

Amended
RESOLUTION NO. 92-095

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF OCT 27 1992

DIRECTING STAFF TO PREPARE NECESSARY PLANNING DOCUMENTS, A DEVELOPMENT AGREEMENT, FINANCING DOCUMENTS, AND FINAL ENVIRONMENTAL IMPACT REPORT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, TO PERMIT THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO TO CONSIDER THE SUBSEQUENT ADOPTION AND IMPLEMENTATION OF A PLAN FOR THE RICHARDS BOULEVARD AND SOUTHERN PACIFIC RAILYARDS AREA

WHEREAS, Staff and consultants of the City of Sacramento and Redevelopment Agency of the City of Sacramento have jointly participated in the preparation of the Draft Richards Boulevard Area Plan, Draft Railyards Specific Plan, Draft Facility Element of the Railyards and Richards Plan (hereinafter referred to cumulatively as the "Draft Planning Documents"), together with the draft Environmental Impact Report (hereinafter referred to as "draft EIR"); and

WHEREAS, affected community groups and organizations were consulted in preparation of the Draft Planning Documents; and

WHEREAS, Draft Planning Documents have been reviewed by Sacramento Regional Transit District, the Richards Boulevard Redevelopment Project Area Committee, the Design Review and Preservation Board, the City and County Environmental Commission, and the Special Committee on Toxic Issues Richards/Railyards Master Plan; and

WHEREAS, the City Planning Commission and Sacramento Housing and Redevelopment Commission have held public hearings and heard testimony from interested members of the public; and

WHEREAS, as a result of these hearings and comments from community and governmental organizations, the City and Agency staff have modified the proposed project described in the Draft Planning Documents as specified in the staff report dated

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October 1, 1992, as identified on the attached list of staff amendments and issues requiring further research (Exhibits A and B); and

WHEREAS, the City Planning Commission and the Sacramento Housing and Redevelopment Commission have recommended that the Agency direct staff to prepare the necessary planning, implementing, and environmental documents that would allow it to consider the subsequent adoption and implementation of the plans for the project described in the Draft Planning Documents, as amended by the Staff Report and the additional list of specific recommendations made by the Commissions (Exhibit C) that have been reported to and considered by the Council.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1. Subject to further environmental review and planning definition, the project set forth in the Draft Planning Documents, as amended by the proposed staff amendments and recommendations of the Commissions, reflects a combination of transit-oriented, mixed use development, infrastructure improvements, and public open space and public facilities which, among the many alternatives studied, is deemed at this time to merit preparation of final draft plans and implementing documents.

Section 2. Significant features of the Railyards Project identified in the Draft Planning Documents as amended by the Staff Report include:

- a. An intermodal terminal including light rail, bus, and inner city rail located at 7th Street and North B Street and the extension of light rail along 7th Street;
- b. Approximately 9.6 million square feet of office space with higher density office clustered around the intermodal terminal and the south end of the project;
- c. Approximately 2,800 housing units, generally in the central area of the project surrounding the large Crescent Park;
- d. Approximately 28 acres of public parks and playfields including the large central Crescent Park and the Riverfront Park;
- e. A new street grid which includes the extension of 5th, 6th, and 7th Streets through the site and new improvements to Interstate 5 on- and off-ramps;
- f. A program of historic preservation which preserves much of the Southern Pacific Central Shops and Depot; and

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g. A program to ensure that properties are remediated to the extent necessary to protect the health and safety of all possible users, as well as adjacent properties.

Section 3. For the Richards Boulevard area, significant features of the project identified in the Planning Documents as modified by the Staff Report include:

a. Preservation of the existing industrial zoning and industrial uses, as well as provisions to ensure that such uses are able to rebuild, modify and expand;

b. An industrial residential area designed to reserve sufficient land to encourage the long-term development of housing north of Richards Boulevard; and

c. An office transit overlay designed to encourage another 6.4 million square feet of office uses to serve private and state office needs, adjacent to Richards Boulevard and light rail services.

Section 4. In order to refine and develop the project set forth in the Draft Planning Documents, as amended by the staff changes and the recommendations of the City Planning and Agency Commissions (shown as Exhibits A, B, and C respectively), to facilitate further City, Agency, and public review, and to allow for future consideration and if appropriate, adoption and implementation of such Planning Documents, after all necessary hearings have been held, environmental review has been undertaken and completed, and all other procedural and substantive requirements have been complied with, the Agency directs its staff and consultants to perform the tasks outlined in Exhibit E hereto and to proceed with the preparation of the following documents:

a. Final draft versions of the Railyards Specific Plan, Richards Boulevard Area Plan, and Facility Element of the Railyards Specific Plan, and the Richards Boulevard Area Plan amended as proposed in the Staff Report and summarized in the attachments and/or otherwise as may be appropriate;

b. Draft implementing documents, including but not limited to, amendments to the City General Plan, Central City Community Plan, Parks Master Plan, the American River Parkway Plan and the Bikeways Master Plan, Zoning Ordinance, and Agency Disposition and Development Agreement Guidelines;

c. A development agreement, a financing plan generally based on the findings contained in the Interim Finance Report (Exhibit D), a phasing plan, and a master disposition and development agreement, and/or certain individual disposition and development agreements and/or owner participation agreements, if appropriate; and

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d. All necessary CEQA documents, including but not limited to, a final EIR, appropriate findings, and any notice of determination.

Section 5. The Agency has reviewed the draft EIR which sets forth in draft form the environmental impacts of development similar to that set forth in the Draft Plan Documents (Alternative 4) and a number of alternatives to that plan and elements of that plan, together with appropriate mitigation measures. On the basis of its review of this draft document, the Agency finds that the relative environmental advantages of the project set forth in the Draft Planning Documents merit proceeding with the preparation of the planning and implementing document set forth in Section 5, above; provided, however, that the Agency at this time cannot and does not make a decision with respect to: (1) the adoption and implementation of the Draft Planning Documents, or any of the matters contained herein; (2) the relative merit of the project set forth in the Draft Planning Documents as compared to the alternatives set forth in the draft EIR; or (3) any of the mitigation measures contained in the draft EIR. The Agency will make such decisions only after all implementation documents have been prepared, presented and considered, all necessary hearings have been held, environmental review undertaken and completed, including the final EIR, and all other procedures and substantive requirements have been complied with.

Section 6. Pending a determination by the Council on the draft planning documents, staff is authorized to receive, review and process applications for projects, within the area covered by the Railyards Specific Plan and the Richards Boulevard Area Plan. Applications which are processed by the City of Sacramento Department of Planning and Development prior to a decision being made on the proposed Railyard and Richards Boulevard plans shall be analyzed for (a) each project's consistency with the proposed Railyards and Richards Boulevard plans including the amendments recommended by staff and the Commission; and (b) the impacts, if any, that approval of such projects would have on achievement of the goals, policies and objectives of the Planning Documents should those plans subsequently be adopted.



CHAIR

ATTEST:



SECRETARY

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EXHIBIT A

DIRECTION TO PROCEED RESOLUTION

**LIST OF PROPOSED STAFF AMENDMENTS TO
RICHARDS BOULEVARD AREA PLAN/RAILYARDS SPECIFIC PLAN,
FACILITY ELEMENT**

Comment #

• **LAND USE ISSUES**

A.2 Height/Massing in the Office/Transit District

Development standards should provide flexibility in reviewing height and density of office buildings to encourage State office uses with large floor plate requirements to locate in the area and to support public transit objectives. Specific criteria for reviewing height/building mass will be developed by staff based on a review the State of California's office space requirements and the results of the State Consolidation Plan.

A.3 Height in Residential Reserve

Increase maximum height from 65' to 75' to allow greater housing density.

• **RESIDENTIAL RESERVE ISSUES**

B.1 Performance Standards

Eliminate the proposed performance standards for non-residential uses. Maintain the current M-2 zoning with the current 25% office limitation and prohibit new heavy industrial uses in the area.

B.2 Trigger for Residential Reserve

Eliminate the proposed infrastructure trigger for rezoning to residential use.

B.3 Residential Reserve

Redesignate the proposed residential reserve area industrial residential.

B.4 Residential Reserve East of 16th Street

Redesignate proposed Residential Reserve area east of 16th Street to Service Commercial designation.

Comment #

- **HOUSING ISSUES**

C.1 Housing Affordability Targets

Increase the very low income unit affordability targets from 600 units to 1,040 units or 15% of the total housing production goal for both plan areas over the 35-year anticipated buildout period, if supported by economic data which is produced in the project funding plan as adopted by Council.

C.2 Phase I Housing Commitment

Modify the proposed housing program to reflect SHRA's initial 10-year housing program commitment of 1176 total units for the Railyards and Richards area.

- **OTHER ISSUES**

E.1 Hazardous Materials Policy

Revise the Relative Potential Exposure for Toxic Contamination Map (Figure 4, Richards Plan) to accurately reflect specific site conditions and modify the proposed mitigation measure to provide for Phase I site investigation prior to issuance of permits or other entitlements for expansion of commercial and industrial uses located within 2,000 feet of an existing or proposed residential use.

EXHIBIT B

DIRECTION TO PROCEED RESOLUTION

**LIST OF TECHNICAL ISSUES
REQUIRING FURTHER STAFF RESEARCH**

Comment #

• **TRANSPORTATION ISSUES**

D.2 Establish additional Transportation System Management (TSM) Measures, or revise proposed TSM goals (60% Phase 1, 67% Phase 2 and 75% Phase 3), based on a reassessment of potential mode (single occupancy vehicle, transit and carpool usage) and level of service objectives.

D.3 Bicycle Circulation Plan

Revise Bicycle Circulation Plan to address 14th Street tunnel closure and provide a circulation system which connects downtown with the American River Bridge crossing.

D.4 Pedestrian Circulation Plan

Improve overall Pedestrian Circulation Plan particularly as it relates to pedestrian movement between downtown and the Social Service campus.

D.5 Roadway Widths

Reevaluate necessity for proposed roadway widths based on further analysis of traffic and level of service.

D.6 Roadway Alignments Impact Development Proposals

The 7th Street LRT and the I-5 braided ramp alignments need to be analyzed for the potential impacts on existing and proposed developments.

• **DESIGN ISSUES**

F.1 Design Review

Allow more than 25% office uses for reuse of historic buildings listed on the "Official Register".

Comment #

• **COMMUNITY FACILITIES ISSUES**

G.1/ Parks Implementation/Open Space Requirements

G.2

Consider application of city-wide policy for commercial dedication of park acreage and credits for semi-public acreage.

G.3 School Child Generation Rates

Refine, if appropriate, school child generation rates to reflect characteristics of project residents.

G.4 Urban School Site

Identify potential school site and the special legislation necessary to implement an urban school in Railyards area plan.

G.5 Police Fire Facilities

G.6

Reevaluate police and fire facility requirements to serve planning area based on potential joint use of facilities and overlapping service areas for North Natomas.

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EXHIBIT C

DIRECTION TO PROCEED RESOLUTION

**LIST OF COMMENTS FROM
RICHARDS BOULEVARD PROJECT AREA COMMITTEE
CITY PLANNING COMMISSION
SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION
RICHARDS BOULEVARD AREA PLAN/RAILYARDS SPECIFIC PLAN,
FACILITY ELEMENT**

Comments

1. Comment C.3 - Direct consultants to research adding housing units to the Plans through development incentives, not necessarily low income.
2. Comment C.1 - Further evaluate the percentage of low and very-low income housing units in the Railyards area impacting the Tax Increment generated from this plan, in a manner which is consistent with the City's fair share obligations.
3. Further analyze the comments by Sacramento Old City Association.
4. Comment B. 1 - Working with the Richards Boulevard property owners, further refine the allowed uses in the Residential Reserve.
5. Further research increasing the building heights around the Intermodal Terminal.
6. Resolution - Sec 4.b. include amending the Parks Master Plan, the American River Parkway (designate new nodes) and the Bikeways Master Plan.
7. Comment D.5 - When evaluating the downsizing of roadway widths, investigate retaining the Wheel Shop Annex Building.
8. Comment F.1 - Further define the percentage of office use allowed for buildings on 16th Street.
9. Comment D.5. - Roadway Widths - include an evaluation of the effect of the proposed Gateway Boulevard having five lanes and then narrowing down to four lanes on the automobile bridge.
10. Comment G.1. - Parks Implementation - include the identification of park sites in the Richards Boulevard Area Plan.

11. Comment G.4. - Identify location for an Urban School Site - Include preference for school adjacent to a park. The school should share the same facilities (ball fields, playgrounds, etc.), therefore reducing overall acreage and cost.

Recommended Changes by the Richards Boulevard Project Area Committee (Endorsed by the CPC/SHRC)

12. Comment B.2 - Eliminate proposed monitoring language for reviewing appropriateness of rezoning to residential use.
13. Comment B.3 - Change the proposed land use designation north of Richards Boulevard from "Residential-Reserve" to Industrial-Residential."

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INTRODUCTION AND FINDINGS

INTRODUCTION

The purpose of this report is to provide a summary review of City and Redevelopment Agency (Agency) staff findings regarding the financial feasibility of the Facility Element of the Railyards Specific Plan and the Richards Boulevard Area Plan. The report also outlines key issues that the City Council will need to resolve following the Direction to Proceed. The resolution of these issues will be included in the final land use plans, facility plan, and the development agreements/owner participation agreements.

The City Council has been reviewing the Railyards Specific Plan, the Richards Boulevard Area Plan, the combined Facility Element for the two planning areas, and the Draft Environmental Impact Report. A decision by the Council is scheduled for November 1992 directing future action on the completion of the land use plans, the facility plan, the EIR, and the development agreement with Southern Pacific.

While the plans and related studies have been undergoing public review and comment, City staff and Housing and Redevelopment Agency have focused upon the infrastructure financing and housing programs. The Public Works and Utilities Departments have been reviewing the infrastructure facilities in terms of cost, timing, benefit, and availability of funding from known funding sources. The Planning and Community Development Department and the Agency have been assisting in these efforts as well as evaluating the proposed housing programs included in the Plans. The Finance Department and Treasurer's Office have been evaluating the financing plan with the assistance of the other Departments and the Agency. This effort has been supported by Economic and Planning Systems, which has provided market analysis, fiscal analysis, and financial feasibility studies.

SUMMARY OF FINDINGS

1. *The goals stated in the Plans are possible to achieve though it will require significant public and private investment, may take longer than the 35 year life of the Redevelopment Project, and will require cooperation and financial support from all levels of government.* These goals include reinforcing the downtown as the region's major transportation hub and the primary commercial center, providing downtown housing, preserving historic and cultural resources, and creating a comprehensive system of pedestrian ways and open spaces. Completion of some goals may be delayed due to limited financial resources during the course of the development.

Some of these goals may become competitive at one time or another for the limited financial resources. For example, it is likely that infrastructure, housing, and cultural resources will all compete for a share of the limited tax increment revenue. The major transportation projects included in the Facility Element will compete for

Federal, State, major street construction tax, and Measure A funding with other projects in the City. This competition will require the City to prioritize available funding between development areas.

2. *Several factors make it difficult to predict the timing of the infrastructure program and private development.* Many variables and constraints related to the development of the planning areas are likely to change significantly over the long-time development horizon, including: the office and housing market, available funding sources, and project phasing. Constraints include the cost of toxic clean-up in the Railyards Area and the availability of transportation funds from the State and Federal government. (Toxic clean-up is assumed to be a corporate responsibility.)
3. *The initial phase of the development provides significant benefits to the City.* Even if development is stalled after the first phase many of the Plan's objectives will have been achieved. These benefits include: extension of the light rail transit system, road connections between the downtown and Richards Boulevard, construction and rehabilitation of approximately 650 affordable housing units, clean-up of a portion of the Railyards site, and office development in the south portion of the Railyards site and along Richards Boulevard. Overall, there should be sufficient funding sources available to fund the infrastructure improvements in the initial phase.
4. *After the initial phase of development, funding for a large amount of infrastructure costs will be needed to allow development to continue.* This will require a significant commitment of funding from the public sector including the City, Agency, and the State as well as the private sector.

"Extraordinary" items (as defined on page 12) in the Plans are beyond the scope of typical development projects. These facilities include: the Intermodal Terminal, the Sacramento River Rail bridge and I-5 braided ramps. The "extraordinary" infrastructure in the second phase of the project will likely cause competition and require trade-offs with other City/County projects for resources. Development will be constrained if sufficient private sector, City, Agency, State, and Federal revenues are not available at that time.

Since construction of most of these "extraordinary" facilities is ten to twenty years out, they are beyond the scope of current Federal and State funding appropriations. Construction of these projects relies on a continuation of the traditional Federal and State role in the financing of transportation improvements.

By the end of the second phase of development, most of the major infrastructure including roadways, transit corridors and utilities, is anticipated to be in place. The final phase of development will concentrate upon the completion of public facilities that will provide additional transportation capacity necessary for the buildout of the Plans and the development of the cultural facilities included in the Central Shops Historic District and Riverfront Park. Financial resources available to fund the "extraordinary" transportation and cultural facilities will need to be identified closer to the time these facilities are to be constructed.

5. ***Phasing of the development and infrastructure will require careful coordination.*** For example, if State or Federal funding is delayed for major improvements such as I-5 braided ramps and light rail improvements, then development potential may be limited by the service levels of the available transportation system.
6. ***The financing arrangements necessary for this project are more complex than typical development projects.*** Some of the infrastructure shown in the Plans benefit not only the planning areas but also new and existing downtown Sacramento development and the Sacramento region. The City needs to consider mechanisms for allocating costs to all areas benefiting from the necessary facilities. Also, a reimbursement system may need to be established for funding the initial facilities which benefit other areas.
7. ***Costs for the "typical" infrastructure (as defined on page 12) and community facilities (excluding toxics clean-up) that must be funded by the private landowners, and various government sources appear to be within acceptable industry standards to keep the planning areas competitive.*** This finding assumes that a significant level of tax increment revenue is used to fund infrastructure, as suggested as an implementation policy in the Facility Element.
8. ***Costs for "extraordinary" infrastructure and community facilities will require substantial investments from the private sector and discretionary funding from the City, Agency, and other public agencies.*** The decision on the amount of discretionary public funding for the planning areas will require the City to make trade-offs. A balance in funding these "extraordinary" items must be found between the City, Agency, and private development so not too much of the burden falls on any of these parties. Also, obtaining State and Federal revenues will be critical in order to fund all of the "extraordinary" improvements.
9. ***A significant amount of tax increment revenue will be required to fund the infrastructure facilities in the Plans.*** This will limit the amount and timing of tax increment revenues above the 20% housing set-aside limit that will be available for housing or cultural facilities. Trade-offs between infrastructure, housing, and cultural facilities for tax increment revenue will be required.
10. ***Currently, the cost of producing market rate housing in the Richards Boulevard or Railyards Areas is greater than the achievable market rate price.*** Therefore, until the market for housing improves, the housing program will require significant subsidies to generate the amount and type of housing contemplated by the Plan. In addition, meeting the goals of low- and moderate-income housing programs will require additional subsidies.

A ten-year plan has been developed to fund 414 affordable new housing units and rehabilitate 238 units. Construction of additional housing will be planned as new revenues and development areas become available.

EXHIBIT E

DIRECTION TO PROCEED RESOLUTION

LIST OF COUNCIL AMENDMENTS TO
RICHARDS BOULEVARD AREA PLAN/RAILYARDS SPECIFIC PLAN
AND FACILITY ELEMENT

Comments #

1. Direct staff to return with draft of 1993 Finance Report for implementation of Richards and Railyards plans.
2. Direct staff to provide further detail and implementation strategy for interim uses and presentation of Central Shops and S.P. Depot complex.
3. Direct staff and consultants to analyze "Level of Service" traffic standards in the downtown area, in the context of proposed street widths contained within the Richards and Railyards plans.
4. Direct staff and consultants to clarify and further define bicycle and pedestrian routes throughout the Richards and Railyards plan area, including individual connections to the downtown.
5. Staff is directed to discuss potential realignment of school district boundaries [Sacramento City Unified, Grant Union High School District, and North Sacramento School District] within the Redevelopment area, with the intent of making a formal recommendation to the County Board of Education.
6. Direct staff to prepare and present a Housing Issues paper which shall cover such topics as: concentration of very low and low income housing units; monitoring housing production as it relates to commercial construction; evaluation of various ratios of housing units to commercial square footage; revenues available for the production of housing; etc.
7. Direct staff and consultants to require within the Richards and Railyards plans that all parks be developed to adopted City standards. Also analyze how to implement park development apart from the issue of feasibility.
8. Staff shall prepare and present a response to written concerns and issues identified by the Executive Director of Loaves and Fishes in papers dated July 20, 1992, September 28, 1992 and October 27, 1992.