



# CITY OF SACRAMENTO

CITY MANAGER'S OFFICE  
**RECEIVED**  
JAN 14 1981

**CITY PLANNING DEPARTMENT**  
725 "J" STREET  
SACRAMENTO, CALIF. 95814  
- TELEPHONE (916) 449-5604

MARTY VAN DUYN  
PLANNING DIRECTOR

January 14, 1981

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: 1981-82 Community Development Block Grant Application

SUMMARY

This report regards the City of Sacramento's 1981-82 Community Development Block Grant (CDBG) Activities Program, and 1981-82 Annual Housing Action Plan (AHAP). The CDBG Activities Program and AHAP are attached for the City Council's review and consideration.

The staff recommends the City Council:

1. Approve the utilization of Alkali Flat, Del Paso Heights, and Oak Park Tax Increment funds;
2. Approve the 1981-82 CDBG Activities Program, and 1981-82 Annual Housing Action Plan;
3. Authorize the City Manager to prepare the appropriate 1981-82 CDBG Application forms; and
4. Authorize the City Manager to file the subject documents with the State and Regional Clearinghouse for OMB A-95 review.

BACKGROUND INFORMATION

The Budget/Finance and Planning/Community Development Committees have conducted joint meetings regarding the 1981-82 CDBG Activities Program, and Annual Housing Action Plan during the period of October 1980 through January 1981.

1981-82 CDBG Activities Program - The proposed 1981-82 CDBG Activities Program is attached as Exhibit I as recommended by the Budget/Finance and Planning/Community Development Committees at their January 13, 1981 meeting. The CDBG Activities involve utilization of Tax Increment funds from the Alkali Flat, Del Paso Heights, and Oak Park Redevelopment areas. The specific Tax Increment funded activities are identified in the attached exhibit.

**APPROVED**  
BY THE CITY COUNCIL

JAN 20 1981

OFFICE OF THE  
CITY CLERK

**APPROVED**  
SACRAMENTO REDEVELOPMENT AGENCY

Date 1/20/81

The program proposes allocation of the 1981-82 CDBG Entitlement of approximately \$5,089,000 into the following categories:

I. Planning/Management	\$772,900	(15%)
II. Housing Rehabilitation Program	\$1,810,000	(36%)
III. Capital Improvement Projects	\$1,770,000	(35%)
IV. Economic Development	\$50,000	( 1%)
V. Land Acquisition	\$270,000	( 5%)
VI. Contingency	\$416,100	( 8%)
	<u>\$5,089,000</u>	<u>100%</u>

1981-82 Annual Housing Action Program - The Annual Housing Action Plan is a part of the three-year housing goal identified in the 1979-82 Housing Assistance Plan. Its purpose is to set forth specific actions to be undertaken during the program year for the accomplishment of the three-year housing goals.

The AHAP describes the Community's annual goal for the number of dwelling units or persons to be assisted by household (elderly and handicapped, small and large families) and tenure (owner and renter) types, and according to housing type, and the sizes and types of assistance suited to the needs of lower income households.

The Budget/Finance and Planning/Community Development Committees approved the Annual Housing Action Plan on December 19, 1980 for recommendation to the City Council.

California Environmental Quality Action Review - CEQA - The staff has prepared an initial study and Negative Declaration pursuant to the California Environmental Quality Act of 1970. These documents will be submitted along with the 1981-82 CDBG Application and AHAP to the State and Regional Clearinghouses. In addition, the necessary review procedures in accordance with CEQA Guidelines for implementation will be completed prior to the submission of these documents to HUD in April 1981. The CEQA report on the 1981-82 CDBG Application is an item on the January 20, 1981 agenda.

The January 20, 1981 City Council meeting has been scheduled as a public hearing to receive testimony regarding the proposed 1981-82 CDBG Application.

The City of Sacramento's 1981-82 CDBG Activities Program, Annual Housing Action Plan, and CEQA documents will be returned to the City Council in April, 1981, after OMB A-95 review for the Council's formal authorization to file the documents with the Department of Housing and Urban Development.

RECOMMENDATION

The staff recommends the City Council:

1. Approve the utilization of Tax Increment funds from the Alkali Flat, Del Paso Heights, and Oak Park Redevelopment areas;
2. Approve the 1981-82 CDBG Activities Program, and 1981-82 Annual Housing Action Plan;
3. Authorize the City Manager to prepare the appropriate 1981-82 CDBG Application forms; and
4. Authorize the City Manager to file the subject documents with the State and Regional Clearinghouses for OMB A-95 review.

Respectfully submitted,



Thomas V. Lee  
Associate Planner

Recommendation Approved:



Walter J. Slife  
City Manager

TL:lo  
attachment

January 20, 1981  
Districts 1,2,4,5,6,7,8

PROPOSED ACTIVITIES  
 1981-82 COMMUNITY DEVELOPMENT BLOCK GRANT ACTIVITIES

The following is a summary of the proposed projects and programs for the City's 1981-82 Community Development Block Grant Program. The total for the recommended activities is \$5,089,000 which is consistent with the City's preliminary entitlement figure indicated by the Department of Housing and Urban Development.

<u>I. Planning/Management</u>	<u>Proposed 1981-82 CDBG Activities/Programs</u>
A. Community Development Planning Staff	\$220,300
B. Preservation Program Staff	\$ 72,600
C. Code Enforcement	\$ 33,000
D. CDBG Audit	\$ 10,000
E. McClellan Project Area Committee (PAC)	\$ 15,000
F. Alkali Flat PAC	\$ 83,000
G. Del Paso Heights PAC	\$ 90,000
H. Oak Park PAC	\$129,000
I. Citizens Participation	\$120,000
J. Fair Housing Council	carry-over
K. Sacramento Inter-Modal Transportation Center	*
Subtotal:	\$772,900
<u>II. Housing Rehabilitation Program</u>	
A. Housing Opportunity for the Emergencies (HOPE)	\$250,000
B. Retrofitting Grant Program	carry-over
C. Federal Section 312 Administration	\$200,000
D. Sacramento Neighborhood Assistance Program (SNAP)	\$800,000
E. Relocation Assistance	\$ 60,000
F. Paint/Beautification	\$150,000
G. CD Grant Program (Del Paso Heights)	\$100,000
H. CD Grant Program (Oak Park)	\$250,000
Subtotal:	\$1,810,000

\* \$125,000 Alkali Flat Tax Increment Funds

	<u>Proposed 1981-82 CDBG Activities/Programs</u>
III. <u>Capital Improvement Projects</u>	
A. South Oak Park Street Lighting A/D	\$ 40,000
B. Woodbine A/D #3 (P/S)	\$ 60,000
C. East Del Paso Heights A/D #1	\$600,000
D. Washington Area Street Lighting A/D	\$395,000
E. Del Paso Heights A/D #5	\$ 20,000*
F. Woodbine A/D #2	\$500,000
G. East Del Paso Heights A/D #2	\$ 60,000
H. North Strawberry Manor A/D (P/S)	\$ 35,000
I. East Del Paso Heights A/D #1A (P/S)	\$ 60,000
Subtotal:	<hr/> \$1,770,000
IV. <u>Economic Development</u>	
A. Business Rehabilitation Loans	\$ 50,000
Subtotal:	<hr/> \$ 50,000
V. <u>Land Acquisition</u>	
A. Scattered Residential Site Acquisition	see note 1
B. Oak Park Commercial Land Acquisition-Blocks 171,172	\$220,000**
C. Sacramento Heritage Inc.	\$ 50,000
D. Alkali Flat Residential/ Property Acquisition	see note 2
Subtotal:	<hr/> \$270,000
VI. <u>Contingency</u>	\$416,100
Subtotal:	<hr/> \$416,100

\* \$580,000 Del Paso Heights Tax Increment Funds  
\*\* \$460,000 Oak Park Tax Increment Funds

SUMMARY

I. Planning/Management	15%	\$ 772,900
II. Housing Rehabilitation Programs	36%	\$1,810,000
III. Capital Improvement Projects	35%	\$1,770,000
IV. Economic Development	1%	\$ 50,000
V. Land Acquisition	5%	\$ 270,000
VI. Contingency	8%	\$ 416,100
	100%	\$5,089,000

Note #1 - SCATTERED RESIDENTIAL SITE ACQUISITION PROGRAM - The program be expanded to permit funding of all housing costs associated with housing opportunities, i.e., application preparation and approval costs, architectural services, preliminary plans and environmental analysis, etc.

Note #2 - ALKALI FLAT PROPERTY/STRUCTURE ACQUISITION AND RESIDENT RELOCATION - A comprehensive strategy be developed and approved by City Council where old substandard structures are acquired from the owners who have no interest in rehabilitation. The strategy will insure: a) mixed income families will be able to participate in the process; b) that the City is not in a position of using acquisition as the solution for all sub-standard structures; and c) acquisition only as a last resort.

TABLE V - ANNUAL HOUSING  
ACTION PROGRAM: 1981-82

CITY OF SACRAMENTO

JANUARY, 1981

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  HOUSING ASSISTANCE PLAN  TABLE V - ANNUAL HOUSING ACTION PROGRAM ANNUAL GOAL		1. NAME OF APPLICANT CITY OF SACRAMENTO	
		2. APPLICATION/GRANT NUMBER  B - 8 1 - M C - 0 6 - 0 0 0 3	
3. PERIOD OF APPLICABILITY FROM 7-1-80 TO 6-30-81	KEY PUNCH CODE E	4. <input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> REVISION, DATE _____ <input type="checkbox"/> AMENDMENT, DATE _____	

TYPES AND SOURCES OF HOUSING ASSISTANCE		NUMBER OF LOWER-INCOME HOUSEHOLDS TO BE ASSISTED				
		TOTAL	ELDERLY (1-2 persons) AND HANDI- CAPPED <sup>1/</sup>	SMALL FAMILY (4 or less persons)	LARGE FAMILY (5 or more persons)	
(a)		(b)	(c)	(d)	(e)	
1	A. Total Goals for Housing Assistance for Homeowners (sum of lines 2 and 5)	79	14	7	46	12
2	1. New Construction Assistance for Homeowners (sum of lines 3 and 4)					
3	HUD Assisted Programs					
4	Other*					
5	2. Rehabilitation Assistance for Homeowners (sum of lines 6, 7 and 8)	79	14	7	46	12
6	Community Development Block Grants	34	2		24	8
7	HUD Assisted Programs	25	11	2	10	2
8	Other* FOOTNOTE #1	20	1	5	12	2
9	B. Total Goals for Housing Assistance for Renters (sum of lines 10, 13, 16 and 22)	642	98	18	482	43
10	1. Assistance for Prospective Homeowners (sum of lines 11 + 12)	8			6	2
11	HUD Assisted Programs					
12	Other*	8			6	2
13	2. New Rental Units (sum of lines 14 and 15)	86	33	7	38	8
14	HUD Assisted Programs	86	33	7	38	8
15	Other*					
16	3. Rehabilitation of Rental Units (sum of lines 17, 18 and 21)	277	25	3	230	19
17	Community Development Block Grants					
18	HUD Assisted Programs (sum of lines 19 + 20)	247	19	2	211	15
19	Substantial Rehabilitation	165			155	10
20	Section 8 Existing with Moderate Rehabilitation	82	19	2	56	5
21	Other* FOOTNOTE #2	30	6	1	19	4
22	4. Existing Rental Units (sum of lines 23 + 26)	272	40	8	208	16
23	HUD Assisted Programs (sum of lines 24 + 25)	272	40	8	208	16
24	With Repair					
25	Without Repair	272	40	8	208	16
26	Other*					

NARRATIVE (Attach additional sheets if necessary and identify with items above)

- <sup>1/</sup> 1. Footnote units to be provided specifically for the handicapped.
- \* 2. Describe the programs listed under this category.
- 3. Describe those actions necessary to facilitate the accomplishment of the goals.

Incremental Year of Submission <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input checked="" type="checkbox"/> 3	Tables I, II and IV of the Three Year HAP approved <u>June 14, 1979</u> are incorporated by reference and are not contained in this <u>third</u> year submission.
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TABLE V FOOTNOTE

- #1 California Housing Finance Agency - Home Ownership/Home Improvement Program. SB-966 Deferred-Payment Rehabilitation Program.
- #2 Federal Section 312 Loan

TABLE V - ANNUAL HOUSING ACTION PLAN (NARRATIVE)

The following is a brief narrative describing the actions set forth in the three-year housing goal that the City will undertake during the 1981-82 year.

A. Goals for Housing Assistance for Homeowners

1. New Construction Assistance for Homeowners

A potential source of units is a Local Mortgage Revenue Bond (LMRB) program for home ownership. The City recently took action establishing a LMRB to provide financial assistance loans to low and moderate income persons for home ownership. The approximate level of the initial sale was \$14 million. The 1981-82 AHAP does not include any specific goals because it is premature to estimate the number of potential units because the maximum sales, price, income limits, etc. have not been established. However, the assistance will be determined during calendar year 1981-82.

2. Rehabilitation Assistance for Homeowners

The three year goal is 325 units and the 1981-82 goal is 75 units. The City will use the following programs to provide the 75 units: (1) CDBG - Sacramento Neighborhood Assistance Program (SNAP); (2) Federal Section 312 Rehabilitation Loan Program; (3) CHFA - Home Ownership/Home Improvement Program, and (4) SB 966 Deferred Payment Rehabilitation Loan Program.

The SNAP Program provides low interest loans (1-7%) to low and moderate income persons within designated CDBG target areas for housing rehabilitation. The projected CDBG funding for 1981-82 is \$800,000 which equals approximately 34 units for rehabilitation.

The tentative 1981-82 Section 312 Single Family allocation to the City is estimated to be approximately \$479,000 (the same as 1980-81). This is sufficient funding for approximately 25 units.

The CHFA Home Ownership/Home Improvement Program will be administered by local lenders coordinated through the City.

The City anticipates to receive \$1.6 million from the State of California bond sales and in turn, the City will distribute the funds to the local lenders for implementation of the four elements of the program (purchase, purchase/rehabilitation, rehabilitation, rehabilitation/refinance). The City anticipates local lenders will generate approximately 10 units of straight rehabilitation for 1981-82. The funds would be used to provide maximum \$15,000 FHA Title I Home Improvement Loans to low and moderate income persons within eight CDBG target areas. The loan interest rate is approximately 4% below the conventional market interest rate.

The SB 966 Deferred-Payment Rehabilitation Loan Program provides deferred payment loan funds for rehabilitation of housing for low and moderate income households. The maximum loans are \$10,000 per unit with interest at 3% per annum or original loan amount. Loans are repaid at the end of five years or upon sale or transfer of property whichever occurs first. Loans to elderly owners are repaid only upon sale or transfer of property. The City received \$90,000 under this program for 1980-81 and anticipates to receive \$100,000 for 1981-82. The \$100,000 would be sufficient funding for 10 units. The program is administered in the same eight CDBG target areas as the CHFA Home Ownership/Home Improvement Program.

B. Total Goals for Housing Assistance for Renters

1. Assistance for Prospective Homeowners

The three-year goal is 20 units and the 1981-82 goal is 8 units. The program which will provide this assistance is the CHFA - Home Ownership/Home Improvement Program. This is the same element of the program which is noted in A2 - Rehabilitation Assistance for Homeowners. The difference is that this home ownership assistance will be provided to low and moderate income persons who are presently renters. Again this figure is merely an estimate because the bonds have not been sold.

2. New Rental Units

The three-year goal is 545 units and the 1981-82 goal is 86 units. The program used to provide the 86 units will be Section 8 New Construction.

The Section 8 New Construction Program is anticipated to provide 86 units of the total 1981-82 goal. This estimate is based on Section 8 units provided in 1980-81 and the

estimates of Federal funding for the Section 8 program, and the number of units necessary per year to achieve the identified three-year goal.

3. Rehabilitation of Rental Units

The three-year goal is 705 units and the 1981-82 goal is 277 units. The two programs used to provide the 277 units will be: (1) Section 8 Rehabilitation (Substantial and Moderate); (2) Federal Section 312 Rehabilitation Loan Program.

The Section 8 Rehabilitation (Substantial and Moderate) Program is anticipated to provide 247 units of the total 1981-82 goal. This estimate is based on the estimates of Federal funding for the Section 8 program. The tentative 1981-82 Section 312 multi-family allocation for the City is estimated to be approximately \$500,000 (the same as 1980-81). This is sufficient funding for approximately 30 units.

4. Existing Rental Units

The three-year goal is 1,225 units and the 1981-82 goal is 272 units. The Section 8 Existing and Set-Aside Programs are anticipated to provide all the units of the total 1981-82 goal. This estimate is based on Section 8 units provided in 1980-81, the estimates of Federal funding for the Section 8 program, and the number of units necessary per year to achieve the identified three-year goal.

RESOLUTION NO. RA 81-001

Adopted by the Redevelopment Agency of the City of Sacramento

January 20, 1981

APPROVING USE OF TAX INCREMENT FUNDS  
FROM THE ALKALI FLAT, DEL PASO HEIGHTS  
AND OAK PARK REDEVELOPMENT AREAS

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

Section 1. The Executive Director is authorized to  
expend Tax Increment Funds available as of December 31, 1980, and  
accrued in calendar year 1981 for the following projects up to the  
amounts shown:

<u>Redevelopment Area</u>	<u>Project</u>	<u>Amount</u>
Del Paso Heights	Assessment District No. 5	\$ 580,000
Oak Park	Commercial Land Acquisition (Broadway at Sacramento Blvd.)	460,000

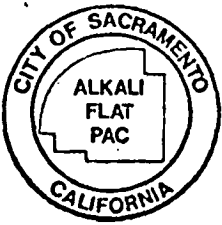
Section 2. The Executive Director is authorized to  
reserve \$125,000 from Alkali Flat Redevelopment Area tax increment  
funds available as of December 31, 1980, and to be accrued in  
calendar year 1981, for potential use in land acquisition and  
construction of improvements for public use in the proposed Sacramento  
Inter-Modal Transportation Center.

\_\_\_\_\_  
CHAIRMAN

ATTEST:

\_\_\_\_\_  
SECRETARY

**APPROVED**  
SACRAMENTO REDEVELOPMENT AGENCY  
Date 1/20/81



# ALKALI FLAT PROJECT AREA COMMITTEE

550 - 15TH STREET • SACRAMENTO, CALIFORNIA 95814 • (916) 446-0111

TO: WILLIAM AGUIRRE, PAC COORDINATOR

FROM: TIM QUINTERO, PAC DIRECTOR

SUBJECT: POTENTIAL USE OF TAX INCREMENT FUNDS FROM ALKALI FLAT PROJECT  
AREA FOR THE SACRAMENTO INTER-MODAL TRANSPORTATION CENTER

DATE: JANUARY 13, 1981

The Alkali Flat PAC will meet on Wednesday, January 14, 1981 to review the above mentioned report.

PAC staff will make the following recommendations to the Alkali Flat PAC regarding the Inter-Modal/Tax Increment Report:

1. \$125,000 of Alkali Flat tax increment funds be utilized for the Inter-Modal Transportation Center.
2. A "contingency" fund be established for cost overruns.
3. The Inter-Modal Transportation Center be included as part of the Alkali Flat Redevelopment Program.

*Tim Quintero*

Tim Quintero, Director  
Alkali Flat PAC

TQ: ep

# Del Paso Heights Project Area Committee

34

TELEPHONE 927-4571 — 1142 GRAND AVENUE — SACRAMENTO, CALIFORNIA 95838

## MEMBERS

Norvell Burton  
Chairperson

Johnnie Morris  
1st V. Chairperson

Alan Rowe  
2nd V. Chairperson

Martha Jones  
Treasurer

Helen Barrow  
Wendell Burnett  
Auntine Burney  
Sophia Crump

Elvira Dumas  
Dave Feiling  
Clifford Frazier  
George Hawkins  
Lillie Hill

John Jackson  
Mamie Johnson

Martha Jones  
Cleon Jordan  
Lyle Knieriem  
George LeFlore

Fairreatha Matheny

Elone Smith  
John Thomas  
Ray Torres  
Oscar White  
Edna Williams

## STAFF:

Evelyn Dooley  
Executive Director

Tanya Craig  
Administrative Assistant

Julia Watson  
PAC Secretary

TO: Budget/Finance

DATE: January 13, 1981

FROM: DPH PAC

RE: Del Paso Heights Tax Increment Monies

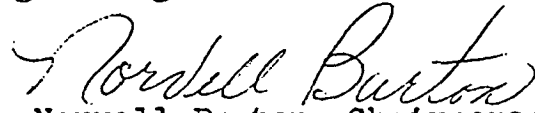
The Executive Board met January 12, 1981, to consider the use of our Tax Increment monies.

The Agency staff has recommended a "reserve or contingency" for cost over runs or other projects, we do not agree, at the present time we do not have any planned projects that might need financing and further, we will be earning Tax Increment monies on an annual basis.

We further believe that \$20,000 annually for administrative cost of the Del Paso Tax Increment fund is high and request an itemized accounting.

Our unanimous recommendation: Use \$600,000 of Tax Increment funds for Del Paso Heights A/D 5.

Should there be a cost over run on A/D 5, we feel the City would be favorable to augmenting with CDBG monies.

  
Norvell Burton, Chairperson  
DPH PAC

cc Councilperson Blaine Fisher

OAK PARK PROJECT AREA COMMITTEE, INCORPORATED

3639 FOURTH AVENUE  
SACRAMENTO, CA. 95817  
457-6525

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January 13, 1981

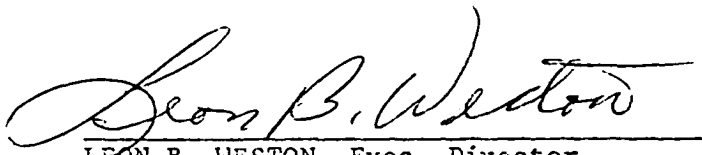
Budget & Finance Committee  
Planning & Community Development  
Committee of the City of Sacramento  
Sacramento, Ca. 95814

Honorable Members in Session:

Subject: Potential use of Tax Increment Funds from the Oak Park Project Area

The Oak Park Project Area Committee does not agree with the feasibility of substituting Oak Park Tax Increment funds for any portion of the \$680,000 CDBG monies requested for Oak Park commercial land acquisition at Sacramento Boulevard/Broadway.

We agree with utilizing the \$489,000 of Oak Park tax increment money to supplement the \$680,000 CDBG monies in order to purchase more land at this location. We know that this additional acquisition is necessary in order to entice private developers to get the project started.

  
LEON B. WESTON, Exec. Director  
Oak Park PAC

LBW/fdd  
cc: DThompson