

**RESOLUTION NO. 2003-779**

**ADOPTED BY THE SACRAMENTO CITY COUNCIL**

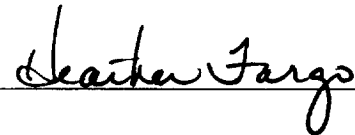
**ON DATE OF NOV 0 4 2003**

**AMENDED REPLACEMENT HOUSING PLAN  
FOR THE EAST/WEST 9<sup>TH</sup>/10<sup>TH</sup> AVENUE PROJECT**

**BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL:**

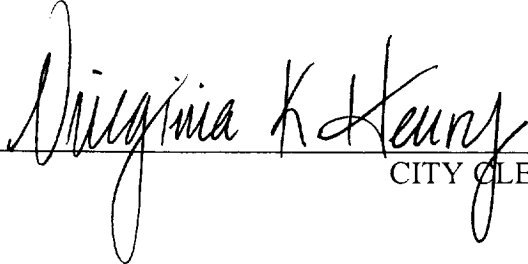
Section 1: After due consideration of the facts presented, the findings, including the environmental findings regarding this action, as stated in the staff report that accompanies this resolution, are approved.

Section 2: Pursuant to and consistent with the requirements of the Federal Housing and Community Development Act of 1074 and the California Health & Safety Code Section 33413, the attached amended replacement housing plan is adopted for the project commonly known as the East/West 9<sup>th</sup>/10<sup>th</sup> Avenue project.



MAYOR

ATTEST:



CITY CLERK

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**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: 2003-779

DATE ADOPTED: NOV 0 4 2003

## **AMENDED REPLACEMENT HOUSING PLAN EAST/WEST 9<sup>TH</sup>/10<sup>TH</sup> AVENUE SITE**

November 4, 2003

### **Description of Property**

The Sacramento Housing and Redevelopment Agency (SHRA) has been working to revitalize the area along Stockton Boulevard between Broadway and 14<sup>th</sup> Avenue since the adoption of the Oak Park Redevelopment Area in 1973, and particularly in the last couple of years. In 1998, the Broadway/Stockton Urban Design Plan was adopted by the Sacramento City Council and County Board of Supervisors. The Urban Design Plan is a strategic plan that provides an integrated framework of principles, policies, and concepts to improve the image and competitiveness of the Broadway and Stockton Boulevard commercial corridors. The Plan provides a template for public sector investment to support private sector and neighborhood investment in these commercial areas.

Property owners on the east side of Stockton Boulevard between 9<sup>th</sup> and 10<sup>th</sup> Avenues have indicated an interest in selling their properties to the Agency. If acquired, these properties will be analyzed for landscaped public parking as part of the Broadway/Stockton Master Plan. The acquisition and reuse of these properties could bring about many positive changes to the area such as the reuse of blighted and underutilized parcels, elimination of an eyesore, elimination of less desirable uses on Stockton Boulevard, and the potential to ease the parking shortage for the adjacent businesses.

### **Responsibilities of Redevelopment Agencies**

California statutes require redevelopment agencies to replace low and moderate-income housing lost to residential use if that action involved either a development agreement or financing by the agency. The specific provision of the California Health and Safety Code (Sec. 33413) is as follows:

"Whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low- and moderate-income housing market as a part of a redevelopment project which is subject to a written agreement with the agency or where financial assistance has been provided by the agency, the agency shall, within four years of the destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to person and families of low or moderate income, an equal number of replacement dwelling units which have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the territorial jurisdiction of the agency. When dwelling units are destroyed or removed after September 1, 1989, 75 percent of the replacement dwelling units shall replace dwelling units available at affordable housing cost in the same income level of very low income households, lower income households, and persons and families of low and moderate income, as the persons displaced from those destroyed or removed units. When dwelling units are destroyed or removed on or after January 1, 2002, 100 percent of the replacement dwelling units shall be available at affordable housing cost to persons in the

same or a lower income category (low, very low, or moderate), as the persons displaced from those destroyed or removed units.”

### **Replacement Housing Needs**

#### **State Guidelines**

Because the East/West 9<sup>th</sup>/10<sup>th</sup> Avenue project (formerly known as the CAPC project) includes the use of local redevelopment tax increment funds, the project is subject to state replacement housing law, California Health and Safety Code 33413. Under state law, if a unit was occupied by a very low or low income family (regardless of actual housing costs), and taken off line through demolition or other actions, that unit must be replaced at the same income level, and must be regulated at that affordability level for the longest feasible time as determined by the Agency but for not less than the period of the land use controls established in the Redevelopment Plan. State law requires that replacement units be created within four years of removal or destruction.

To fully comply with state law, the income level of the original occupants must be determined. In the original Replacement Housing Plan, it was assumed that all of the former residents of the East/West 9<sup>th</sup>/10<sup>th</sup> Avenue project units were very-low income. Therefore, all nine units must be replaced at the very low income level. The affordability level, type and number of units/bedrooms required to be replaced from the East/West 9<sup>th</sup>/10<sup>th</sup> Avenue project are outlined below:

<b>Number of Units</b>	<b>Unit Type</b>	<b>Affordability</b>	<b># Bedrooms</b>
6	1 Bedroom	Very Low Income	6
3	2 Bedroom	Very Low Income	6
<b>9 (total)</b>			<b>12 (total)</b>

According to California Health and Safety Code Section 33413(f), a fewer number of replacement dwelling units may be provided if the total number of bedrooms equals or exceeds the number of bedrooms in the units removed and if the replacement units are affordable to the same income level of households as the units removed. The units used to replace the bedrooms must be at least the same size as those lost. Therefore, all units used as replacement units must be at least one bedroom in size or larger. This option of replacement by bedrooms will be used for the calculation of replacement housing needs for the East/West 9<sup>th</sup>/10<sup>th</sup> Avenue project.

#### **Timing of Replacement**

The Agency's priority is to replace these bedrooms within the project area, however, if the Agency is unable to do so, according to Health and Safety Code Section 33334.5, "the Agency shall, within four years of such destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to persons and families of low or moderate income an equal number of replacement dwelling units at affordable housing costs, as defined by Section 50052.5, within the project area or within the territorial jurisdiction of the agency." Per state guidelines, replacement units must be created within four years from the date of removal of the units from the housing stock or demolition of the units (funding for the demolition of the project was also secured in July, 2000 with the approval of the Replacement

Housing Plan). Under the state statute, all replacement units would need to be created by July 2004.

Thus, by July 2004, the Agency must replace the following bedrooms in relation to the East/West 9<sup>th</sup>/10<sup>th</sup> Avenue project:

Number of Units	Unit Type	Affordability	# Bedrooms
6	1 Bedroom	Very Low Income	6
3	2 Bedroom	Very Low Income	6
<b>9 (total)</b>			<b>12 (total)</b>

#### Regulatory Requirements

Under the state guidelines in effect at the time of the replacement housing plan for the East/West 9<sup>th</sup>/10<sup>th</sup> Avenue project, the replacement housing units are to remain available at affordable housing cost to persons of very low, low, and moderate income as determined by the Agency but for not less than the land use controls established in the Oak Park Redevelopment Plan, or the greater of the term requirements of the financing sources used as subsidies. (Health and Safety Code Section 33413(c)). All units used as replacement units will have restrictive covenants regulating their rent and occupancy for a minimum of 30 years with either the Agency or another public entity.

#### Replacement Housing Options

The Agency has identified the following projects that satisfy the replacement housing needs for the East/West 9<sup>th</sup>/10<sup>th</sup> Avenue project:

Project Name	# of Bedrooms	Affordability Level	Financing Date
Terracina Gold (2 BR units)	12	Very Low Income	06/06/2000

Terracina Gold (Villages 1 & 3) will provide replacement housing off-site for the East/West 9<sup>th</sup>/10<sup>th</sup> Avenue project. Terracina Gold, Villages 1 & 3 has been fully funded using Low Income Housing Tax Credits and Mortgage Revenue Bonds and Agency loan funds. Terracina Gold is located in North Natomas, and was completed construction in early 2003.

#### Article XXXIV

The City of Sacramento is currently in compliance with its requirements under the California Constitution, Article XXXIV. All projects being used as replacement housing for the East/West 9<sup>th</sup>/10<sup>th</sup> Avenue project are within the current allocation and do not require a vote of the public.

#### Performance Schedule

The required Replacement Housing for this project will be created within four years of the removal or demolition of the existing units, approximately July, 2004 to comply with state guidelines.

**The report referenced in**  
**City Council Resolution 2003-779**  
**is from the 11/4/2003 City Council Meeting**  
**Item 6.1**