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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

March 16, 1981

CITY MANAGER'S OFFICE
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Redevelopment Agency of the
City of Sacramento
Sacramento, CA

APPROVED
SACRAMENTO REDEVELOPMENT AGENCY

Date 4-7-81

Honorable Members in Session:

SUBJECT: Federal Financial Settlement, Project No. 4 (Project
No. Calif R-67) - Public Hearing

SUMMARY

Attached is a resolution approving the federally-required Closeout Agreement for financial settlement of Project No. 4 and determining that an environmental impact statement in accordance with National Environment Policy Act is not required. The closeout has been mandated by the Department of Housing and Urban Development (HUD) who will release to the Agency urban renewal grant funds to pay off the existing federal loan on the subject project. The project will continue to be implemented and tax increments will continue to be collected by the Agency.

BACKGROUND AND FINANCIAL DATA

In the Housing and Community Development Act of 1974 which established the Community Development Block Grant program to replace federal categorical grant programs, Congress called for the timely phase-out of federal financing for all urban renewal projects. Since that time, at HUD's urging, the Agency has closed out federal financing for the four redevelopment projects (Del Paso Heights, Alkali Flat, Oak Park and Project 2-A). The current closeout for Project 4 is the fifth close-out to be undertaken. After this closeout, Project 3 will be the only remaining federally-funded redevelopment project. It is scheduled for federal financial settlement within a year. The Central City (Uptown) Project has never received federal loan or grant assistance.

The redevelopment projects are established under the Community Redevelopment Law of the State of California. Therefore, the cessation of federal funding for a project does not affect the Agency's ability to carry out the project in any manner except that there will be no further federal loans or grants to the project. Tax increments are not affected.

4-7-81

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The federal financial closeout consists of three actions:

(1) The Agency must make a finding of no significant impact on the environment. It has been determined that this request for release of Federal funds will not constitute an action significantly affecting the quality of human environment and accordingly, an Environmental Impact Statement was not prepared. This determination has been concurred in by SACOG and the State's Office of Planning and Research.

An Environmental Review Record of the project has been prepared documenting the environmental review of the project. Said Environmental Review Record more fully sets forth the reasons why such Statement is not required.

(2) The Agency, the City, and HUD must enter into the standard HUD-prepared Closeout Agreement. A copy of the agreement is attached hereto as Exhibit I. There is nothing objectionable in the agreement, and it is similar to others the Agency has executed.

(3) The Agency must pay off the existing federal loan in the amount of \$2,525,000.

To pay off the loan, the Agency will requisition \$2,914,791 in unpaid federal grant. The surplus of grant funds (\$389,791) will be used to pay interest on the notes (\$126,737) and to add to cash on hand to be used to pay for site improvements already in the project budget. These improvements, including R Street Corridor work, are designed and will be bid soon by City staff. A list of improvements is attached as Exhibit II. Following this, if there is still surplus cash on hand, it will be, first, applied toward return of the local advance of \$314,414, and, second, added to the City's CDBG funds, where it will be applied toward completion of any required site improvements for Project 4 that were not previously contracted.

VOTE AND RECOMMENDATION OF COMMISSION

At its meeting of March 16, 1981, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Coleman, Fisher, Knepprath, Luevano, A. Miller,
Serna, Teramoto, Walton
NOES: None
ABSENT: B. Miller

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RECOMMENDATION

The staff recommends adoption of the attached resolution approving the federal financial settlement for Redevelopment Project No. 4 (Calif R-67), and determining that the authorization to utilize Federal funds for the financial settlement of the Project is not an action significantly affecting the quality of the human environment.

Respectfully submitted,



WILLIAM H. EDGAR
Interim Executive Director

FOR TRANSMITTAL TO COUNCIL:


WALTER J. SLIPE
City Manager

Contact Person: Beverly Czoberek

RESOLUTION NO. 81-025

Adopted by the Redevelopment Agency of the City of Sacramento

April 7, 1981

APPROVED
SACRAMENTO REDEVELOPMENT AGENCY

AUTHORIZING FINANCIAL SETTLEMENT WITH
THE DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT FOR PROJECT CALIF R-67

Date 4-7-81

WHEREAS, the Redevelopment Agency of the City of Sacramento is required to effect a financial settlement with the Department of Housing and Urban Development for Urban Renewal Project No. Calif R-67, and

WHEREAS, such financial settlement requires a determination, following public hearing, that such settlement is not an action significantly affecting the quality of the human environment; and

WHEREAS, Federal rules and regulations promulgated for the purpose of effecting such financial settlement require the execution of a "Closeout Agreement" by the City of Sacramento and the Redevelopment Agency of the City of Sacramento:

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

Section 1. The Redevelopment Agency hereby determines that the authorization to utilize Federal funds for the financial settlement of the Project is not an action significantly affecting the quality of the human environment and that, therefore, an Environmental Impact Statement under the National Environmental Policy Act of 1969, is not required.

Section 2. The Executive Director is hereby authorized and directed to execute on behalf of the Redevelopment Agency of the City of Sacramento that certain Agreement between the City of Sacramento and the Redevelopment Agency of the City of Sacramento for the closeout of Urban Renewal Project Calif R-67 in accordance with the provisions of 24 C.F.R. §570.804 (b)(7), and to take any and all actions necessary to effect the closeout of said Project.

CHAIRMAN

ATTEST:

SECRETARY

Adopted by The Sacramento City Council on date of

April 7, 1981

RESOLUTION APPROVING THE REQUEST OF THE
REDEVELOPMENT AGENCY OF THE CITY OF
SACRAMENTO MADE TO THE DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT FOR
PERMISSION TO USE AN AVAILABLE
UNEARNED GRANT FOR LOAN REPAYMENT

WHEREAS, the Redevelopment Agency of the City of Sacramento is in the process of effecting a financial settlement with the Department of Housing and Urban Development for Urban Renewal Project No. Calif. R-67; and,

WHEREAS, Federal rules and regulations promulgated for the purpose of effecting such financial settlement require the execution of a "Closeout Agreement" by the City of Sacramento and the Redevelopment Agency of the City of Sacramento;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:

1. The City of Sacramento concurs in the request by the Redevelopment Agency of the City of Sacramento to complete financial settlement with the Department of Housing and Urban Development for Urban Renewal Project No. Calif. R-67; and,

2. The City Manager is hereby authorized and directed to execute on behalf of the City of Sacramento an Agreement between the City of Sacramento and the Redevelopment Agency of the City of Sacramento for the closeout of Urban Renewal Project No. Calif. R-67 in accordance with the provisions of 24 C.F.R. Section 570.804(b)(7).

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

APR 7 1981

OFFICE OF THE
CITY CLERK

CLOSEOUT AGREEMENT BY AND BETWEEN THE
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
AND THE CITY OF SACRAMENTO RELATING TO
THE CAPITOL MALL RIVERFRONT REDEVELOPMENT PROJECT
CALIF. R-67

This agreement, made and entered into this _____ day of _____, 1981, by and between the Redevelopment Agency of the City of Sacramento (hereinafter called "Agency"); and the City of Sacramento (hereinafter called "City"):

WITNESSETH:

WHEREAS, the Agency and the United States of America, acting by and through the Secretary of Housing and Urban Development ("Government") entered into Contract No. Calif. R-67 (LG) dated the 5th day of April 1967, ("Contract") for the purpose of providing Federal financial assistance under Title I of the Housing Act of 1949 as amended, to carry out redevelopment activities in the Capitol Mall Riverfront Redevelopment Area in accordance with a duly adopted Redevelopment Plan; and

WHEREAS, the redevelopment activities to be undertaken pursuant to the Contract have been substantially completed as defined in 24 CFR Section 58.20(e); and

WHEREAS, the City has a Community Development Block Grant entitlement for Fiscal Year 1980 of \$5,089,000 for which a Grant Agreement has been executed; and

WHEREAS, Community Development Block Grant regulations (24 CFR Part 570) permit financial settlement of Urban renewal projects prior to completion, and such regulations require a closeout agreement executed by the Agency and the City pertaining to certain remaining obligations under the Contract; and

WHEREAS, the Agency desires to use grant earned under the Contract, unearned grant as defined in Title 24 CFR Section 570.800(c), local funds now available and Block Grant Funds to be made available from the City to repay the outstanding project temporary loan obligation for Calif. R-67 in the amount of \$2,525,000.00 plus interest; and

WHEREAS, a request for financial settlement of the Capitol Mall Riverfront Redevelopment Project Calif. R-67 has been submitted to the Department of HUD by the Agency:

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations contained herein, the parties hereto agree as follows:

- (1) All remaining undisposed properties acquired by the Agency in the Redevelopment area are shown in Exhibit A hereto. All the proceeds from the sale or lease of such property after financial settlement of the Project, shall be treated as program income to the Community Development Block Grant program under the provisions of 24 CFR 570.506.
- (2) The Agency and the City agree that to the extent consistent with the provisions of Section 1 above, all proceeds from the sale or lease of remaining undisposed properties shown in Exhibit A hereto shall be used first to repay outstanding local advances to the project by the City to the extent that such advances constitute eligible costs under both redevelopment project and Community Development Block Grant requirements. Any subsequent land disposition proceeds not needed for such repayment of eligible advances from the City shall then next be applied to the reduction of any temporary loan still outstanding on Project No. Calif. R-18, Capitol Mall Extension Redevelopment Project.
- (3) Upon displacement from any property acquired or under an unconditional agreement to be acquired as part of the Program, the displacees shall be provided all benefits to which they may be entitled under the Uniform Relocation Assistance and

Real Property Acquisition Policies Act of 1970. Prior to such displacement the maintenance of such occupied residential properties shall be substantially consistent with the property management standards which were applicable to such property prior the financial settlement.

- (4) Any and all unearned grant made available as a result of the financial settlement will first be applied to repayment of the outstanding project temporary loan.
- (5) Any surplus grant remaining after the financial settlement of the Redevelopment Project Temporary Loan shall be reserved for the Fiscal Year 1981 letter of credit under the City's Community Development Block Grant Program, subject to the requirements applicable to the use of funds for activities under the Program.
- (6) The availability of surplus grant funds under the provisions of Section 5 above may, at the discretion of HUD, be subject to completion of an audit and satisfaction of any audit exceptions with respect to the Redevelopment Project. Neither such surplus grant funds nor other funds available under the City's Community Development Block Grant Program shall be used for payment of ineligible Redevelopment Project costs.
- (7) The City agrees to reprogram from the Fiscal 1980 Community Development Block Grant Entitlement any additional Block Grant funds necessary over and above those already budgeted for repayment of urban renewal loans to repay the remaining balance of the outstanding temporary loan after application of all other sources named in this agreement.
- (8) Any costs or obligations incurred in connection with the Capitol Mall Riverfront Redevelopment Project with respect to claims which are disputed, contingent, unliquidated, or unidentified, and for the payment of which insufficient project funds have been reserved under financial settlement shall be borne by the City. Such additional expenses may be paid from Community Development Block Grant funds made available under 24 CFR 570.
- (9) Obligations incurred under the closeout agreement for the Capitol Mall Riverfront Redevelopment Project are made specifically subject to program management requirements of Subpart J, 24 CFR 570 of the Rules of Regulations Governing the Use of Community Development Block Grant funds.
- (10) This Agreement may be executed in three (3) counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Agency and the City have both caused this Agreement to be duly executed on their individual behalf and the seals of each to be hereunto affixed and attested the day and year first above written.

Attest:

CITY OF SACRAMENTO

City Clerk

Mayor

Attest:

REDEVELOPMENT AGENCY OF THE CITY
OF SACRAMENTO

Secretary

Chairman

Concurred in:
United States of America
Secretary of Housing and Urban Development

San Francisco Area Office

EXHIBIT "A"

Remaining Disposition Parcels

CALIF. R-67

<u>Parcel No.</u>	<u>Address</u>	<u>Area in Sq. Ft.</u>
O.S. 19 & 20, Commercial	123-25 J Street	2,367
O.S. 48, Commercial	1016-1022 2nd Street	12,750
O.S. 54, Commercial	116-18 J Street	2,544
O.S. 82,83,84 Commercial	116-24 K Street	6,788
O.S. 113-14,15 Commercial	S/S L St btn Front & 2nd St	6,800
HC 17 Heavy Commercial	N/E Cor 8th & S Sts	9,170
HC 25 Heavy Commercial	N/W Cor 5th & S Sts	5,920

Redevelopment Project Area No. 4
 Capitol Mall Riverfront Redevelopment Project
 DHUD - UR Calif. R-67

Capital Improvement Projects

A. The following list of projects will be completed with Department of Housing & Urban Development funds as the approved Capital Improvements Program for Project Area 4:

PROJECT	EST. COST	Start of Construction Date
I. "R" Street Corridor ("P"- "S"-2nd-10th Sts.)		
a.) Street Improvements ("Q"- "R" Alley to "R" St.-2nd-to 10th Sts.)		
b.) Storm drainage ("R"St.-3rd to 9th/ 7th St.-"Q" to "S"/9th St.-"Q" to "S")		
c.) Fire Alarm System ("R"St.-3rd to 9th/ 3rd St.-"Q" to "S"/5th St."P" to "R"/ 9th St.-"Q" to "R")		Bids due: Mar.81 Const. start: May 81
d.) Street lights (2nd to 10th-"P" to "S" Sts.)	\$1,498,819	
II. Alleys, "J"- "L" between Front & 2nd Sts.	149,353	"J"- "K" under construction "K"- "L" complete
III. "L" St., Front-2nd Sts., ¼ sidewalk	Included in "R" St. Corridor budget (Item I above)	May 1981
IV. St. Improvements/sidewalks, N. ¼ block, "I" and 2nd St.	102,000	March 1981
V. Stormdrainage, 2nd St.-"N" to "P"	Included in "R" St. Corridor budget (Item I above)	May 1981
Total	\$1,750,171	

B. The following list of proposed Capital Improvement Projects will be completed without the use of DHUD-UR Calif. R-67 funding:

PROJECT	EST. COST	FUNDING SOURCE	CONSTRUCTION DATE
I. <u>Crocker Block 2-3-N-P Sts.</u> a. Street Improvements b. Storm Drainage	\$318,000	Work to be paid for and completed by private re-developer	Unknown
II. <u>Lincoln School Block 3-5-P-Q Streets</u>	\$306,000	Work to be paid for and completed by private redeveloper	1984-1985
III. <u>Old Sacramento Historic Dist.</u> a. Service Courts (9) b. Riverfront Master Plan c. Horse Barn d. McDowell Bldg.	\$300,000 \$7 million \$150,000 80,000	Work to be paid for and completed by private redeveloper Agency/city tax increment bonds Agency/city tax increment bonds Tax increments	Unknown Unknown Unknown June 1981
IV. <u>Miscellaneous</u> a. Utility improvements, Docks study area b. Parking structure, Docks study area c. Multi-Modal site/ Street improvements* d. 5th & "I" St. intersection realignment	Unknown Unknown \$9 million Unknown	Unknown Unknown Multiple funding sources anticipated Multiple funding sources anticipated	1982 1982 Unknown Unknown

*This project could be a part of the Alkali Flat Project Area. Requires a Redevelopment Plan Amendment prior to inclusion in either project area.