewest significant conflicts with the Urban Design Plan and adopted City and SHRA policies.

Mark Morgan
November 3, 1987
Page Two

Alternatives 3a and 3b

1. Alternatives 3a and 3b require the displacement of the Teichert House, listed as a Sacramento City Priority Structure, from its historical setting. Though the Teichert House could be moved to another location, costs associated with such a move would be extreme, and the value of the structure in its original location would be lost.
2. The proposed design would block the protected view corridors to the State Capitol, in conflict with the Sacramento Urban Design Plan.
3. Same as 2 and 3 in Alternative 1.

The decision regarding the East End Garage will be a balance of concerns regarding parking needs, cost, and environmental impacts. Considering only environmental impacts as related to the Merged Sacramento Redevelopment Plan and the Sacramento Urban Design Plan, we find Alternative 2 to have the fewest adverse effects.

Additionally, we believe that Alternative 1 would be suitable if the Urban Design Guidelines were given greater consideration in the alternative's design.

If we can be of further assistance, please contact me at 440-1355.



THOMAS V. LEE, Asst. Director
Community Development

TVL/WS:jann

cc: Gene Masuda

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

November 3, 1987

MEMORANDUM

TO: Mark Morgan, Manager, City Parking Division
FROM: Thomas V. Lee, Assistant Director, Community Development
SUBJECT: Draft Environmental Impact Report for Proposed East End Garage Project

Thank you for the opportunity to review the Draft Environmental Impact Report (EIR) for the proposed East End Garage Project.

Each of the four alternatives considered pose conflicts with the Sacramento Urban Design Plan. The conflicts which we find the most objectionable are summarized as follows:

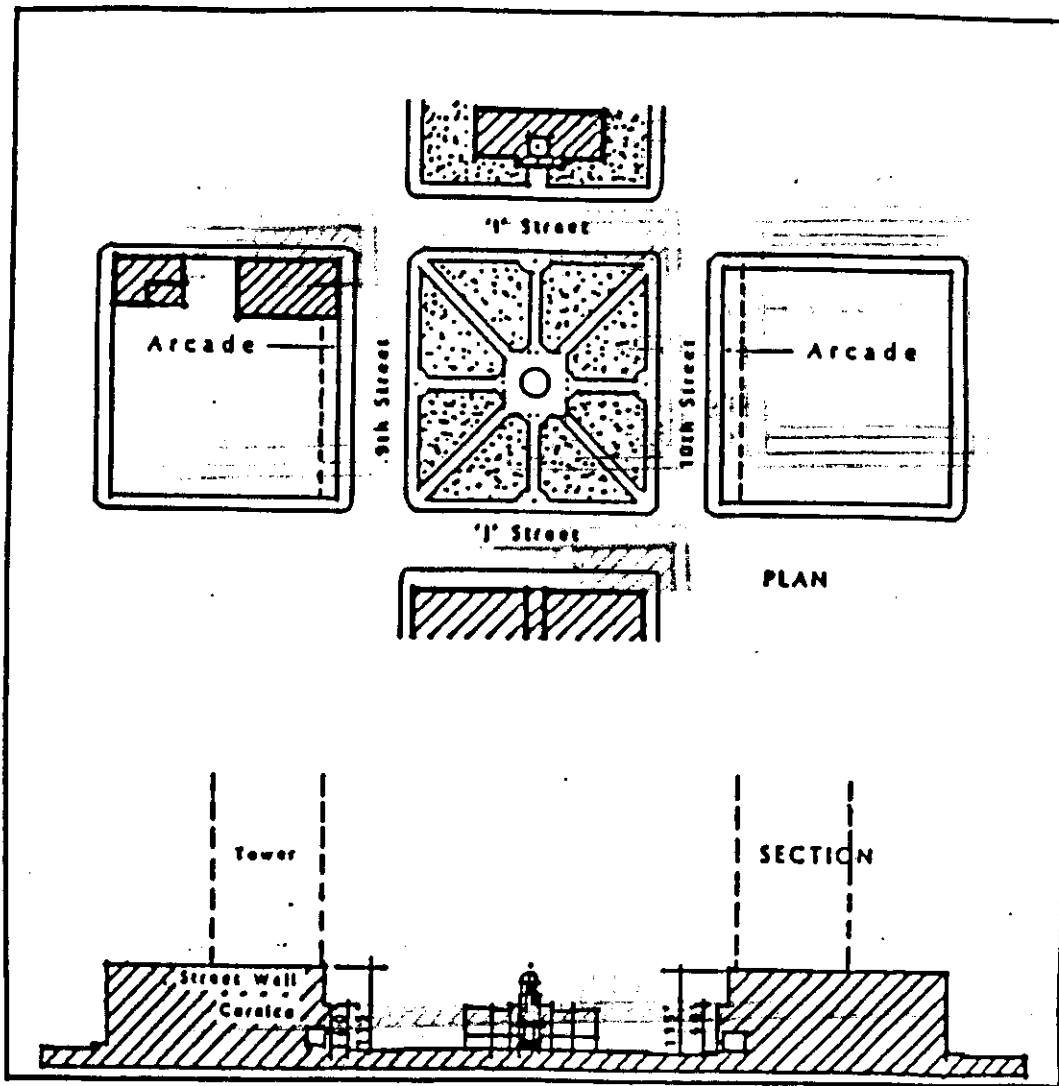
Alternative 1

1. The design proposed for Alternative 1 does not provide ground floor retail space or a pedestrian colonade on 10th Street facing Plaza Park as specified in the Sacramento Urban Design Plan. The objective of revitalizing Plaza Park by encouraging pedestrian activities will not, thus, be fulfilled on the 10th Street periphery of the park.
2. The proposed design does not incorporate the massing guidelines specified by the Urban Design Plan. The massing guidelines were established in order to create a setting that frames and complements Plaza Park. This goal would not be achieved on the eastern side of the park.
3. The proposed design does not comply with the streetscape provisions of the Urban Design Plan. These guidelines were established to enhance the visual appeal of Plaza Park and to attract pedestrians.

Alternative 2

1. Same as 2 and 3 in Alternative 1.

5.4.1 PLAZA PARK DISTRICT
 MASSING GUIDELINES
 ALTERNATIVE 3



Setbacks and Heights**

West-side 9th and East-side 10th Street

Building setback	0' bldg. setback from property line/arcade required
Street Wall	cornice expression max. ht. 60'
Upper Street Wall	max. ht. 115'
Tower Setback	25' min. from property line 220' max. diagonal

Other Street Frontages

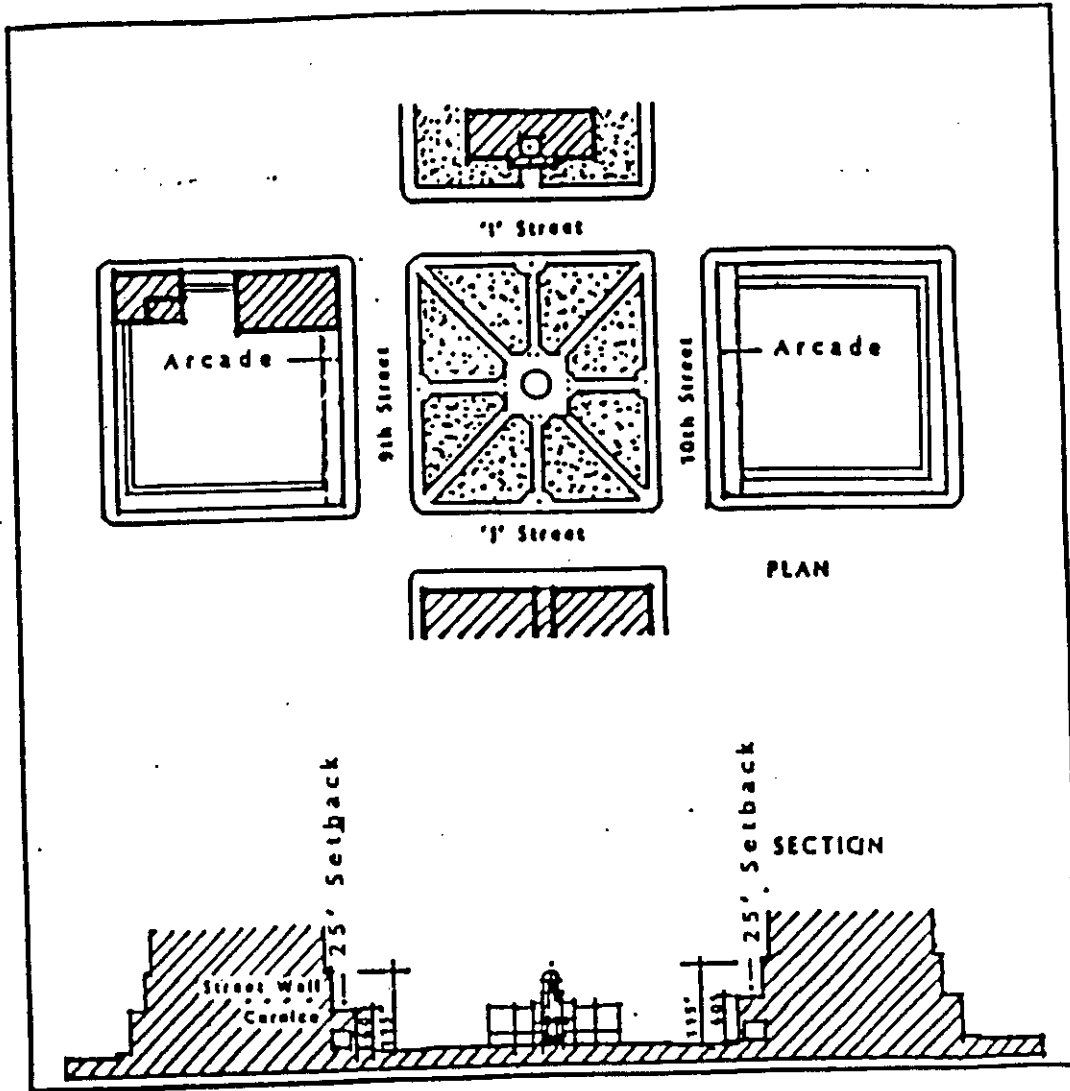
Building Setback	0'/colonnades encouraged
Street Wall or Base	cornice expression 15' from property line max. ht. 60'
Lower Tower Setback	15' from property line above 115'
Upper Tower Setback	20' from property line above 150'

** All side yard setbacks will be 15' from property lines above ht. of 60'

North side of "J" Street 8th to 9th Street and 10th to 11th Street
South side of "J" Street 9th to 10th Street

Building Setback	0'/colonnades required
Street Wall	cornice expression max. ht. 60'
Upper Street Wall	max. ht. 115'
Lower Tower Setback	20' from property line max. ht. 115'
Upper Tower Setback	25' from property line above 150'

5.4.1 PLAZA PARK DISTRICT
 MASSING GUIDELINES
 ALTERNATIVE 2



Setbacks and Heights**

West-side 9th and East-side 10th Streets

Building setback	0' bldg. setback from property line/arcade required
Street Wall	25' setback max. ht. 60'
Upper Street Wall	cornice expression max. ht. 115'
Tower Setback	25' min. from property line 120' max. diagonal encouraged

Other Street Frontages

Building Setback	0'/colonnades encouraged
Street Wall or Base	max. ht. 60'
Lower Tower Setback	15' from property line above 60'
Upper Tower Setback	20' from property line above 150'

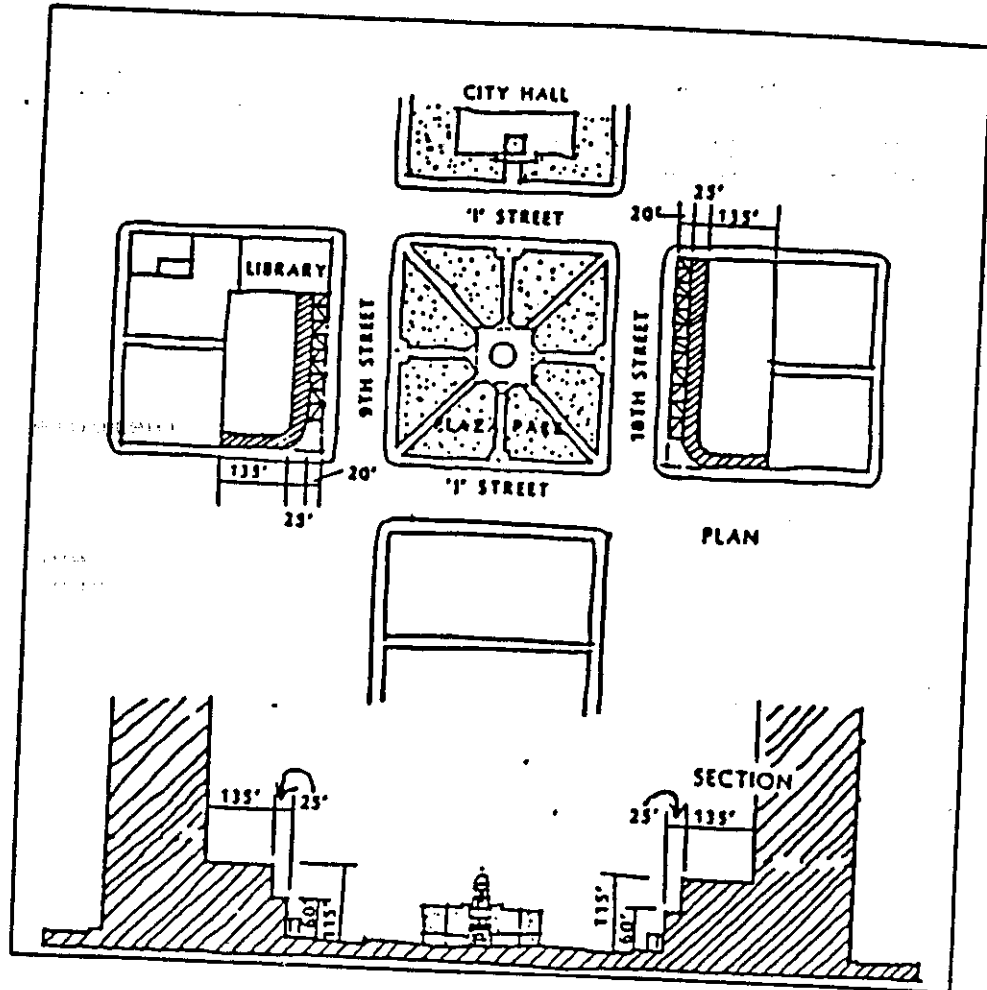
** All side yard setbacks will be 15' from property lines above ht. of 60'

North side of "J" Street 8th to 9th Street and 10th to 11th Street
South side of "J" Street 9th to 10th Streets

Building Setback	0'/colonnades required
Street Wall or Base	max. ht. 60'
Lower Tower Setback	20' from property line max. ht. 115'
Upper Tower Setback	25' from property line above 150'

3.4.1 PLAZA PARK DISTRICT

MASSING GUIDELINES
ALTERNATIVE 1



Setbacks & Heights

West-side 9th St & East-side 10th St

Building Setback	20' bldg setback from property line
Street Wall	Max. Ht. 60'
Lower Tower Setback	45' from property line
	Max. Ht. 115'
Upper Tower Setback	180' from property line
	No Max. Ht.

North & South Side of J Street

Building Setback	0'/Colonnades encouraged
Street Wall or Base	Max. Ht. 60'
Lower Tower Setback	20' from property line
	Max. Ht. 115'
Upper Tower Setback	25' from property line
	No Max. Ht.

Other Street Frontages

Building Setback	0'/Colonnades encouraged
Street Wall or Base	Max. Ht. 60'
Lower Tower Setback	15' from property line
	above 60'
Upper Tower Setback	20' from property line
	above 150'

MEMO TO: Mark Morgan
July 1, 1987
Page Three

If you have any questions regarding these comments, please
contact Carol Branan at 440-1355 or Gene Masuda at 449-5604.



THOMAS V. LEE
Assistant Director
Community Development

TVL/WS: cmc

cc: Gene Masuda
Carol Branan

Attachments

1827J

MEMO TO: Mark Morgan
July 1, 1987
Page Two

The Redevelopment Strategy examines market demand for parking in the downtown and divides the demand between employees, who require day-long spaces, and shoppers, who require parking for two hours or less. The fiscal impact section of the EIR should consider how best to divide the garage between short and long term users, as well as a comprehensive price restructure which would discourage long-term use of short-term spaces.

In conclusion, the Agency supports the construction of the East End Garage and the incorporation of retail space in the structure, but suggests that the following be considered in the Environmental Impact Report:

1. Location of entry and exit ways for the various design alternatives along the alleyway which runs from 10th Street to 11th Street;
2. Extension of Alternative 1 to include retail space along 10th Street facing Plaza Park between the corner and the alley/entryway;
3. Evaluation of development of an office structure on Site 1 under Alternative II consistent with the adopted Urban Design Plan. Evaluation should assess visual, social and economic impacts on Plaza Park and the Civic Center, and the adequacy of the garage to support office use;
4. Adoption of a parking price structure which promotes the intended usage of the garage.

Specific sections in the Scope and Content of the Draft EIR should be changed to read as follows:

1. Planning Consistency

Add: "Determine project compatibility with adopted Downtown Sacramento Urban Design Plan, Architectural Guidelines and Streetscape Guidelines."

2. Land Use Compatibility

Delete "if required" from fourth point, and change the sentence to read: "Recommend mitigation measures (appropriate design) to better integrate the project into existing community and assure consistency with adopted Downtown CBD Urban Design Plan, Architectural Guidelines and Streetscape Guidelines."

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

July 1, 1987

MEMORANDUM

TO: Mark Morgan, Manager, City Parking Division

FROM: Thomas V. Lee, Assistant Director, Community Development

SUBJECT: Comments from Redevelopment Agency and City Planning
Regarding the Scope of the EIR for the Proposed East End
Garage Project

The expansion of the East End Garage located on 10th Street is addressed in both the Sacramento Urban Design Plan adopted in February of this year, and the Downtown Sacramento Redevelopment Strategy (the Sanger Report) adopted in 1984. The Urban Design Plan addresses specific architectural issues posed by the construction of multi-level parking structures and the specific requirements of development adjacent to Plaza Park. The Redevelopment Strategy focusses on the need for additional parking in the downtown and economic concerns related to the provision of parking.

The Urban Design Plan offers general guidelines for the design of multi-level parking structures. The Plan specifies that retail space be offered on street fronts and that the periphery of the lots be landscaped. Decorative treatments, panels and plantings should screen upper level lots from view. Upper levels should be set back from the street, and rooftops must be landscaped. Entry and exit ways must be located in alleyways, or, if the alley is abandoned, must be located in the traditional alleyway. The alternatives posed conflict with this last requirement. Alternative 1 offers access on 10th Street, Alternative 2 on I and 11th Streets, Alternative 3a on I Street, and 3b on I and 11th Streets.

Specific massing districts are established by the Urban Design Plan for structures adjacent to important City landmarks. The massing districts are intended to emphasize and complement the landmarks. Such a district is specified for Plaza Park (please see attachments), and would apply to Alternative 1. Three massing approaches are offered by the Urban Design Plan. Two specify construction of an arcade facing Plaza Park, while the third requires a 20 foot building setback from the property line. Alternative 1 allocates retail space along I Street, but does not provide the required arcade or setback on 10th Street.

Redevelopment Agency of the
City of Sacramento
June 23, 1988
Page Two

As stated in Agency staff's comment of January 13, 1988, construction of the East End Garage will be one of the first major projects undertaken by the City since the City Council adopted the Urban Design Plan. Compliance with the Urban Design Plan, to the greatest extent possible, is not only important because of the significant effect the project will have on the Plaza Park District, but also because of the precedent it will set for compliance with these adopted policies in future public and private projects. We strongly urge you to consider these policies when making your decision.

Thank you for your assistance and consideration.

Respectfully submitted,



VIRGINIA MOOSE
Chair
Sacramento Housing and Redevelopment Commission

VM/WS:cmc

0031C

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

June 23, 1988

M E M O R A N D U M

TO: Redevelopment Agency of the City of Sacramento

FROM: Virginia Moose, Chair, Sacramento Housing and Redevelopment Commission

SUBJECT: East End Garage

On June 20, 1988, Sacramento Housing and Redevelopment Agency (Agency) staff presented to the Sacramento Housing and Redevelopment Commission (Commission) a report which described the four design alternatives being considered by the City's Parking Authority for the East End Garage, and which are addressed in the environmental impact report (EIR) for the project. Agency staff submitted three sets of comments (please see attached) as a part of the EIR process. The Commissioners concur with these comments, and respectfully request that you review them when making your decision regarding the garage.

It is our understanding that the Parking Authority staff will recommend that Alternative 1, which calls for the development of a 1,052 space garage on the north half of the block bounded by 10th, 11th, "I" and "J" Streets, be selected. The Commission's greatest concern with this alternative is that the design, as presented in the EIR, conflicts with the Urban Design Guidelines in many respects. An important goal of the Urban Design Guidelines is to increase pedestrian and community use of Plaza Park by framing it on 9th and 10th Streets with retail and commercial activities. We believe that the design could be modified to better assist this goal if specific measures are taken.

We recommend that the following be considered as design modifications:

1. Move the 10th Street ingress/egress point toward the traditional alleyway, and add additional retail space on 10th Street facing Plaza Park;
2. Step back upper levels of the garage from the street;
3. Employ decorative treatments and landscaping on upper levels and on rooftop to screen garage from view;
4. Abandon street parking along I Street and 10th Street to provide additional space for landscaping; and
5. Employ streetscape treatments such as special paving, lighting and flower beds which are consistent with streetscape plans for the Central Library project.

EAST END GARAGE
TIMETABLE

EIR		Date of Completion
Task 1 -	Project Initiation	5-15-87
Task 2 -	Initial Study	5-29-87
Task 3 -	Description of Alternatives Notice of Preparation	6-05-87
Task 4 -	Preliminary Draft EIR	10-16-87
Task 5 -	Draft EIR	11-30-87
Task 6 -	Public Review/Public Hearing	3-29-88
Task 7 -	Preliminary Final EIR	4-07-88
Task 8 -	Final EIR	5-05-88
Task 9 -	SHRA Commission	6-20-88
Task 10 -	City Council-EIR Certification	7-19-88
Task 11 -	Planning Commission	7-28-88
Task 12 -	City Council-Project Site Selection	8-23-88

DESIGN AND CONSTRUCTION

Task 13 -	Civil Engineering Surveys	Complete
Task 14 -	Design	3-01-89
Task 15 -	Advertise for Bids	4-30-89
Task 16 -	Receive Bids	5-30-89
Task 17 -	Project Financing-Sell Certificates of Participation	6-15-89
Task 18 -	Award of Contract-Take Possession of Properties	6-20-89
Task 19 -	Notice to Proceed with Construction	7-01-89
Task 20 -	Construction Completion	11-01-90

Revised July, 1988