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Redevelopment  
Consultants

**REPORT TO COUNCIL**  
*on the*  
**PROPOSED FIFTH AMENDMENT**  
*to the*  
**REDEVELOPMENT PLAN**  
*for the*  
**DEL PASO HEIGHTS**  
**REDEVELOPMENT PROJECT**

Prepared by Katz Hollis for the  
Redevelopment Agency of the City of Sacramento

*July 1998*

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# **REPORT TO CITY COUNCIL ON THE FIFTH AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE DEL PASO HEIGHTS REDEVELOPMENT PROJECT**

## **INTRODUCTION**

This Report to City Council ("Report to City Council" or "Report") on the proposed Fifth Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project ("Fifth Amendment") has been prepared for the Redevelopment Agency of the City of Sacramento ("Agency") pursuant to Section 33352 and other applicable provisions in Chapter 4 of Part I of the California Community Redevelopment Law ("CRL"), Health and Safety Code, Section 33000 *et seq.* The boundaries of the Project Area are shown on Map 1.

## **A. PRIOR AMENDMENTS**

The Redevelopment Plan for the Del Paso Heights Project Neighborhood Development Program Project No. 5 (Calif. A-16) ("Redevelopment Plan" or "Plan") was adopted by Ordinance No. 2884, Fourth Series, of the City Council of the City of Sacramento on May 12, 1970. On August 6, 1970, the City Council, by Ordinance No. 2913, Fourth Series, amended the Redevelopment Plan ("First Amendment") to revise certain provisions relating to land use and development requirements. On May 21, 1985, the City Council, by Ordinance No. 85-047, amended the Redevelopment Plan ("Second Amendment") to replace the original Redevelopment Plan with a new amended (updated) Redevelopment Plan, as well as to amend certain land use designations and to make technical changes to the text. On November 18, 1986, by Ordinance No. 86-108, the Redevelopment Plan was amended ("Third Amendment") to establish limits, pursuant to SB 690, that were not previously included in the Redevelopment Plan, including a tax increment revenue limit and debt establishment and eminent domain time limits. On October 4, 1994, by Ordinance No. 94-046, the Plan was amended ("Fifth Amendment") to establish or modify existing limits on the repayment on project loans, advances, and indebtedness, and the time limit for plan effectiveness, as mandated by Section 33333.6 of the Health and Safety Code (added by Chap. 942, 1993 Statutes, commonly known as AB 1290).

## **B. PROPOSED FIFTH AMENDMENT**

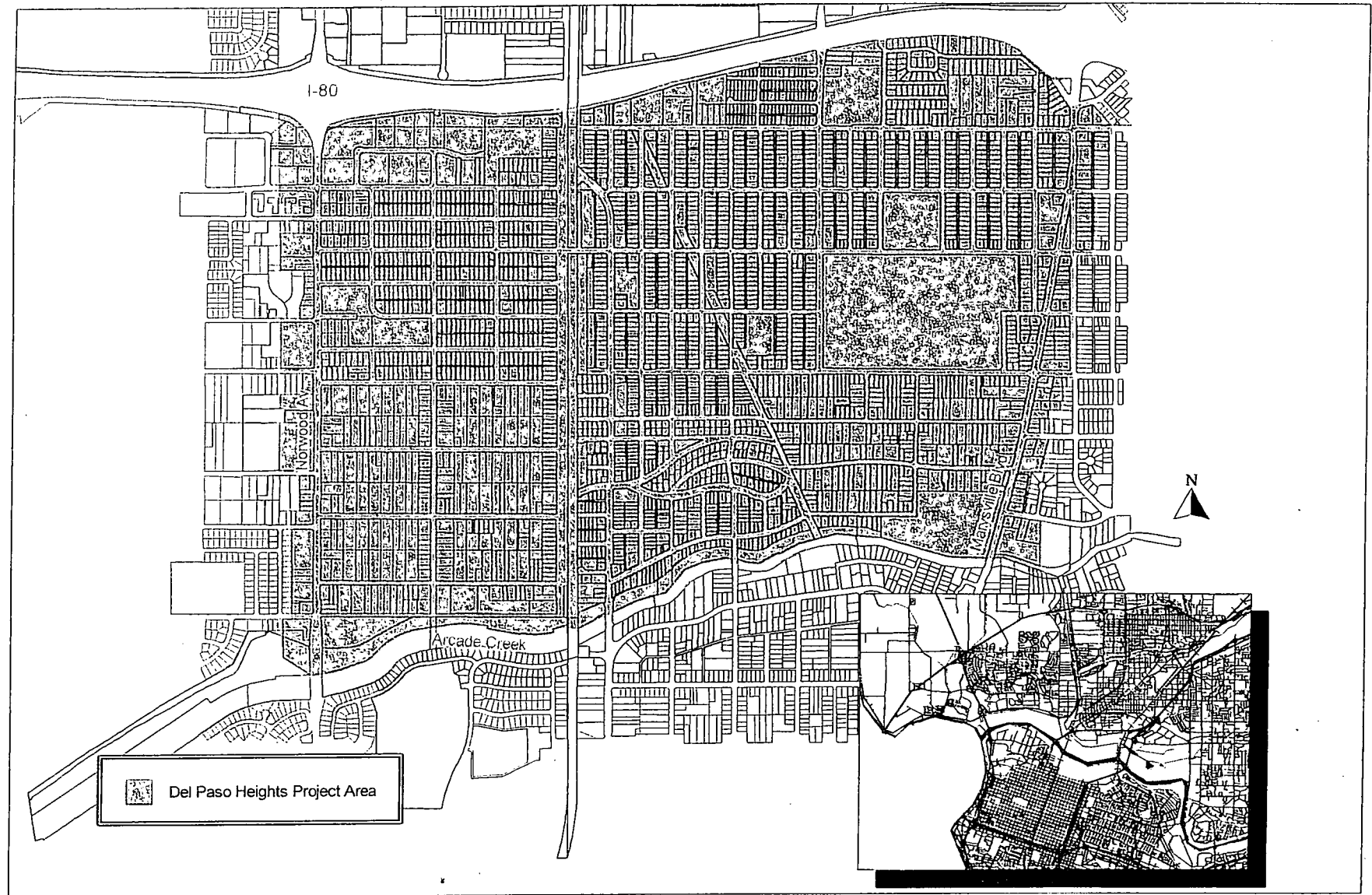
The primary purposes of the proposed Fifth Amendment are to: 1) extend the time limits for debt establishment, debt repayment, Plan duration, and the exercise of eminent domain authority; 2) increase the tax increment and bond debt limits; 3) provide that the land uses permitted in the Project Area shall be the same as permitted under the City's General Plan; and 4) replace the existing amended Redevelopment Plan with an "Amended and Restated Redevelopment Plan" in order to update the Plan's provisions to current legal requirements and terminology.

The proposed Fifth Amendment does not add territory to the project area or alter the existing boundaries in any way. The proposed amendments are shown in Table I-1.

## **C. PURPOSE OF REPORT TO CITY COUNCIL**

The purpose of this Report is to provide the information, documentation, and evidence required by Section 33352 of the Community Redevelopment Law to accompany the proposed Fifth Amendment when it is submitted by the Agency to the City Council of the City of Sacramento ("City Council"). Such information, documentation and evidence is provided to assist the City Council in its consideration of the proposed Fifth Amendment and in making the various determinations it must make in connection with its adoption.

# Katz Hollis



**PROJECT AREA BOUNDARIES**  
Sacramento Redevelopment Agency  
Del Paso Heights Redevelopment Project

**Map 1**

**Table I-1**  
**Del Paso Heights Redevelopment Project**  
**Fifth Amendment**  
**Sacramento Redevelopment Agency**

**PROPOSED AMENDMENTS**

<b>Limit</b>	<b>Existing Limit</b>	<b>Proposed Amendment</b>
<b>Debt Establishment</b> (20 years from adoption or 1/1/04, whichever is later, plus 10 years with amendment)	<b>5/11/2000</b>	<b>5/11/2010</b>
<b>Plan Effectiveness (Duration)</b> (40 years from adoption or 1/1/09, whichever is later)	<b>5/11/2000</b>	<b>5/11/2010</b>
<b>Debt Repayment/Receipt of Tax Increment</b> (AB 1290 requirement: 10 years after effectiveness of plan)	<b>5/11/2010</b>	<b>5/11/2020</b>
<b>Tax Increment</b> (None required unless previously established)	<b>\$18 Million</b>	<b>\$131 Million</b>
<b>Bond Debt</b> (none required)	<b>\$18 Million</b>	<b>\$41 Million</b>
<b>Eminent Domain</b> (12 years maximum)	<b>12/18/1998</b>	<b>2010*</b>

Source: Sacramento Housing & Redevelopment Agency, 1997

\* Exact date will be twelve years from adoption of the Fifth Amendment

This Report is divided into 13 parts which generally correspond to the subdivisions contained within CRL Section 33352, as modified by CRL Section 33457.1, which provides that "To the extent warranted by a proposed amendment to a redevelopment plan... the reports and information required by Section 33352 shall be prepared and made available." Each part of this Report has a separate function, as described in the summary listing which follows this paragraph. Certain parts of this Report, as noted in the summary listing, have been or would have been (if required) prepared by entities other than the Agency. Section 33352, however, requires the Agency to aggregate and submit such documents as part of this Report. The following summary listing identifies the 13 parts of this Report, the corresponding Section 33352 subsection, and the responsible entity for each part. Also incorporated within this Report to Council is the information required by CRL Sections 33333.6(a)(2), 33354.6(b) and 33367(d)(11) and (13) explaining the relationships between the elimination of blight and the need to extend and increase the limits of the Redevelopment Plan.

Part No. and CRL Section No.	Title	Responsible Entity
Part I [33352(a)]	Reasons for Amending the Redevelopment Plan	Agency
Part II [33352(b)] [33333.6(a)(2)] [33354.6(b)]	Description of Conditions in the Project Area, Including Identification of Significant Remaining Blight in the Project Area, and Portions of the Project Area that are No Longer Blighted	Agency
Part III [33352(a)]	Description of Specific Projects Proposed to be Continued by the Agency in the Project and Description of How Such Projects Will Improve or Alleviate Remaining Blight	Agency
Part IV [33352(e)] [33352(d)] [33333.6(a)(2)] [33354.6(b)] [33367(d)(11)] [33367(d)(13)]	Proposed Method of Financing the Amended Project, Including an Assessment of Continued Economic Feasibility of the Amended Project and Reasons for Continuing to Include Tax Increment Financing	Agency
Part V [33352(f)]	Effect of Amendment on Method or Plan for Relocation of Families and Persons	Agency
Part VI [33352(g)]	Analysis of Preliminary Plan	Agency
Part VII [33352(h)] [33352(j)]	Report and Recommendations of Planning Commission, and Report Required by Section 65402 of Government Code	Planning Commission
Part VIII [33352(i)]	Redevelopment Advisory Committee (RAC) Summary, and Summary of Consultations with Project Area Owners, Residents, Community Organizations, and Others	Agency
Part IX [33352(k)]	Report Required by Section 21151 of Public Resources Code (Environmental Document)	Agency
Part X* [33352(l)]	Report of County Fiscal Officer	Sacramento County

Part No. and CRL Section No.	Title	Responsible Entity
Part XI [33352(m)]	Neighborhood Impact Report	Agency
Part XII* [33352(n)]	Analysis of Report of County Fiscal Officer and Summary of Consultations with Affected Taxing Agencies, and Response to Written Objections and Concerns of Affected Taxing Agencies	Agency
Part XIII [33352(c)]	Analysis of Implementation Plan	Agency

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\* The Report of the County Fiscal Officer and the analysis of this Report are not applicable to the Report to Council because no territory is being added to the Del Paso Heights Redevelopment Project as a result of the Fifth Amendment.



## **PART I.**

## **REASONS FOR AMENDING THE REDEVELOPMENT PLAN**

### **A. OVERVIEW AND BACKGROUND**

The history of Del Paso Heights can be traced back to the Spanish land grants of the 1840's. The area surrounding the present community was once a large ranch known as Rancho Del Paso. The size of Del Paso Heights, approximately 1,000 acres, is consistent with early Californian ranching operations. During the Civil War, Rancho Del Paso was acquired by James Haggin and Lloyd Tevis. Just prior to World War II, the ranch was sold to the North Sacramento Land Company and shortly thereafter, subdivision into smaller parcels and urbanization of the area began. During the Second World War, the community grew substantially, mostly due to its proximity to McClellan Air Force Base and the need for workers' housing. For many years, Del Paso Heights remained semi-rural in character and as an unincorporated community, had little infrastructure development. During the 1950's and 1960's, as the wartime economy wound down and the workers left McClellan, Del Paso Heights began to show signs of economic decline.

As a way to begin to address the urban problems that were emerging in the area, the City of Sacramento annexed Del Paso Heights in 1965. In 1970, the Del Paso Heights Redevelopment Project Area was adopted. Since original adoption, the Plan has been amended four times.

At the time the Project Area was adopted, a major focus of the Redevelopment Agency was to provide the infrastructure necessary to make the area a functioning, modern neighborhood. Over the period from 1970 to 1990, more than \$8 million dollars of tax increment and federal Community Development Block Grant funds were invested in the upgrading and installation of streets, drainage, water, and sewer systems in the area. The "foundation" for redevelopment had to be installed and the basic infrastructure inadequacies corrected before any substantive redevelopment activities could take place.

During the late 1980's, Agency redevelopment efforts began to focus on the improvement of the housing stock and provision of community facilities for the area. Since 1991, the Agency's efforts have also moved towards economic development and the facilitation and assistance of private commercial development, especially along Marysville Boulevard. The proposed Fifth Amendment is essential to remove remaining blight and will assist the Agency in the continuation of these efforts to improve the neighborhoods and the economic base of Del Paso Heights.

### **B. OBJECTIVES OF THE EXISTING REDEVELOPMENT PROJECT**

A redevelopment plan provides an agency with powers, duties, and obligations to implement and further a redevelopment program for the redevelopment, rehabilitation, and revitalization of a project area. Because of the long-term nature of a redevelopment plan and the need to maintain flexibility to respond to market conditions, property owner and developer interests, and other opportunities as they arise, a redevelopment plan does not present a precise plan or establish specific projects for the redevelopment, rehabilitation, and revitalization of a project area. Rather, a redevelopment plan represents a process and a basic framework within which specific plans are presented, specific projects are established and specific solutions are proposed, and by which tools are provided to a redevelopment agency to fashion, develop and proceed with such specific plans, projects and solutions.

### **Goals and Objectives as Defined in the Redevelopment Plan**

The goals and objectives for the Project, as defined in the Amended and Restated Redevelopment Plan and the existing five-year Implementation Plan are as follows:

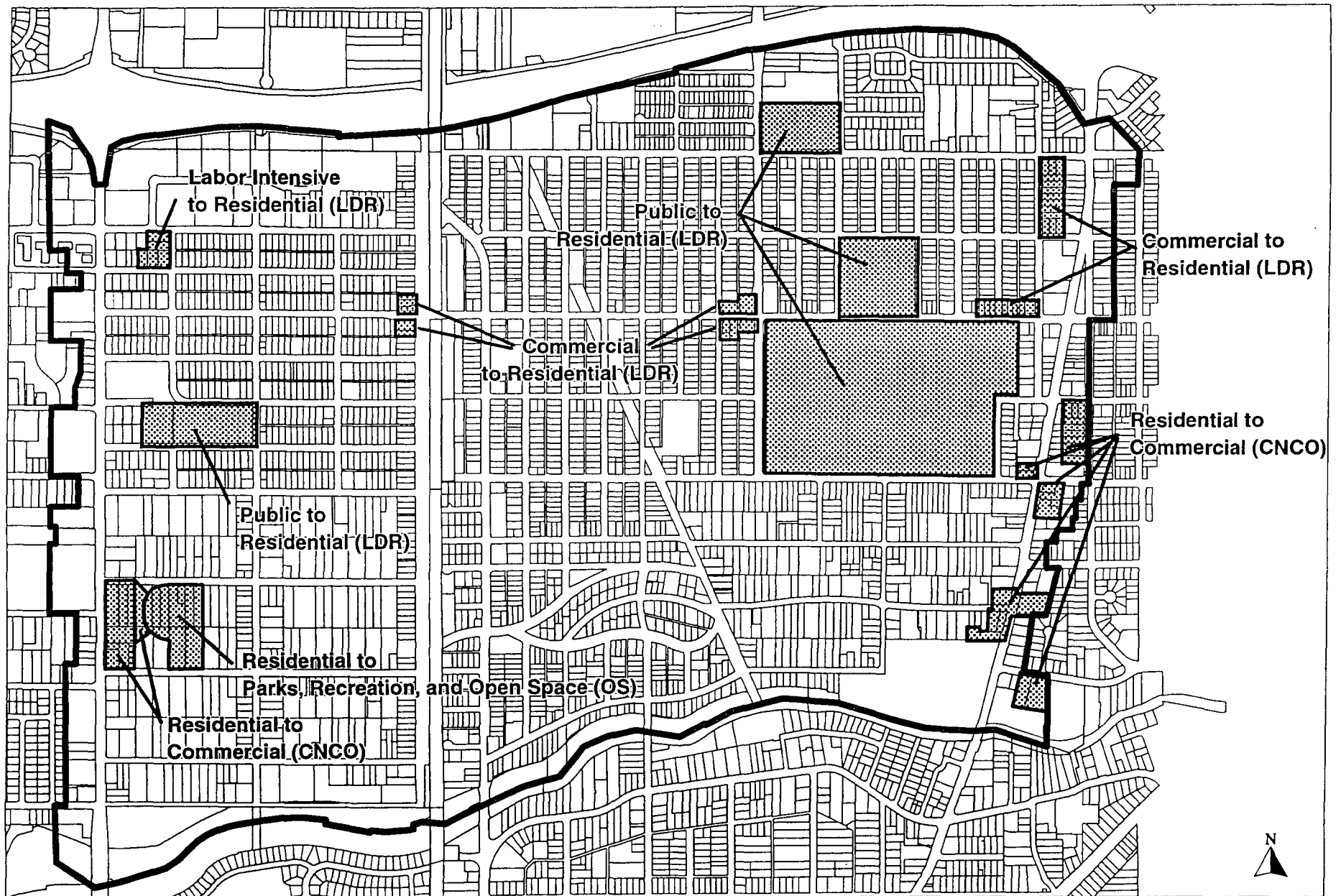
- **Housing Goal:** To provide standard housing for all families presently residing in Del Paso Heights and, at the same time to increase the housing supply. Rehabilitation will be fostered and encouraged where feasible and compatible with Plan objectives. Should clearance of existing structures be necessary, it will be coordinated with the availability of relocation housing. To provide for new housing construction.
- **Social Goal:** To develop a superior level of community facilities providing for the cultural, health and social needs of the residents. Also, to develop a program maximizing citizen participation in the redevelopment process.
- **Environmental Goal:** To improve the neighborhood environment and image. To eliminate blighted and blighting conditions. To provide all appropriate amenities to support the basic residential character of the area.
- **Economic Goal:** To increase and develop economic activity in the area by attracting new business, assist existing business and enhancing property values. To provide for new housing within the means of the majority of area residents. To enforce a strong affirmative action program with all contractors working in the area. To effect a workable residential rehabilitation program maximizing the improvement of economically feasible properties.

### **C. REASONS FOR AMENDING THE REDEVELOPMENT PLAN**

To further the Agency's efforts in eliminating blighting conditions, the Agency is proposing to extend, as permitted, the financial time limits of the redevelopment plan and extend the limits for commencement of eminent domain proceedings to the maximum permitted by law. The Agency is within approximately \$4 million of reaching the \$18 million tax increment cap. To allow the Agency to implement additional programs through the collection of additional tax increment, the Agency is proposing to increase the tax increment limit. Extending the Redevelopment Plan's time limits for incurring and repaying debt as well as collecting tax increment will provide the Agency the ability to issue bonds and will increase the time period to receive tax increment and repay debt. This will result in additional resources to fund and complete redevelopment projects and programs. The proposed Fifth Amendment, by providing additional resources, will preserve and increase the availability of low and moderate income housing within the Project Area and the City of Sacramento. In addition, extending the Agency's eminent domain authority will provide the Agency with the ability to acquire land at a fair market value in instances where the assembly of parcels is necessary to facilitate development which will benefit the larger community.

In addition to the changes to the financial and time limits of the Del Paso Heights Redevelopment Project, the Fifth Amendment also provides for consistency between the land uses allowed within the Project Area and those land uses designated by the Sacramento General Plan. While prior versions of the Redevelopment Plan mandated fixed land uses for the Project Area, the language added by the Fifth Amendment will provide for Project Area land uses to change in concert with General Plan amendments. Map 1A illustrates the changes in land use designations from the last amendment of the Del Paso Heights Redevelopment Plan.

# KatzHollis



## LAND USE CHANGES

Sacramento Redevelopment Agency  
Del Paso Heights Redevelopment Project

Map 1A

## **D. PUBLIC BENEFIT THROUGH REVITALIZATION OF BLIGHTED AREAS AND INCREASED AND IMPROVED HOUSING OPPORTUNITIES**

### **1. Public Benefit of Revitalizing Blighted Areas**

The Marysville Boulevard corridor ("Marysville Boulevard Corridor") is the main (and only) commercial artery in Del Paso Heights and, as such, is the basis for the impression many people form of the area. Because of this fact, the Agency will be focusing much of its project completion efforts on the revitalization of this area. The Marysville Boulevard Corridor contains several buildings that are deteriorated and substandard for contemporary use, and, therefore, do not meet the changing needs of the commercial and industrial sectors. This corridor also contains an inordinate amount of vacant and underutilized sites, which serve as an attraction to criminal activity and furthers the negative perception of the area. Continued Agency assistance in revitalizing this corridor enhances the perception of the overall Del Paso Heights area, increases the utility of land along the strip, enhances the economic and employment base of the community, and provides a healthy and safer environment to conduct business in.

The continued rehabilitation of existing residential buildings and the construction of new housing in the neighborhoods adjoining Marysville Boulevard, throughout the Del Paso Heights area, and in the southwest portion of the Project Area (known as "Del Paso Nuevo"), increases housing opportunities and solidifies established residential neighborhoods in the Project Area. This further strengthens the market for neighborhood goods and services. The rehabilitation and reconstruction of boarded-up and dilapidated homes, in conjunction with the Agency's Housing Program, provides the Project with safe and affordable housing to meet the needs of moderate, low, and very low income residents.

Within the areas zoned for industrial use, the Agency will continue to assist in the attraction of new businesses and expansion and retention of existing businesses. The Agency will also continue to assist in the provision of public improvements and facilitation of the rehabilitation or removal of substandard buildings in order to preserve existing businesses and provide for contemporary industrial uses, thereby better utilizing the land and increasing job opportunities.

Increased economic activity strengthens the tax base of the Project, providing needed revenues to fund public services. The Agency will continue to pursue the assembly and disposition of land in conjunction with these actions to achieve more productive and more appropriate land uses in the Project Area. While encouraging new business opportunities in the Project Area, the Agency will assist in diversifying the City's employment and tax base.

### **2. Public Benefit Through Increased and Improved Housing Opportunities**

The Agency will continue to assist in improving and increasing housing opportunities through both the mandated low/moderate housing set-aside funds and housing rehabilitation programs.

By extending the financial limits, the Agency will receive more tax increment revenues, of which 20 percent must be spent on increasing or preserving the number of affordable housing units available to families of very-low, low and moderate incomes. The Agency's program of redevelopment as described in Part III includes a Development Assistance Program. A portion of the funding for the Del Paso Nuevo housing project will be funded through this program. When combined with the Agency's other Housing Programs, the Agency will be allocating more than the minimum 20 percent. It is the Agency's desire to encourage and increase the quality of residential life in the Del Paso Heights Project. The Agency will attempt to encourage housing for households of all income categories, but will ensure that units developed or rehabilitated are affordable to low-moderate income

households in numbers mandated by the CRL. The Agency's housing program may include one or more of the following types of programs: 1) residential rehabilitation loan program; 2) residential development program; 3) First-Time Homebuyer program, and 4) other housing programs designed to increase, improve and expand the supply of low and moderate income housing.

The residential rehabilitation program aids low and moderate income home owners in repairing and maintaining their residences, thereby improving housing units in need of maintenance or moderate rehabilitation. The Agency also uses this program to participate in the rehabilitation of boarded-up homes. The residential development program provides for construction of new housing units, such as the Del Paso Nuevo project and other infill sites in the Project Area. The First-Time Homebuyers program provides home ownership subsidies for moderate income families. Other programs, such as the Reaching New Heights program, encourage property maintenance.

## **PART II.**

### **DESCRIPTION OF CONDITIONS IN THE PROJECT AREA; INCLUDING IDENTIFICATION OF SIGNIFICANT REMAINING BLIGHT IN THE PROJECT AREA, AND PORTIONS OF THE PROJECT AREA THAT ARE NO LONGER BLIGHTED**

#### **A. PROCEDURES AND DEFINITION OF BLIGHT**

When a redevelopment plan which utilizes tax increment financing is proposed to be amended to (1) increase financing limits, (2) lengthen the duration of the redevelopment plan, (3) merge projects, or (4) add significant additional capital improvement projects, Section 33354.6(a) of the CRL requires that the adoption of the amendments involve the same procedures as required for the adoption of a redevelopment plan. The proposed Amendments would increase the financial limits of the Redevelopment Plan. Therefore, as a general rule, plan adoption requirements will prevail.

One requirement for the adoption of a redevelopment plan is a finding that the project area is blighted as defined in Sections 33030 and 33031 of the CRL. That finding is to be contained in the city ordinance adopting the plan.

However, CRL Section 33457.1 creates an exception and indicates that the blight finding requirement is not fully applicable to the adoption of redevelopment plan amendments. Section 33457.1 provides that prescribed plan adoption findings are to be contained in the amending ordinance only to "the extent warranted by . . . [the] proposed amendment . . . ." In addition, Sections 33354.6(b) and 33333.6(a)(2) specify which findings are warranted by financial amendments like those contained in the proposed Amendments. Sections 33354.6(b) and 33333.6(a)(2) make it clear that the appropriate findings are (1) that significant blight remains in the project area and (2) that the blight cannot be eliminated without the financial amendments.

In the same way, Sections 33457.1, 33354.6(b) and 33333.6(a)(2) work together to describe the blight-related matters which must be discussed in the preliminary report and later in the report to city council. The reports should describe and identify the remaining blight, the portion of the project area no longer blighted, the projects required to eradicate the remaining blight and the relationship between the cost of those projects and the financial amendments.

In describing the remaining blight, as required by Section 33354.6(b) and 33333.6(a)(2), the Agency must consider whether recent changes in the CRL require it to adhere to the definition of blight contained in the CRL when the ordinance adopting the original Redevelopment Plan ("Adopting Ordinance") was passed.

California Statutes, Chapter 942 of 1993 (AB 1290) and other legislation revised Section 33030 of the CRL and the other sections referred to therein. The result is a change in the definition of blight. The Legislature did not indicate whether it intended to change the definition for amendments to previously existing redevelopment plans or not.

The approach taken in documenting remaining blight in the Project Area in this Report is to identify existing conditions within the "new" blight categories. The only exception is the identification of public improvement deficiencies as a blighting condition, as defined under the "old" criteria. The reason for including public improvement deficiencies is that when the Project Area was adopted, public improvement deficiencies could be and were cited as significant and prevalent blighting conditions. Therefore, where public improvement deficiencies continue to persist and pose health and safety hazards or impair investment, these conditions are documented in this Report. The following are definitions of the current or "new" blight categories.

Physical conditions that cause blight include:

- Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors.
- Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by substandard design, inadequate size given present standards and market conditions, lack of parking, or similar factors.
- Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area.
- The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness that are in multiple ownership.

Economic conditions that cause blight include:

- Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of Agency authority for remediation.
- Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities.
- A lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
- Residential overcrowding or an excess of bars, liquor stores, or other businesses that cater exclusively to adults, that have led to problems of public safety and welfare.
- A high crime rate that constitutes a serious threat to the public safety and welfare.

As stated above, Sections 33457.1, 33354.6(b) and 33333.6(a)(2) require that only significant remaining blight be identified in the project area. Therefore, it can be inferred that the law requires that only one significant remaining physical or economic blighting condition needs to be identified within the Project Area. However, as documented later in this Report, the Project Area has several remaining types of physical and economic blighting conditions.

The CRL also requires that the need for the financial amendments to existing project areas be demonstrated. This documentation is provided in Part IV of this Report.

## **B. URBANIZATION QUALIFYING CRITERIA**

Section 33320.1 of the CRL requires that a project area for which a final redevelopment plan is adopted on or before January 1, 1984 be predominantly urbanized. Section 33320.1 applies to new project areas or areas to be added to an existing project area(s). Since no territory is proposed to be added to the project area, an analysis of urbanization is not included.

## **C. SIGNIFICANT REMAINING BLIGHT AND PORTIONS OF THE EXISTING PROJECT AREA THAT ARE NO LONGER BLIGHTED**

### **1. Blighting Conditions at the Time of Project Adoption**

At the time of Project adoption, the residential portions of the Del Paso Heights area had deteriorated significantly and the commercial vitality of Marysville Boulevard was all but gone. The building boom in the area during World War II had produced affordable, but low-quality housing stock to accommodate industrial workers at McClellan Air Force Base. However, this housing was quickly deteriorating by the late 1960's. Also, the lack of infrastructure in the area led to localized flooding during the rainy season and year-round unsanitary conditions. As the housing stock deteriorated and the industrial workers moved on, lower income households were drawn to the area, which led to a lack of maintenance of many residential properties and further deterioration of the building stock. As the incomes and property values in the area decreased, the viability of commercial businesses in the area also declined. By 1970, the need for redevelopment was rather evident, and the original Redevelopment Plan for the area was adopted.

The Project was adopted out of concern for a prevalence of deteriorating conditions and the underutilization of a large part of the area, particularly commercial properties along the major corridors. The blight that characterized the Project Area at the time of adoption in 1970 included: a dilapidated housing stock; refuse; abandoned vehicles; a lack of investment; inadequate lot sizes; numerous vacant parcels and buildings; excessive graffiti; and inadequate public improvements including substandard streets, water and sewer mains, and drainage facilities.

The Redevelopment Plan was also adopted as a Neighborhood Development Program under the guidelines of the Federal Department of Housing and Community Development. The Neighborhood Development Program under the original Redevelopment Plan was instrumental in the rehabilitation of residential units and the construction of new single and multi-family homes, a library, health clinic, and street improvements. In 1975, the Neighborhood Development Program was replaced by the Community Development Block Grant ("CDBG") Program. Since 1975, redevelopment in the Project Area has been funded with both CDBG and tax increment funds.

Between 1975 and 1985, the focus of redevelopment in the Del Paso Heights Project was on improving the appearance and livability of residential neighborhoods and commercial areas by rehabilitating existing housing, developing new housing and businesses, and the installation of new and upgraded public facilities and improvements.

In May 1985, the Agency amended the Redevelopment Plan and adopted the "Implementation Strategy" for the Project Area. The Implementation Strategy, based on an earlier revitalization study, focused on the continuation of early revitalization efforts to maintain Del Paso Heights as a viable residential area, and expanded this focus to emphasize economic development. The objective was to create an environment attractive to private reinvestment. The Implementation Strategy outlined four general programmatic categories for redevelopment, including:

- Environmental improvement programs aimed at beautification and neighborhood clean up;
- Housing assistance programs such as housing rehabilitation assistance and infill housing incentives, and new senior housing;
- An economic development program with the aim of upgrading major commercial strip centers and nodes in the Project Area through developer assistance; and
- A capital improvement program for selected street improvements.



The original Redevelopment Plan contained a land use plan considered restrictive of economic development. It excluded industrial land uses, a potential that surfaced in the early 1980's, particularly because of the Project Area's location adjacent to Interstate 80. The Agency found it necessary to change the provisions of the Redevelopment Plan to facilitate land use planning with an emphasis on stimulating private commercial and industrial development.

In 1989 the Agency adopted the Del Paso Heights Revitalization Strategy which succeeded the 1985 Implementation Strategy. This Strategy outlined significant housing, economic development and capital improvement projects which should be undertaken. In 1991 the Revitalization Strategy was once again updated to focus on economic development projects and programs including a shopping center development, commercial loans and grants, and assistance for office/light industrial development along the Interstate 80 freeway corridor. The Revitalization Strategy provided a direction for a more aggressive redevelopment approach in the area of economic development.

## **2. Redevelopment Activities from Project Adoption to the Present**

Since Project adoption in 1970, over \$20 million of tax increment revenues and Community Development Block Grant funds have been expended on projects and programs to eliminate blighting conditions in the Project Area. As previously noted, the primary purpose for adopting the Project Area was to provide infrastructure improvements in the area. The Agency has made significant accomplishments with infrastructure, replacing or constructing new improvements for most of the Project Area. The Agency also has focused on the rehabilitation of the existing housing stock, as well as the construction of new units. The Agency has spent over \$5 million on housing projects, which has leveraged over \$13 million in private investment. Although the Agency has only recently begun to focus on economic development, \$1.2 million in Agency expenditures have engendered over \$2 million in private investment. These projects and programs have led to significant investment by the private sector in residential rehabilitation. In all, public and private sector investment in the Project Area totals approximately \$36 million. A complete listing of projects and programs implemented by the Agency is included in Table II-1. Examples of some Agency sponsored and/or funded projects are included in Plates 1 and 2.

In 1996, the Agency and the Del Paso Heights Redevelopment Advisory Committee adopted a five-year investment strategy<sup>1</sup>, the purpose of which was to provide a blueprint for Agency activities in the area, making an explicit connection between the investment of Agency resources and the leverage of private investment and tax increment generation. This strategy outlines the market conditions in the area, evaluates past Agency projects and programs, and recommends specific strategies for the five-year period.

More recently, in Spring 1997, the Agency was awarded a combination grant and Section 108 loan from the Department of Housing and Urban Development for the revitalization and redevelopment of the southwest corner of the Project Area. This project, known as Del Paso Nuevo, involves the installation of modern infrastructure for the area, including streets, gutters, sidewalks, storm drains, and sewers, as well as the construction of affordable, single-family detached housing. Tax increment financing generated by the construction of housing will be used to service the debt on the loan. While the grant will fund the infrastructure for the project, the Section 108 loan will help "buy down" the cost of the housing to make the project affordable to low income families.

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<sup>1</sup> *Del Paso Heights Five-Year Investment Strategy: 1996-2000*, Del Paso Heights Redevelopment Advisory Committee and Sacramento Housing and Redevelopment Agency, 1996.

**Table II-2**

Del Paso Heights Redevelopment Project  
Fifth Amendment  
Sacramento Redevelopment Agency

**PROFILE OF TENANT OCCUPANCY  
MARYSVILLE BOULEVARD CORRIDOR**

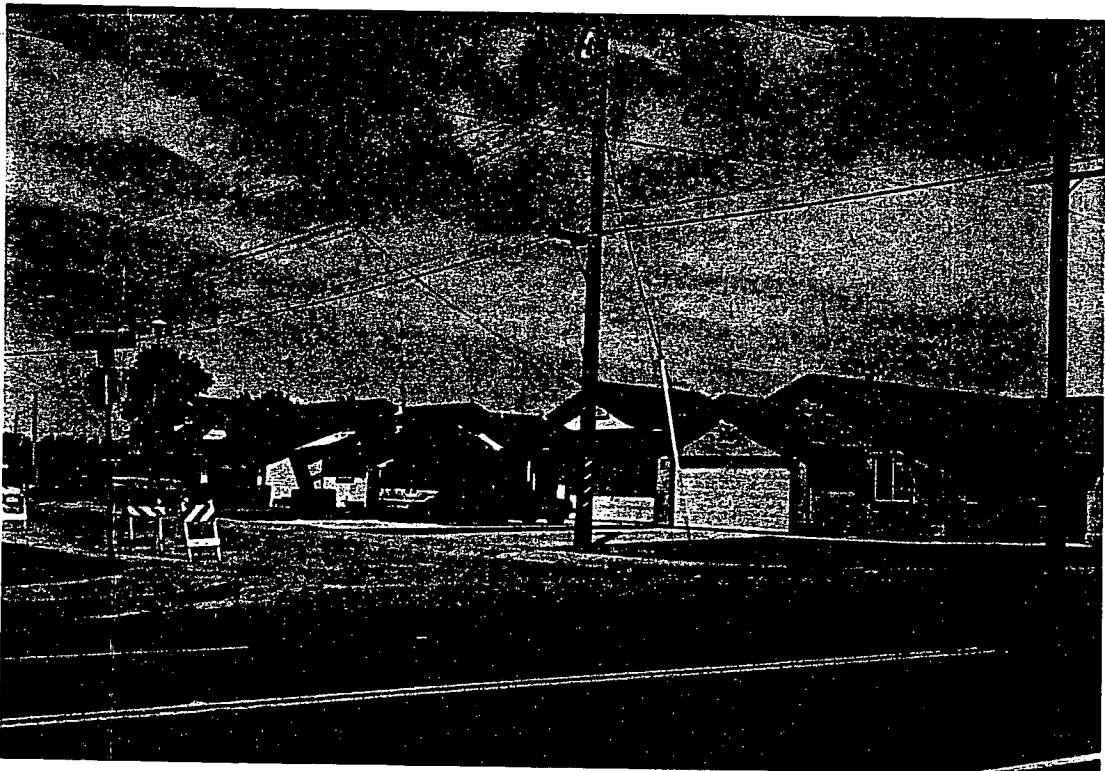
Type	No.	Total Tenants in Project	Percentage of Tenants/Units by Use Type	Percentage of Total Tenants/Units in Project
<b>I Commercial</b>				
Retail	33	44	75.00%	49.25%
<i>Supermarkets</i>	2	44	4.55%	2.99%
<i>Convenience Markets</i>	3	44	6.82%	4.48%
Office	4	44	9.09%	5.97%
<i>Banks and Other Lending Institutions</i>	0	44	0.00%	0.00%
Vacant	7	44	15.91%	10.45%
<b>Total Commercial</b>	<b>44</b>	<b>44</b>	<b>100.00%</b>	<b>65.67%</b>
<b>II Residential</b>				
Single Family	14	17	82.35%	20.90%
Multi-Family (total units)	3	17	17.65%	4.48%
<b>Total Residential</b>	<b>17</b>	<b>17</b>	<b>100.00%</b>	<b>25.37%</b>
<b>III Private Institutional</b>	<b>6</b>	<b>6</b>	<b>100.00%</b>	<b>8.96%</b>
<b>TOTAL TENANTS IN PROJECT</b>	<b>67</b>	<b>67</b>	<b>100.00%</b>	<b>100.00%</b>

Source: Katz Hollis field survey, June 1997

## AGENCY ASSISTED PROJECTS



The Rio Linda Boulevard Housing Development, built by the Rural California Housing Corporation, includes 20 new homes for low income families.



## AGENCY ASSISTED PROJECTS



The Market Basket Supermarket at 3845 Marysville Boulevard is an excellent example of successful implementation of the SHRA's facade rehabilitation program.



An Agency grant helped establish the infrastructure for the Norwood/I-80 Business Park, which in turn has attracted businesses such as U.S. Rentals.

**Katz Hollis**

FIFTH AMENDMENT  
DEL PASO HEIGHTS REDEVELOPMENT PROJECT  
Sacramento Housing and Redevelopment Agency

PLATE 2

### **3. Remaining Blighting Conditions and Portions of the Project Area that are No Longer Blighted**

#### **Introduction**

The Del Paso Heights Redevelopment Project Area is located in the northern portion of the City of Sacramento. The Project Area is composed of 1,028 acres generally bounded on the north by Interstate 80, on the west by Norwood Avenue, on the east by Marysville Boulevard, and on the south by Arcade Creek (Map 1). The Project Area is primarily a residential neighborhood with traditional strip commercial uses located along Marysville Boulevard. Smaller commercial nodes also exist along Rio Linda Boulevard and Grand and Norwood Avenues. Community facilities are found throughout the Project Area and include four schools, two community centers, four parks, two libraries, and a medical center.

For the first 20 years of the Plan, Agency expenditures were largely focused on the provision of adequate and modern infrastructure for the area. However, not all areas were completed, particularly along Marysville Boulevard and in the southwest corner of the Project Area, known as Del Paso Nuevo. Also, the physical building stock, while improved in some instances, remains largely blighted. In some instances, newer residential structures have contributed to blighting conditions, as mortgage defaults and property foreclosures have created a large number of boarded-up and abandoned homes.

The Marysville Boulevard Corridor is the main (and only) commercial artery in Del Paso Heights, and as such, is the basis for the impression many people form of the area. Because of this fact, the Agency has recently begun, and will be focusing much of its efforts on, the revitalization of this area. Although the Agency has participated in some facade rehabilitations and parcel acquisitions, the overall image of the strip is that of a marginal and crime-impacted area. Of the 67 tenants along the Marysville Boulevard Corridor, 44 are commercial, 17 are residential, and six are private institutional uses (several small churches and two community fraternal organizations) (Table II-2). One particular business, which has been the focal point of criminal activity in the area for many years, was actually firebombed, most likely a response to the criminal activity at the site and the owner's inability (or unwillingness) to do anything about it. Although the business was rebuilt, criminal activity has continued, and the area has remained largely unchanged.

As mentioned above, the Agency's efforts to date have created the foundation for completion of redevelopment in the Project Area. Overall, the conditions which existed at the time of Project adoption continue to exist. The scope of assistance needed for an area of such size and such wide-ranging blighting conditions was beyond the initial capabilities of the Project, and thus leads to the need for an extended duration and increased funding of redevelopment in the area.

#### **a. Remaining Blighting Conditions**

##### ***Methodology***

The following is a discussion by category of the blighting conditions that continue to afflict both the residential portions of the Project Area and the Marysville Boulevard Corridor.

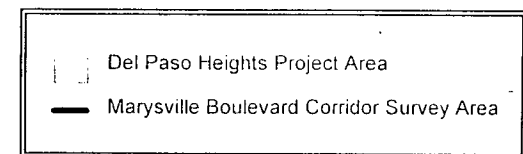
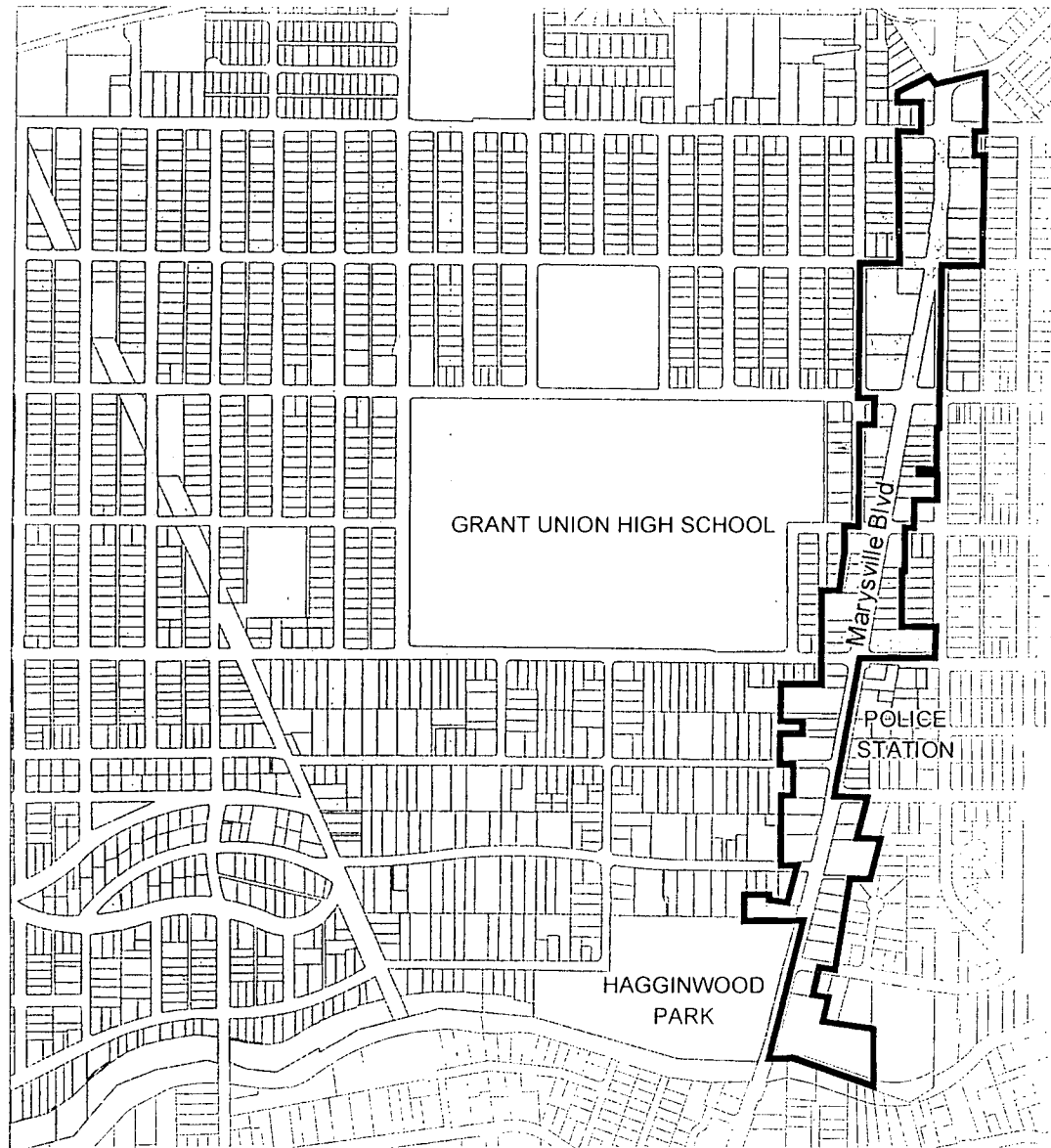
The following description of existing conditions is primarily based on a windshield survey of the greater Project Area and a full field survey of the Marysville Boulevard Corridor conducted in April 1997. The boundaries of the fully-surveyed area are the same as the boundaries of the Marysville Boulevard Corridor shown on Map 2. The photographs accompanying this text were taken during the windshield and field surveys. Other information sources include the Implementation Plan adopted in 1994, the Five-Year Investment Strategy adopted in 1996, discussions with Agency and City staff, and analysis of selected secondary data (see Appendix).

**Table II-2**  
Del Paso Heights Redevelopment Project  
Fifth Amendment  
Sacramento Redevelopment Agency

**PROFILE OF TENANT OCCUPANCY  
MARYSVILLE BOULEVARD CORRIDOR**

Type	No.	Total Tenants in Corridor	Percentage of Tenants/Units by Use Type	Percentage of Total Tenants/Units in Corridor
<b>I Commercial</b>				
Retail	33	44	75.00%	49.25%
<i>Supermarkets</i>	2	44	4.55%	2.99%
<i>Convenience Markets</i>	3	44	6.82%	4.48%
Office	4	44	9.09%	5.97%
<i>Banks and Other Lending Institutions</i>	0	44	0.00%	0.00%
Vacant	7	44	15.91%	10.45%
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<b>Total Residential</b>	<b>17</b>	<b>17</b>	<b>100.00%</b>	<b>25.37%</b>
<b>III Private Institutional</b>	<b>6</b>	<b>6</b>	<b>100.00%</b>	<b>8.96%</b>
<b>TOTAL TENANTS IN CORRIDOR</b>	<b>67</b>	<b>67</b>	<b>100.00%</b>	<b>100.00%</b>

Source: Katz Hollis field survey, June 1997



## MARYSVILLE BOULEVARD CORRIDOR

Sacramento Redevelopment Agency

Del Paso Heights Redevelopment Project

The following is a description by category of the blighting conditions that continue to exist and which discourage private sector investment in the Marysville Boulevard Corridor and the Project Area as a whole. In general, although the Marysville Boulevard Corridor is a fairly small area with a total of only 82 properties, 70 (85 percent) are still impacted by remaining blighting conditions (Table II-3). In the remainder of the Project Area, blighting conditions occur throughout the area and across all uses, with no particular concentration of blight. (Refer to Maps 6 and 7 later in this Report for the locations of remaining blighting conditions).

i. Physical Blighting Characteristics

**Buildings in Which it is Unsafe or Unhealthy for Persons to Live or Work**

According to Section 33031(a)(1) of the CRL, These conditions can be caused by serious building code violations, deterioration and dilapidation, faulty or inadequate utilities, defective design or physical construction, or other similar factors.

***Serious Building Code Violations***

Violations of local or State building codes is a condition identified under Section 33031(a)(1) of the CRL that characterizes buildings which are unsafe or unhealthy for persons to live or work. Buildings, structures or sites that do not meet the current Uniform Building Code requirements, or other local codes mandated to ensure health and safety, pose a threat to the residents, workers, patrons, and visitors of the area. Serious code violation issues, as defined by the City of Sacramento, include:

- Buildings that are vacant for an extended period of time
- Dangerous buildings
- Substandard buildings with multiple code violations
- Properties impacted by vector problems (mosquitoes)
- Building or improvements defaced by graffiti
- Litter or junk on properties
- Nuisance violations

As part of the City of Sacramento's efforts to enforce compliance with local building codes, the City's Planning & Development Department investigates code violations when complaints are received from residents or others. The majority of the complaints come from property owners or tenants who observe potential violations in their neighborhoods. However, due to the fact that code violations are investigated only if a complaint is filed, and City resources do not permit regular inspection of all properties, many violations go undocumented. Therefore, the potential number of building code violations is likely to be much greater than reported.

Code violation data information provided by the City's Planning & Development Department was analyzed for a three-and-a-half-year period for the City as well as the Project Area. During this period of time, the City had a total of 7,730 reported serious code violations, compared with 433 reported for the Project Area (Table II-4). What is significant about this figure, is the relative share of total violations the Project had. Although the Project Area contains only 3,028 of the City's 122,777 parcels (approximately 2.5 percent), the Project Area had almost six percent of the City's total serious code violations. In other words, the Project Area has over twice as many violations as would be expected from an area of its size and parcel count. This higher incidence of code violations in the Project Area is an indicator of the declining building stock in the area and the lack of economic resources to correct these deficiencies.



**Table II-3**

Del Paso Heights Redevelopment Project  
Fifth Amendment  
Sacramento Redevelopment Agency

**SUMMARY OF BLIGHTING CONDITIONS (1)**  
**MARYSVILLE BOULEVARD CORRIDOR**

<b>Blighting Characteristic</b>	<b>Number of Instances</b>	<b>Total in Corridor</b>	<b>Percent of Total</b>
<b>I Building Characteristics</b>			
Deterioration & Dilapidation (2)	26	60	43.33%
Faulty or Inadequate Utilities	42	60	70.00%
Substandard Design	11	60	18.33%
Defective Design	16	60	26.67%
Building Code Violations	4	60	6.67%
Vacant Buildings	8	60	13.33%
<b>II Parcel (Site) Characteristics</b>			
Inadequate Parking	19	82	23.17%
Lots of Irregular Form and Shape	33	82	40.24%
Lots of Inadequate Size	8	82	9.76%
Vacant Lots	18	82	21.95%
<b>III Tenant Space Characteristics</b>			
Adult Oriented Facilities	1	67	1.52%
Business Vacancies	7	67	10.45%
<b>Total of All Buildings with Blighting Characteristics</b>	<b>52</b>	<b>60</b>	<b>86.67%</b>
<b>Total of All Parcels with Blighting Characteristics</b>	<b>55</b>	<b>82</b>	<b>67.07%</b>
<b>Total of All Tenants with Blighting Characteristics</b>	<b>8</b>	<b>67</b>	<b>11.94%</b>
<b>Total of All Properties with Blighting Conditions</b>	<b>70</b>	<b>82</b>	<b>85.37%</b>

Source: Katz Hollis field survey, June 1997

(1) Blighting conditions are summarized for all use types.

(2) Includes structures rated as either moderate rehabilitation ("C") or extensive rehabilitation ("D").

(3) Includes all properties with either building, parcel or tenant space blighting characteristics or any combination thereof.

**Table II-4**

Del Paso Heights Redevelopment Project  
Fifth Amendment  
Sacramento Redevelopment Agency

**BUILDING CODE VIOLATIONS (1)**

	<b>Citywide</b>	<b>Del Paso Heights</b>	<b>% of City</b>
1994	1,014	62	6.1%
1995	1,012	47	4.6%
1996	2,832	188	6.6%
1997 (2)	<u>2,872</u>	<u>136</u>	<u>4.7%</u>
Total	7,730	433	5.6%
<hr/>			
<b>Total Parcels</b>	122,777	3,028	2.5%

---

Source: City of Sacramento, 1997

(1) Includes only serious code compliance cases

(2) Through May 1997

### ***Deterioration and Dilapidation***

The rating categories used in the field survey to assess building conditions are generally defined as follows: buildings rated as excellent or good conditions ("A") are in need of little or no maintenance; buildings rated as deferred maintenance ("B") need minor improvements such as paint; buildings rated as moderate rehabilitation ("C") need a substantial amount of improvements such as a new roof, exterior siding, foundation repairs, etc.; and buildings rated as in need of extensive rehabilitation ("D") are very poorly maintained, have significant structural damage and need several major repairs.

Signs of deterioration and dilapidation noted during the field survey were evidenced by structural damage, broken windows, and damaged/weathered exterior building material. Of the 60 buildings in the Marysville Boulevard Corridor, 26 (over 43 percent) are in need of moderate to extensive rehabilitation (refer to Table II-5). Of these structures, 10 are commercial, seven are residential, seven are vacant, and two are private institutional uses. Table II-5 also shows that there are a total of 29 structures that show signs of deferred maintenance.

It is worth noting that given the availability of sound structures within the nearby market areas such as North Natomas, there is little incentive for the owners of the vacant buildings to invest in rehabilitating these structures, which as noted above are in need of moderate to extensive rehabilitation, and comprise over 43 percent of the buildings in this area.

In addition to the deteriorated building conditions noted on Marysville Boulevard, the Del Paso Heights Five-Year Investment Strategy, which was completed in 1996, noted that approximately 563 housing units, or over 20 percent of all residential units, have been estimated to need extensive rehabilitation. Also, a survey conducted as part of the 1990 Census, which covered a nine-block area, indicated that only 10 percent of all surveyed units were in fair condition. Within this nine block area 52 percent of the units needed moderate rehabilitation, 30 percent were in need of extensive rehabilitation, and 2 percent were boarded-up. Based on a windshield survey conducted in June 1997, these conditions observed in 1990 largely continue to exist throughout the Project Area today. The areas observed as having the highest concentration of deteriorated structures are indicated later in this Report on Map 6.

Plates 3, 4, and 5 on the following pages show examples of deterioration and dilapidation in the commercial areas along Marysville Boulevard and the residential areas throughout the Project. Plates 3 and 4 show examples of commercial buildings, both along Marysville Boulevard and along Rio Linda Boulevard. The buildings shown in Plate 4 are both along Marysville Boulevard located next to each other. One building is a burned-out shell which has remained vacant since being destroyed, the other a small commercial space that is indicative of many commercial structures along the corridor. Plate 5 shows deteriorating single-family dwellings, one on Hayes Avenue in the Del Paso Nuevo area and one on Branch Street.

The process of deterioration can be self-perpetuating. The presence of properties which exhibit signs of deterioration may deter owners of neighboring properties from improving or even maintaining their properties if it appears that any benefits which might accrue to their properties will be diminished or negated because of the condition of surrounding properties. For instance, when deteriorating conditions prevail throughout an area, it is often difficult for a properly maintained property to attract a buyer because the area's overall deteriorated condition sends a message of property investment risk in terms of possible decrease in property values if deteriorated conditions are permitted to continue.

Table II-5

Del Paso Heights Redevelopment Project  
Fifth Amendment  
Sacramento Redevelopment Agency

**DETERIORATION & DILAPIDATION  
MARYSVILLE BOULEVARD CORRIDOR**

Building Use	A		B		C		D		TOTAL	
	Sound		Deferred Maintenance		Moderate Rehabilitation		Extensive Rehabilitation			
	No.	%	No.	%	No.	%	No.	%	No.	%
<b>I Residential</b>										
Single Family	0	0.00%	8	53.33%	5	33.33%	1	6.67%	14	93.33%
Multiple Family	0	0.00%	0	0.00%	1	6.67%	0	0.00%	1	6.67%
<b>Sub-Total</b>	<b>0</b>	<b>0.00%</b>	<b>8</b>	<b>53.33%</b>	<b>6</b>	<b>40.00%</b>	<b>1</b>	<b>6.67%</b>	<b>15</b>	<b>100.00%</b>
<b>II Commercial</b>										
Office	2	6.90%	0	0.00%	1	3.45%	0	0.00%	3	10.34%
Retail	1	3.45%	16	55.17%	9	31.03%	0	0.00%	26	89.66%
<b>Sub-Total</b>	<b>3</b>	<b>10.34%</b>	<b>16</b>	<b>55.17%</b>	<b>10</b>	<b>34.48%</b>	<b>0</b>	<b>0.00%</b>	<b>29</b>	<b>100.00%</b>
<b>III Private Institutional</b>	<b>1</b>	<b>16.67%</b>	<b>3</b>	<b>50.00%</b>	<b>2</b>	<b>33.33%</b>	<b>0</b>	<b>0.00%</b>	<b>6</b>	<b>100.00%</b>
<b>IV Public Institutional</b>	<b>1</b>	<b>100.00%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>	<b>1</b>	<b>100.00%</b>
<b>V Mixed Use</b>	<b>0</b>	<b>0.00%</b>	<b>1</b>	<b>100.00%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>	<b>1</b>	<b>100.00%</b>
<b>VI Vacant</b>	<b>0</b>	<b>0.00%</b>	<b>1</b>	<b>12.50%</b>	<b>5</b>	<b>62.50%</b>	<b>2</b>	<b>25.00%</b>	<b>8</b>	<b>100.00%</b>
<b>TOTAL</b>	<b>5</b>	<b>8.33%</b>	<b>29</b>	<b>48.33%</b>	<b>23</b>	<b>38.33%</b>	<b>3</b>	<b>5.00%</b>	<b>60</b>	<b>100.00%</b>

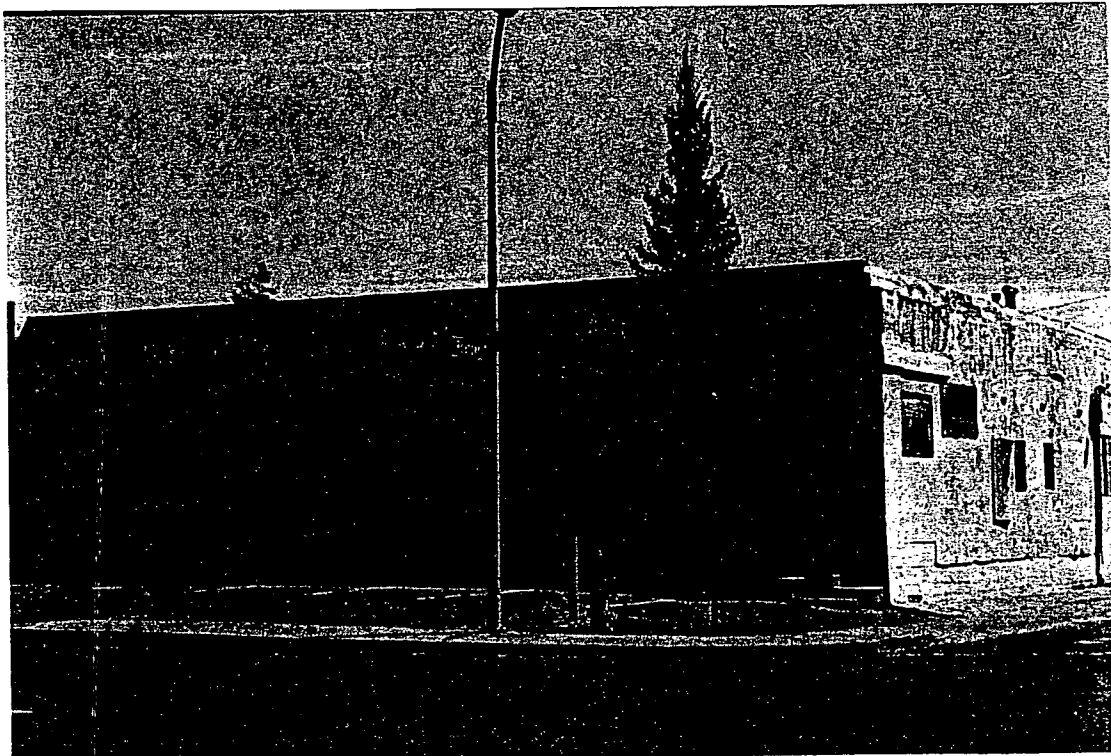
Source: Katz Hollis field survey, April 1997

(1) Mobile homes and trailers were not rated as buildings.

## DETERIORATION AND DILAPIDATION

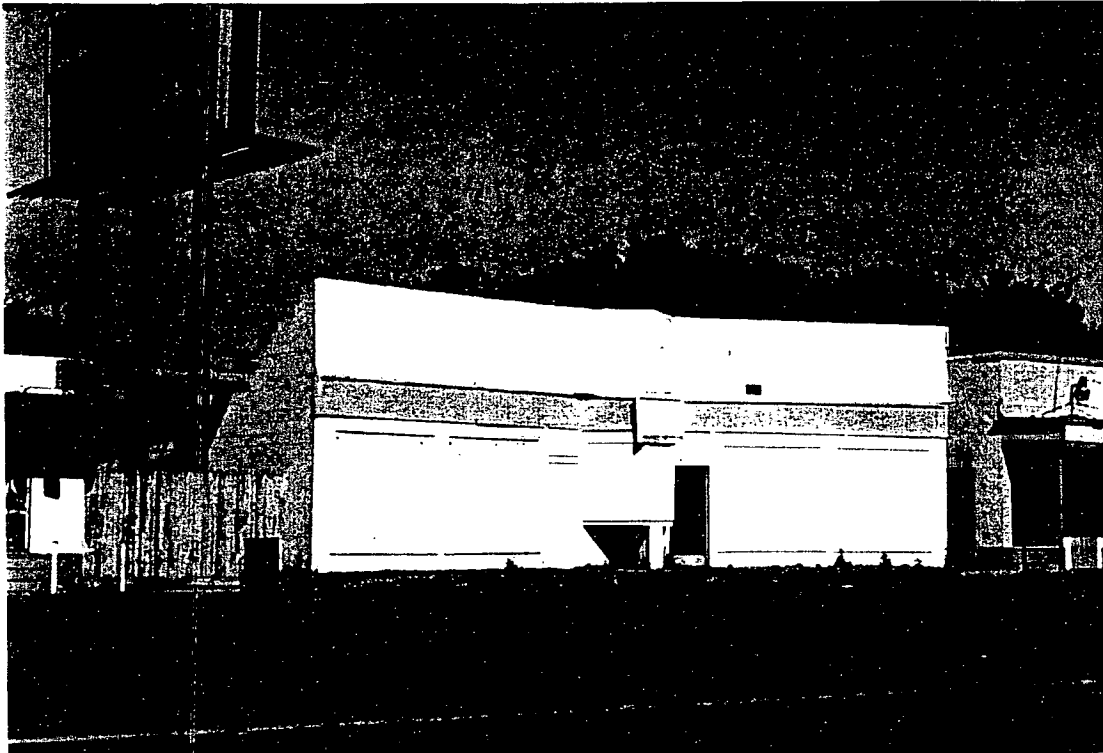


A deteriorated and sagging roof, damaged exterior building materials, and other exterior damage characterize this boarded-up structure on Marysville Boulevard.

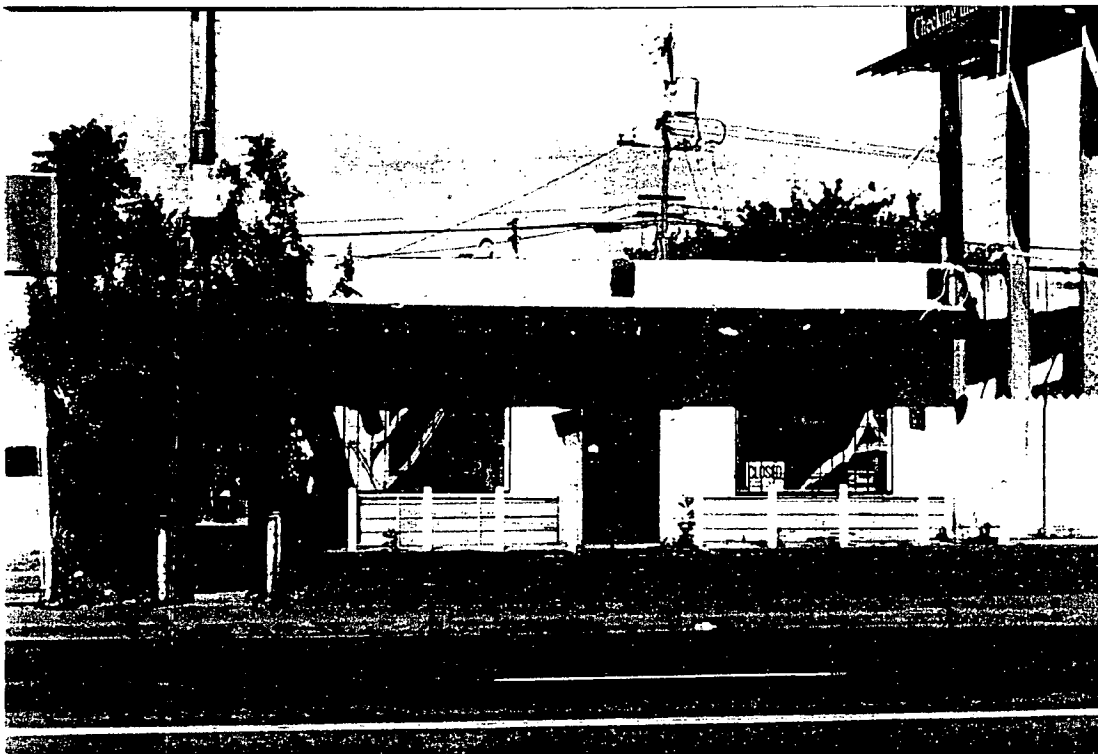


This boarded-up and deteriorating structure is located at the corner of Rio Linda Boulevard and Roanoke Avenue.

## DETERIORATION AND DILAPIDATION



This building, located at 3725 Marysville Boulevard, has been completely gutted by fire. Instead of rebuilding, the owner has applied a coat of paint to the exterior of the building.

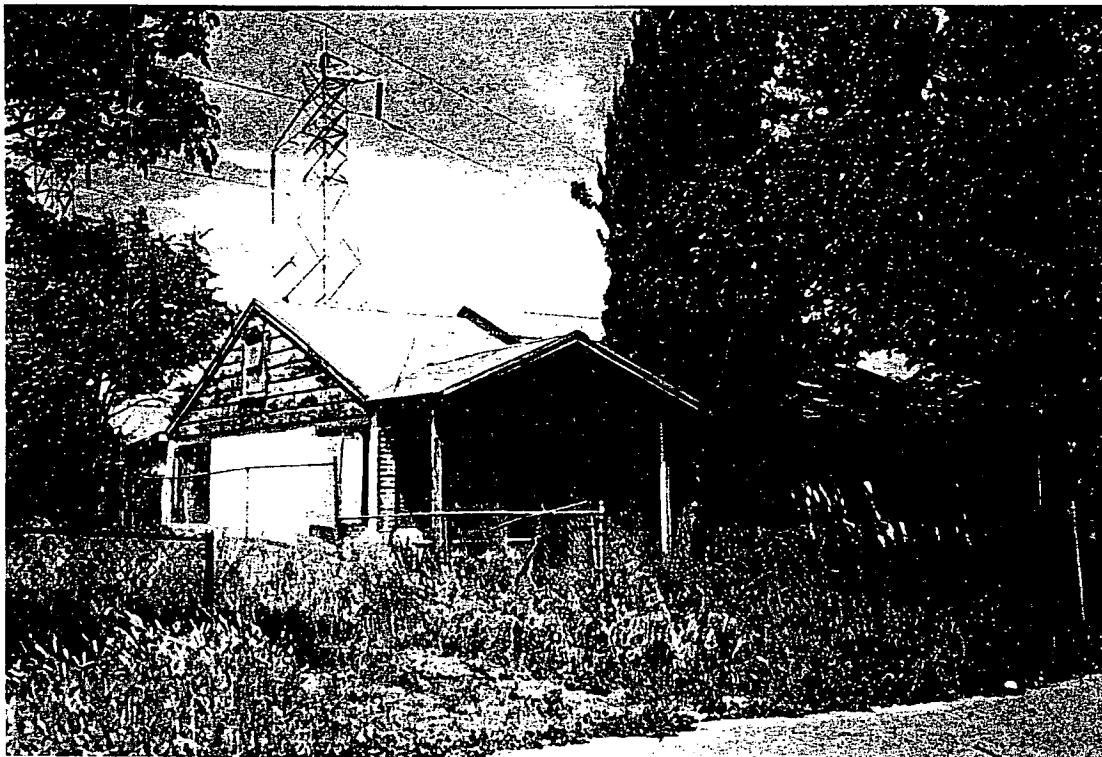


Next door, at 3721 Marysville Boulevard, this building exhibits chipped paint, broken windows (as evidenced by duct tape), and damaged exterior building materials.

DETERIORATION AND DILAPIDATION  
Residential



These homes, located on the 400 block of Hayes Avenue (top) and the 3900 block of Branch (bottom), are both indicative of the lack of maintenance exhibited by many residential structures in the Del Paso Heights Project Area.



### ***Faulty or Inadequate Utilities***

Buildings served by electrical or other utilities that are old, constructed inadequately, or otherwise substandard, are considered faulty or inadequate. Faulty or inadequate utility systems often serve as an indicator of health and safety issues facing building occupants. Table II-6 shows the results of the field survey. Of the 60 buildings located along the Marysville Boulevard Corridor, 42 (70 percent) have faulty or inadequate utilities visible from the street. The most frequently observed fault/inadequacy was exposed wiring. Faulty wiring often occurs when structures as originally designed do not provide adequate electrical capacity or outlets. In an effort to upgrade the electrical system, electrical wiring is sometimes strung along the exterior of a building (Plate 6).

### ***Defective Design and Physical Construction***

Defective design is a condition identified in CRL Section 33031(a)(1) which, like faulty or inadequate utilities, characterizes buildings in which it is unsafe or unhealthy for persons to live or work. Characteristics of defective design include inadequate vehicle/pedestrian access, inadequate setbacks, substandard exterior building material, deficient light/ventilation and illegal additions.

Table II-6 also shows that of the 60 buildings in the Marysville Boulevard Corridor, 14 (23 percent) exhibit signs of defective design. The most often observed design defect was substandard exterior building materials. Other design defects observed were: faulty additions; deficient light/ventilation; and inadequate vehicular and pedestrian circulation.

### ***Physical Factors Inhibiting Economic Viability***

In total, 11 (18 percent of the total) buildings in the Marysville Boulevard Corridor have a substandard design characteristic (either inadequate loading facilities, excessive lot coverage, or unscreened outdoor storage or production). A total of 19 parcels in the Marysville Boulevard Corridor (over 23 percent) exhibit inadequate parking (refer to Table II-3).

### ***Substandard Design***

Substandard design is identified as a factor that prevents or substantially hinders the economically viable use or capacity of buildings or lots, under Section 33031(a)(2) of the CRL. Substandard design includes architecture, site layout problems, and other deficiencies of the building or property that do not meet the requirements of contemporary users. Specific conditions of substandard design include outdoor storage or production of materials, inadequate loading space and excessive lot coverage.

Some of the conditions of substandard design noted along the Marysville Boulevard Corridor can be attributed to the irregular lot sizes and shapes created by Marysville Boulevard cutting somewhat diagonally through a normal grid pattern of streets and lots. Because of its diagonal orientation relative to the existing grid of Del Paso Heights, Marysville Boulevard created several small, wedge-shaped lots and "islands" of parcels (such as the Rainbow Market site), the combination of which has led to excessive building coverage on smaller parcels. The overbuilt sites do not provide for adequate loading facilities, which is compounded by the lack of rear access to many properties fronting the street.

Poor business practices and site conditions have also lead to the condition of outdoor storage and production being present in the area, especially at the automotive-service businesses such as tire stores. The storage of material or debris around buildings can pose a health and safety hazard, but is more frequently an indicator that the building is inadequate in production and storage space (Plate 7).



**Table II-6**

Del Paso Heights Redevelopment Project  
Fifth Amendment  
Sacramento Redevelopment Agency

**BUILDINGS IN WHICH IT IS UNSAFE OR UNHEALTHY FOR PERSONS TO LIVE OR WORK  
MARYSVILLE BOUEVARD CORRIDOR**

Characteristic	Buildings with Conditions of Faulty or Inadequate Utilities and Defective Design (2)	Total Number of Buildings In Corridor	Percentage of Total Buildings In Corridor	Total Buildings with One or More Conditions of Faulty or Inadequate Utilities and Defective Design	Total Buildings with One or More Characteristics of Faulty or Inadequate Utilities and Defective Design as a Percentage of Total Buildings
<b>I. Faulty or Inadequate Utilities (1)</b>					
Exposed Wiring	42	60	70.00%		
<b>Total Faulty or Inadequate Utilities</b>	<b>42</b>	<b>60</b>	<b>70.00%</b>	<b>42</b>	<b>70.00%</b>
<b>II. Conditions of Defective Design</b>					
Inadequate Pedestrian/Vehicular Access	4	60	6.67%		
Substandard Exterior Building Material	6	60	10.00%		
Faulty Additions	3	60	5.00%		
Inadequate Setbacks	1	60	1.67%		
<b>Total Conditions of Defective Design</b>	<b>14</b>	<b>60</b>	<b>23.33%</b>	<b>16</b>	<b>26.67%</b>
<b>TOTAL BUILDINGS IN WHICH IT IS UNSAFE OR UNHEALTHY FOR PERSONS TO LIVE OR WORK</b>				<b>46</b>	<b>76.67%</b>

Source: Katz Hollis field survey, April 1997

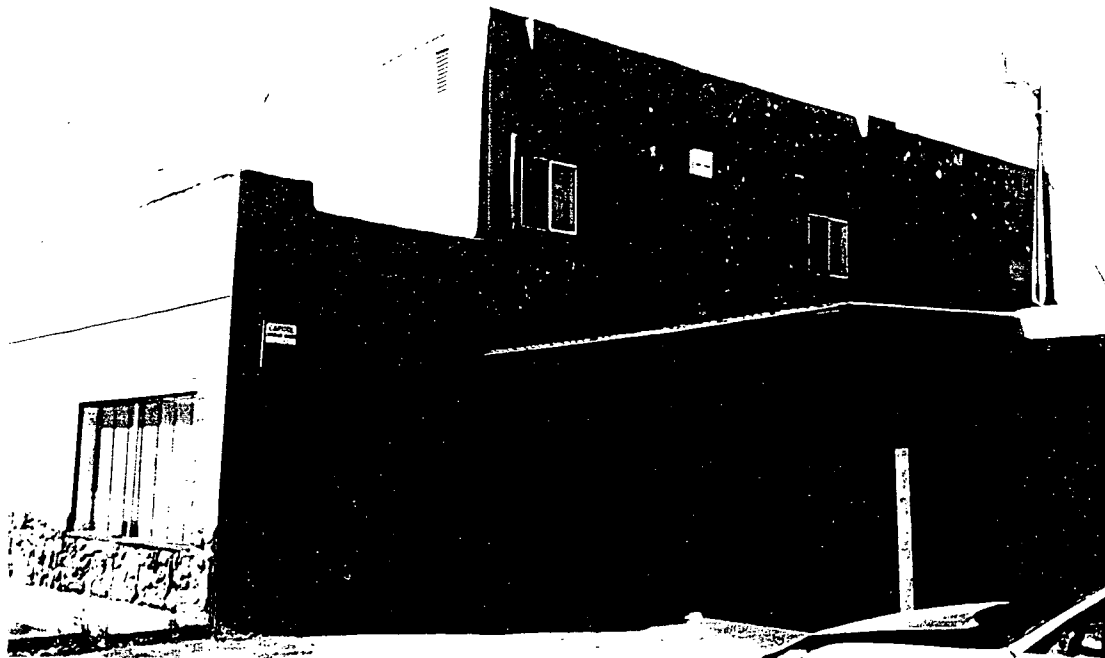
(1) Characteristics of faulty or inadequate utilities and defective design are summarized in total for all use types in the Project Area (including commercial and industrial uses).

(2) A building may have more than one characteristic of faulty or inadequate utilities and defective design.

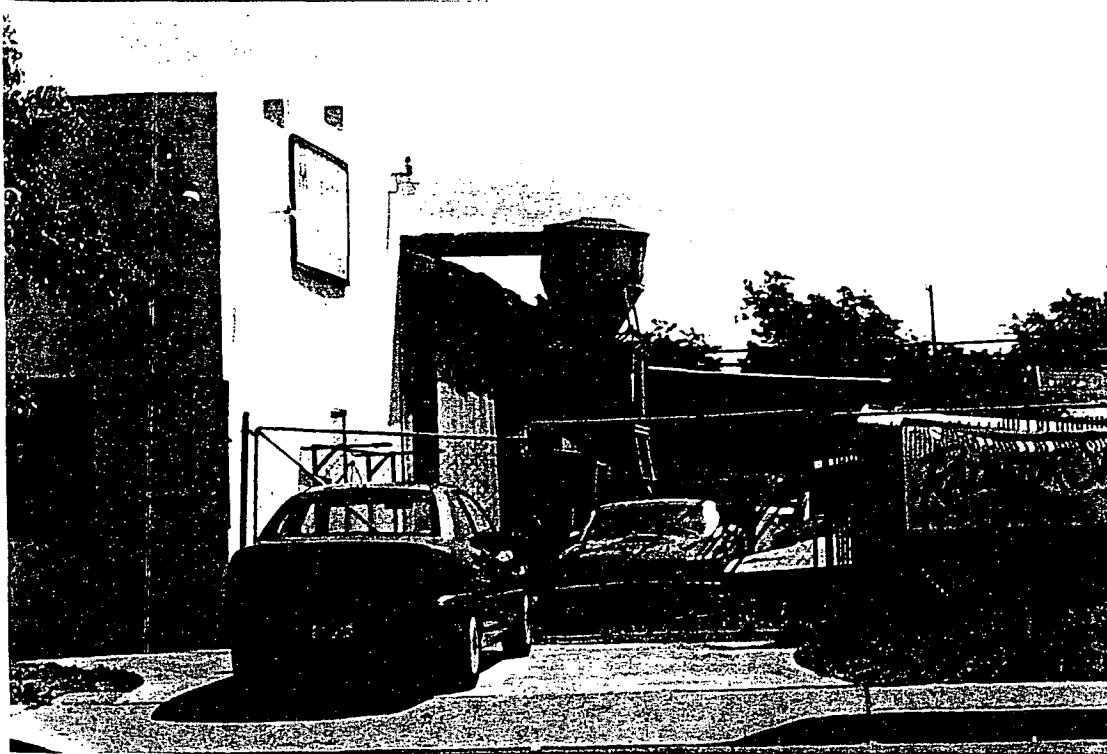
# FAULY OR INADEQUATE UTILITIES



These buildings both exhibit exterior wiring and/or plumbing, indicative of older structures serving a use for which they are ill-suited.



**SUBSTANDARD DESIGN**  
Outdoor Storage



Outdoor storage is evident at both this machine shop at Rio Linda Boulevard and South Avenue (top) and the appliance service business on Marysville Boulevard (bottom).



### ***Inadequate Parking Facilities***

Section 33031(a)(2) of the CRL states that a blighted area may also be "characterized" by the existence of, among other things, inadequate parking facilities. The Marysville Boulevard Corridor has inadequate parking facilities that contribute to the stagnation of the area's development and, more specifically, limit the use and reuse of the Project Area.

The conditions survey indicated that, out of 82 parcels, 19 (23 percent) had either no parking or the parking facilities were inadequate. There are no public parking lots serving the 67 tenants in this area--the parking that exists is private, intended to serve only the use with which it is directly associated. In addition, on-street parking is difficult to use, given the level of traffic on this four-lane street. The lack of parking discourages patrons from shopping on Marysville Boulevard and further impairs the commercial viability of the area.

### ***Parcels of Irregular Shape and Inadequate Size Under Multiple Ownership***

The economic viability of an area is reduced when it contains a large number of lots of irregular form and shape and of inadequate size for proper usefulness and development. This situation is commonly the result of historical subdivision and development patterns as well as shifting economic trends in commercial sectors (i.e., growth or shifts in the industrial base and/or shifts in the demand for goods and services). Adequate parcel size and dimension are necessary if land is to be effectively utilized. Certain minimum lot sizes are required not only for code compliance, but also to make development and redevelopment attractive to investors. Parcels must be large enough to accommodate the primary structure, and circulation areas. Parcels not able to meet these conditions may cause potential investors to acquire adjacent properties or to forego rehabilitation or development of the property in lieu of an alternative site of adequate size and dimensions.

The Marysville Boulevard Corridor is primarily zoned for commercial use (C-2), with properties zoned for residential uses (R-2, R-2A and R-3) at the south end, generally between South Avenue and Arcade Creek. While the City has set 1,500 square feet as a minimum lot size for a C-2 zone, this size is not adequate to accommodate the needs of most contemporary businesses, especially the type that would locate along a heavily trafficked arterial street such as Marysville Boulevard.

For the purpose of this analysis, any commercially zoned parcel that is less than 12,000 square feet is assumed to be inadequate in size. A 12,000-square-foot threshold, roughly the size of two standard residential lots, was selected as it is generally recognized as the minimum lot size to accommodate small scale commercial development. To provide a standard for comparison, the small office building housing the Molina Medical offices and a dental office, on the corner of Marysville Boulevard and North Avenue, is located on a 18,789-square-foot parcel. Thus, a 12,000-square-foot minimum provides a conservative basis for counting the inadequately-sized parcels in the Marysville Boulevard Corridor. Using this criteria, 33 parcels under multiple ownership (40 percent) can be identified as inadequately-sized along Marysville Boulevard. A more practical measure for appropriate new commercial site size is the site which has been assembled by the Agency on the block between Nogales Street and Los Robles Boulevard. This site is approximately 70,000 square feet in size, and will contain 11,000 square feet in retail space, plus a pad for a fast food restaurant. Using this as the minimum lot size for new commercial development, there is only one parcel that meets or exceeds this minimum lot size.

In addition to inadequate parcel sizes, the Marysville Boulevard Corridor also exhibits several parcels of irregular shape, that would be difficult to develop if not combined with other parcels or adjacent right-of-way. The shape of these parcels is indicative of the fact that Marysville Boulevard does not align with the grid pattern of Del Paso Heights, and its diagonal orientation cuts through the grid, creating many non-rectangular sites which are

difficult and more costly to build on. There are eight parcels along Marysville Boulevard, or 10 percent of the total, that are irregularly shaped.

Table II-3, Summary of Blighting Conditions, indicates that there are 36 out of a total of 82 parcels, or 44 percent of the parcels, that are of inadequate size and/or irregularly shaped under multiple ownership. These parcels are also identified later in this Report on Map 7.

## ii. Economic Blighting Conditions

### **Impaired Investments**

Impaired Investments is one indicator of the economic health and vitality of an area and is identified under CRL Section 33031(b)(1) as an economic condition that causes blight. A property's value can significantly depreciate if the property is unsuited for use or development because of impaired investments. An investment is often impaired because of one or more constraints to development. The redevelopment potential of the Project Area continues to suffer from physical constraints that impair the investment potential of the area. Constraints include problems associated with small parcel sizes which have led to problems of inadequate parking, substandard design and poor access. Other constraints include poor traffic circulation and other public improvement deficiencies (discussed below). These constraints make the Project Area less competitive in comparison with other surrounding areas, leading to depreciated or stagnant property values.

One method of measuring impaired investments is to examine the level of building activity in the area. Building permit activity represents the level of rehabilitation and new development occurring in an area. Building permits are required for all new construction as well as major repairs and improvements. The combined valuation of the building permits represents the scope of the work completed. Because the Project Area is essentially "built out," new development should reflect reuse of existing sites or infill of vacant lots. The total value of reuse or rehabilitation activity can help indicate the economic health of an existing area as a gauge of measuring existing businesses expansion and new businesses moving to an area. A decline in the total building permit valuation for an area is one indication of slow or stagnant development investment and reinvestment.

Table II-7 presents the valuation for building permit activity and the total number of building permits issued in the Project Area and the City of Sacramento (including the Project Area) between 1992 and 1996. Since 1992, there has been a decline in the number and value of building permits issued for construction or major repairs within the Project Area. In 1992, 216 building permits were issued, compared to only 202 in 1996, a decline of 5.5 percent. While the City also experienced a decline in the number of permits issued, from 11,662 to 11,440, in percentage terms the decline was much less drastic (1.9 percent).

As the number and value of the permits in the Project Area decreased, so did the valuation of the construction. While the valuation of building permits was more than \$4.3 million in 1992, it dropped to \$2.5 million in 1996. The Project Area experienced its largest decrease in the valuation of construction between 1993 and 1994 when it dropped by \$3.9 million.

The decline in the number and value of the permits issued in the Project Area is of concern considering that 90 percent of the commercial buildings surveyed are in need of maintenance and repair, and up to 84 percent of the residential structures have been noted by various Agency surveys as in need of rehabilitation. With the decrease in the number and value of building permits issued in the Del Paso Heights area, it is apparent that there is no foreseeable improvement to the building stock by private sector investment. It is likely that the number of buildings in need of maintenance will increase

**Table II-7**

Del Paso Heights Redevelopment Project  
Fifth Amendment  
Sacramento Redevelopment Agency

**BUILDING PERMIT ACTIVITY**

Year	Project Area		Citywide	
	Valuation of Construction (1)	Number of Permits (2)	Valuation of Construction (1)	Number of Permits (2)
1992	\$4,310,730	216	\$251,559,532	11,662
1993	\$6,038,660	184	\$292,882,496	11,705
1994	\$2,161,521	147	\$265,733,806	11,978
1995	\$2,821,709	211	\$206,952,113	12,429
1996	\$2,507,696	202	\$213,893,490	11,440
<b>Average Annual Rate of Change</b>				
	-10.5%		-3.7%	

Source: City of Sacramento Planning & Development Department, Building Inspections Division, 1997

(1) Includes value of new construction and repairs/additions

(2) Includes all new construction and repairs/additions permits

just by lack of future investment, which will perpetuate the decline of the Project Area. Furthermore, the low value of the permits issued indicates that few of the permits were for new construction. Therefore, without continued Agency assistance, there is little chance that substandard buildings will be replaced with new construction that will attract contemporary businesses to the area. Rather, it can be expected that the mix of marginal retail uses and vacant lots along Marysville Boulevard will persist.

### **Depreciated or Stagnant Property Values**

In order to examine the health of the real estate market in the Project Area, trends in assessed property values (includes secured property values of land and building improvements and excludes personal property and fixtures) for fiscal years 1992-93, 1993-94, 1994-95, 1995-96, and 1996-97 were analyzed. Assessed values in the City of Sacramento and the County of Sacramento as a whole are provided as a measure of comparison.

Generally, increases in assessed values reflect a change of ownership at prices higher than those originally paid. This typically occurs as land prices increase. In most cases, the greater the demand for property, the greater the increase in assessed values. Increases in assessed values also indicate reinvestment in property, such as expansion, remodeling, or new construction. When assessed values are increasing within an area at a comparable rate to surrounding areas and the region, it is often an indicator of a healthy local economy. Conversely, if assessed values are declining while surrounding areas are stable or increasing, or are declining at a rate greater than the surrounding areas and region, the local economy is likely to be in a state of economic stagnation or decline.

The data presented in Table II-8 indicates that over the four-year period from 1992-93 to 1996-97, secured real property values in the Project Area fluctuated up and down, but increased overall at an average annual rate of just .3 percent, compared to a .8 percent annual increase Citywide and a 1.7 percent annual increase Countywide. While all of the numbers for each area are weak, the difference is an indicator that current economic conditions are weakest in Del Paso Heights and investment in the area is impaired. From 1992-93 to 1996-97 overall values in the Project Area moved from \$125.7 million to \$127.3 million, an increase of only 1.2 percent. During this same period of time, Citywide values rose from \$15.4 billion to \$15.9 billion, an increase of approximately three percent while Countywide values increased from \$46.2 billion to \$49.5 billion, an increase of over seven percent.

### **Vacant Lots, Buildings, and Tenant Spaces**

Vacancies are an important indicator of impaired investments in that they are an indication that the private sector is unable or unwilling to invest in the Project Area. In addition, vacant lots and buildings contribute to a neighborhood's deteriorated appearance and attract crime. Of the 82 parcels in the Marysville Boulevard Corridor, 18 (22 percent) are vacant (Table II-9). Two of the vacant lots are shown on Plate 8. In the residential neighborhoods, there are 468 vacant parcels (15 percent) indicated on the 1996-97 Sacramento County Assessor's Tax Roll. This is a relatively large number of parcels given that the Project Area has been developed for over 50 years.

There is also a large number of vacant buildings in the Project Area, both residential and commercial. Along Marysville Boulevard alone, there are eight vacant commercial buildings, or 22 percent of the total. Many of these buildings will require a large amount of rehabilitation and remodeling, making their occupancy infeasible for most businesses.

In addition to the vacant commercial buildings along Marysville Boulevard, there are numerous vacant residential structures scattered throughout the Project Area. In fact, of the 1961 single-family residential structures in the Project Area, 62, or 3.2 percent, were identified as abandoned and boarded-up in a field survey conducted in October 1996 by

**Table II-8**

Del Paso Heights Redevelopment Project  
 Fifth Amendment  
 Sacramento Redevelopment Agency

**TOTAL SECURED ASSESSED PROPERTY VALUES  
 DEL PASO HEIGHTS REDEVELOPMENT PROJECT, CITY OF SACRAMENTO AND COUNTY OF SACRAMENTO  
 FISCAL YEARS 1992-93 TO 1996-97**

Fiscal Year	Del Paso Heights		City of Sacramento		County of Sacramento	
	Value	Percent Change	Value	Percent Change	Value	Percent Change
1992-93	125,751,525	n/a	15,397,362,611	n/a	46,222,654,479	n/a
1993-94	126,468,841	0.57%	15,782,632,398	2.50%	47,555,605,609	2.88%
1994-95	131,063,841	3.63%	15,939,728,943	1.00%	48,763,249,535	2.54%
1995-96	125,259,002	-4.43%	15,868,422,809	-0.45%	49,112,598,561	0.72%
1996-97	127,269,616	1.61%	15,874,469,866	0.04%	49,513,855,345	0.82%
<b>TOTAL (1)</b>	<b>\$1,518,091</b>	<b>1.21%</b>	<b>\$477,107,255</b>	<b>3.10%</b>	<b>\$3,291,200,866</b>	<b>7.12%</b>
<b>Average Annual Growth</b>		<b>0.30%</b>		<b>0.77%</b>		<b>1.73%</b>

Source: County of Sacramento.

(1) Total reflects change in assessed values from 1992-93 to 1996-97.



**Table II-9**

Del Paso Heights Redevelopment Project  
Fifth Amendment  
Sacramento Redevelopment Agency

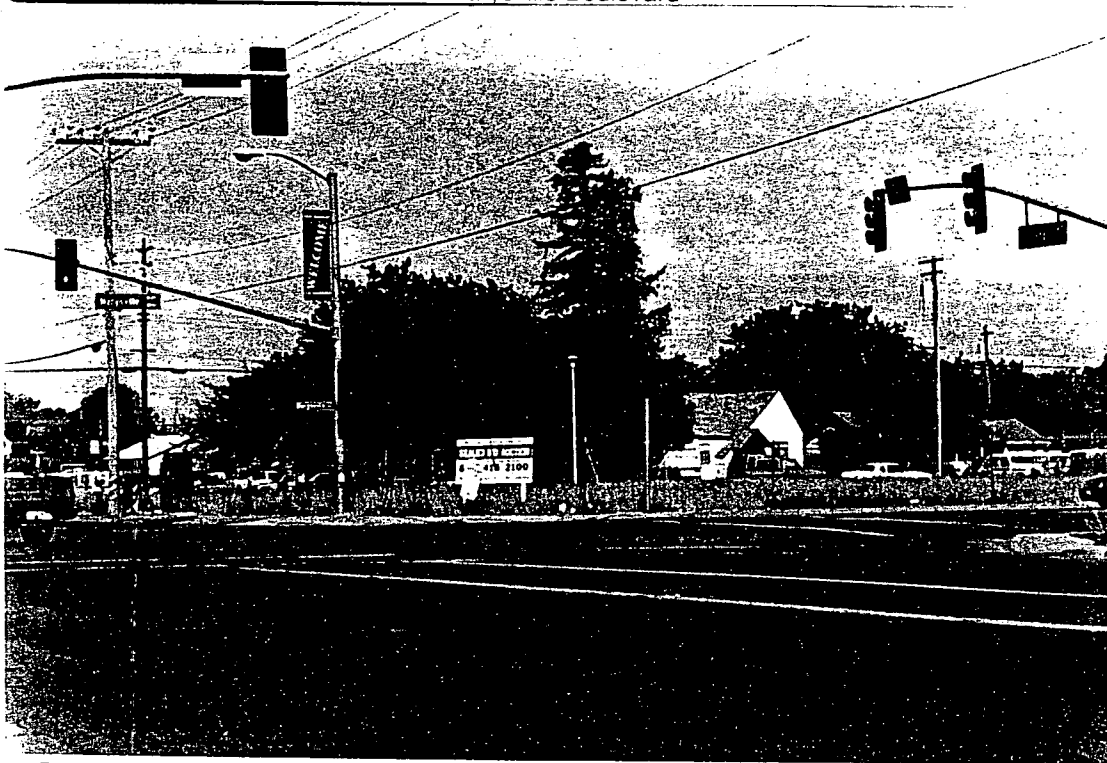
**VACANCIES****MARYSVILLE BOULEVARD CORRIDOR**

Type	Number of Vacancies	Total Buildings, Tenant Spaces or Parcels by Type	Percentage of Total Buildings, Tenant Spaces or Parcels
<b>I Vacant Buildings</b>			
Commercial	8	37	21.62%
<b>TOTAL VACANT COMMERCIAL BUILDINGS</b>	<b>8</b>	<b>37</b>	<b>21.62%</b>
<b>II Vacant Tenant Space (1)</b>			
Commercial Office	0	4	0.00%
Commercial Retail	7	38	18.42%
<b>TOTAL VACANT COMMERCIAL TENANT SPACES</b>	<b>7</b>	<b>42</b>	<b>16.67%</b>
<b>III TOTAL VACANT LOTS</b>	<b>18</b>	<b>82</b>	<b>21.95%</b>

Source: Katz Hollis field survey, April 1997

(1) A vacant building is counted as a vacant tenant space and is included in the count of total tenant spaces.

VACANT LOTS  
Marysville Boulevard



Parcels which fail to redevelop by market forces alone, such as these parcels on Marysville Boulevard, are indicative of a declining area.



Agency staff. Many of these boarded-up homes have been abandoned by the owners or foreclosed upon by the lender due to mortgage defaults. As shown in Plate 9, most of these structures are not maintained and quickly become contributors to blighting conditions in the area.

The locations of vacant lots, commercial buildings, and residential structures are illustrated on Map 3.

### **Lack of Necessary Commercial Facilities Including Grocery Stores, Drug Stores and Banks and Other Lending Institutions**

The CRL identifies the lack of necessary commercial facilities as a blighting condition. The Marysville Boulevard Corridor is convenient to the greater Del Paso Heights Project Area. While there are two medium size, locally-operated markets along the street, there are no major chain supermarkets, drug stores, banks or other lending institutions that provide basic services to the residents of Del Paso Heights within the Project Area.

Although there are the above-mentioned markets in the Project Area, there are no larger grocery stores, drug stores, or banks located in or at a convenient distance from the Project Area. While the nearest larger grocery store (Save Max) is located in the Petrovitch Shopping Center on Norwood Avenue, one block from the northern boundary of the Project Area, it is located on the other side of Interstate 80, and not very accessible to most Project Area residents. Not only is this inconvenient for Project Area residents, but they also pay higher prices when they shop at the smaller local stores. The nearest banks (Wells Fargo Bank and Bank of America) are outside of the Project Area along Del Paso Boulevard, 2-3 miles south of the southern boundary. The nearest drugstore (Payless Drugs) is located in the same general area.

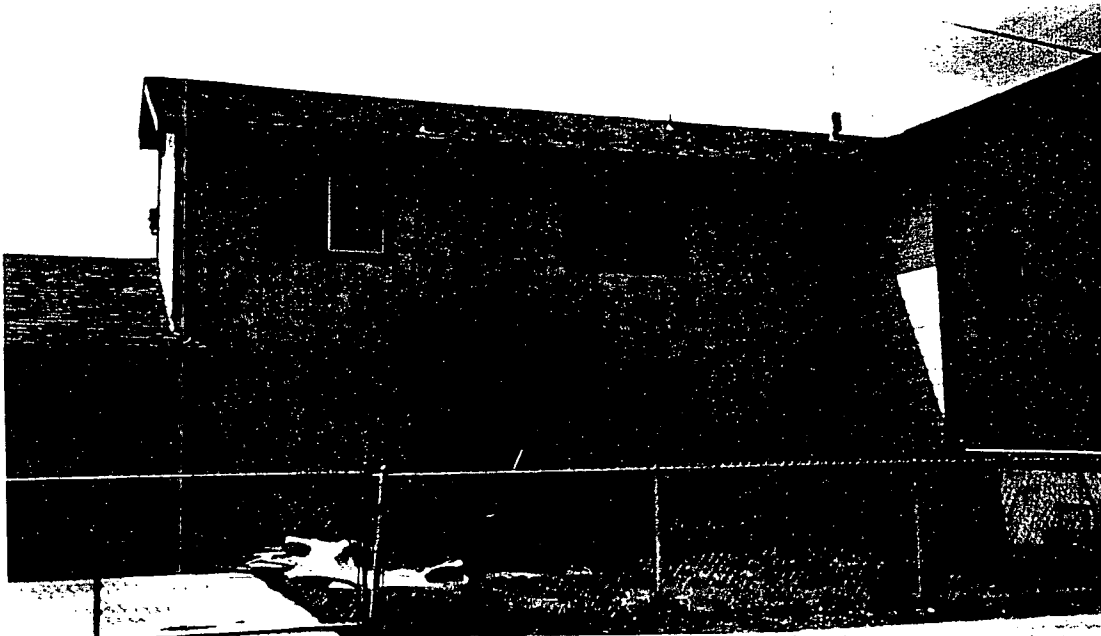
The lack of necessary commercial facilities creates a burden on community residents, as they must travel to neighboring communities for basic goods and services and it results in a loss of revenues as retail sales tax dollars are spent in neighboring areas.

### **Overcrowding**

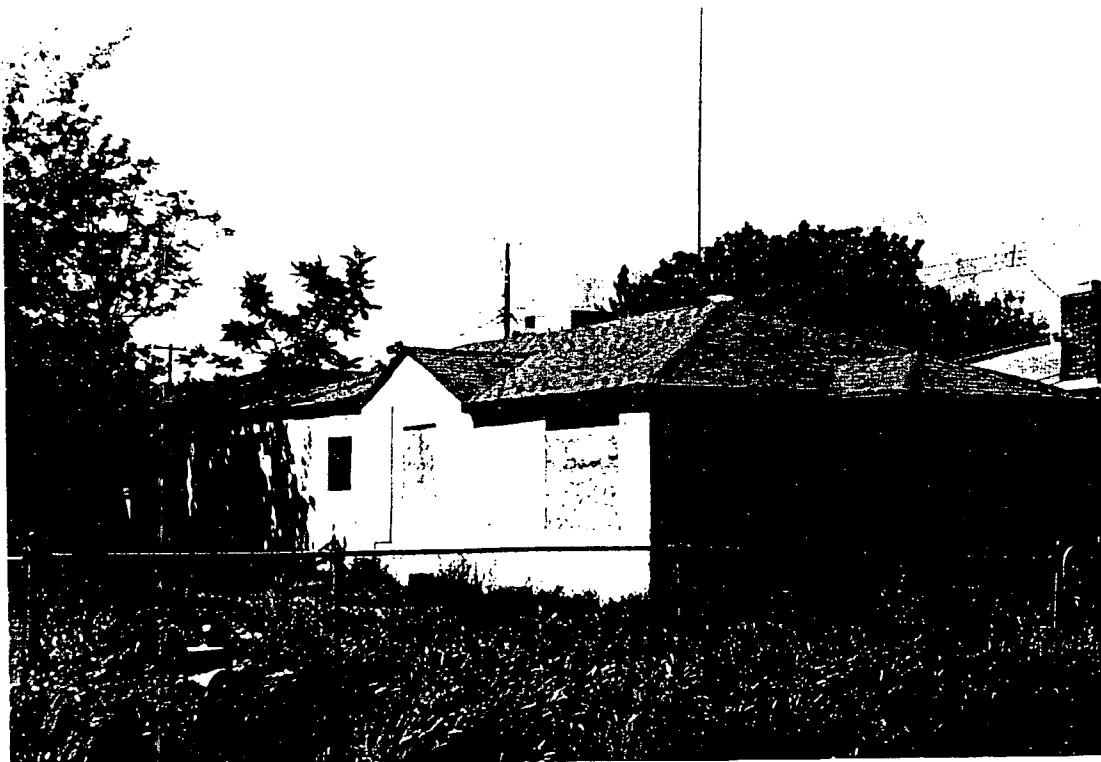
Project Area residents are more likely to live in overcrowded and severely overcrowded housing than other Sacramento City and County residents. While slightly more Sacramento County residents live in severely overcrowded housing, the number of Project Area residents in severely overcrowded housing increased at a rate higher than the County, and if trends continue will surpass the County. The census tracts that comprise the majority of the residential component of the Project Area on which this analysis is based, are identified on Map 4.

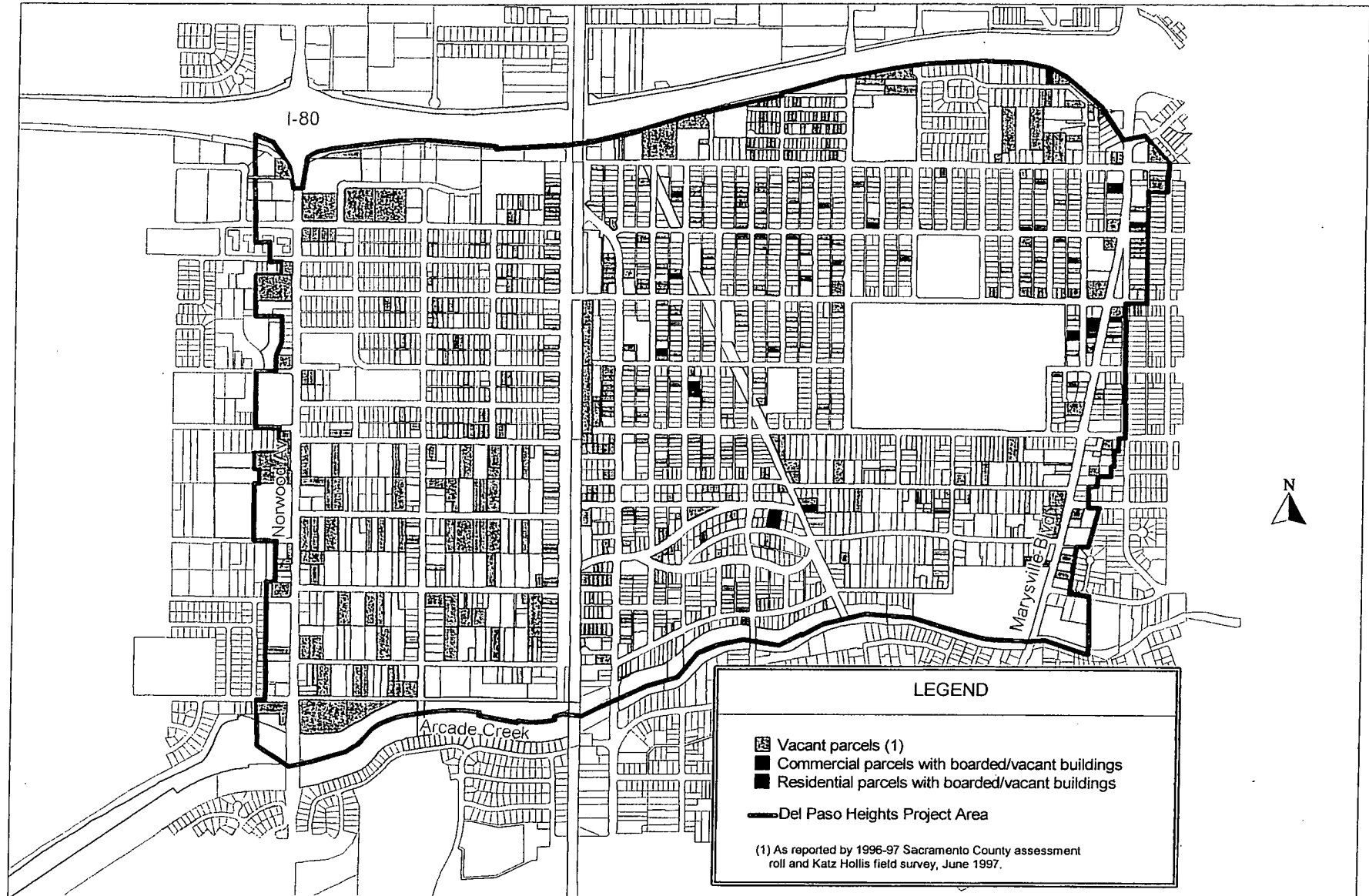
Data from the 1990 US Census shows the existence of overcrowding conditions in the Del Paso Heights Project Area. Overcrowding conditions are reflective of the health and responsiveness of the housing market and indicative of the social well-being of an area's residents. Overcrowded housing usually means households are doubling up because of a lack of affordable and available, suitable housing units. The number of persons per room is an indicator of overcrowding conditions. The U.S. Census reports overcrowding according to the basic unit standard used by the US Department of Housing and Urban Development ("HUD") which is more than one person per room within a unit. More specifically, ideal housing is 1.00 persons per room or less, overcrowded housing is 1.01-1.50 persons per room, and severely overcrowded housing is 1.5+ persons per room. Table II-10 presents living conditions as defined by HUD for the Project Area, the City of Sacramento, and the County of Sacramento. The table shows that the number of persons in ideal conditions in the Project Area was much less than in both the City and the County. While the City and the County had 91.5 and 93.7 percent of all households in the "ideal" category, the Project Area had only 81.4 percent.

**VACANT BUILDINGS**  
Boarded-up Houses



Boarded-up houses, which have been vacated primarily due to mortgage foreclosures, are prevalent throughout the Del Paso Heights Area, and contribute to the declining appearance of the area.





**PROJECT AREA WIDE VACANT LOTS AND BUILDINGS**  
 Sacramento Redevelopment Agency  
 Del Paso Heights Redevelopment Project

# Katz Hollis



**CENSUS TRACT BOUNDARIES**  
**Sacramento Redevelopment Agency**  
**Del Paso Heights Redevelopment Project**

Map 4

**Table II-10**

Del Paso Heights Redevelopment Project  
Fifth Amendment  
Sacramento Redevelopment Agency

**RESIDENTIAL OVERCROWING**

<u>Persons Per Room</u>	<u>Del Paso Heights (1)</u>		<u>City of Sacramento (2)</u>		<u>County of Sacramento</u>	
	<u>1990</u>	<u>% of total</u>	<u>1990</u>	<u>% of total</u>	<u>1990</u>	<u>% of total</u>
1.00 or Less (Ideal)	3,992	81.4%	132,109	91.5%	369,815	93.7%
1.01 - 1.5 (Overcrowded)	476	9.7%	6,179	4.3%	13,664	3.5%
1.51 or more (Severely Overcrowded)	438	8.9%	6,156	4.3%	11,051	2.8%
Total Households	4,906		144,444		394,530	

Source: United States Census Bureau, 1990

(1) Includes Census Tracts 65, 66, and 67.02

(2) Includes the Del Paso Heights Project Area

Proportionately, the Project area had roughly twice as many overcrowded units as the City, and three times as many as the County. Project Area-wide, almost 19% of all households experienced overcrowding, while only nine percent of City households and six percent of the County households evidenced these conditions.

### **High Crime Rate That Constitutes a Serious Threat to the Public Safety and Welfare**

According to the CRL, "a high crime rate that constitutes a serious threat to the public safety and welfare" is a condition of economic blight. Crime has been an ongoing problem in the Project Area. One of the objectives of the Implementation Plan for this area is to work closely with the Sacramento Police Department to address public safety concerns.

Plate 10 shows indicators of crime problems in the Project Area. The top photograph shows graffiti on the wall of a business, and the bottom photograph shows Norm's Liquors, a site with a notorious history of criminal activity, including loitering, drug dealing, robberies, assaults, shootings, and homicides.

Norm's Liquors, located at the northwest corner of Roanoke Avenue and Marysville Boulevard, has long been a magnet for criminal activity in the Project Area. In 1991 alone, the Sacramento Police Department could link 1400 calls for response directly to activities at the site. In April of 1993 the community's outrage reached a zenith when a local Little League coach was killed at Grant High School (directly behind the store) by a stray bullet fired in a gunfight behind the store. In July 1993, the store was gutted by a suspected arson. In September 1993, the Agency placed concrete barriers and erected an iron fence behind the store to block access from Roanoke to Balsam Court, the street behind the store where much of the crime and drug dealing took place. Although the owner at the time of the fire received offers from the Agency to purchase the property and the business, the owner refused to sell to the Agency, and sold instead to another private party in 1996. The new owner and his wife were arrested in November 1996 for allegedly purchasing stolen alcohol and cigarettes from undercover officers. The state bureau of Alcoholic Beverage Control is expected to allow the liquor license to expire and deny renewal at this location.

The most telling crime statistics that illustrate the prevalence of crime in the Del Paso Heights Area are the reported crime figures for EDP District 0515, which includes Norm's Liquors and Grant High School (Map 5). This small area, roughly the size of 15 blocks, accounted for over 665 serious reported crimes in the period between 1993 and 1996 (Table II-11). This included five homicides, 54 robberies, 180 assaults, and over 100 narcotics related offenses. Although this area is only about 100 acres in size, compared to 61,440 acres for the City (.16 percent of total City land area), it accounted for .4 percent of City crime, or 2.5 times more than expected for an area of a similar size. Also, for some types of crimes, such as robberies and assaults, the area had a much higher proportion of incidents. Amazingly, this small area accounted for 1 out of every 100 assaults in the City of Sacramento during this four-year period.

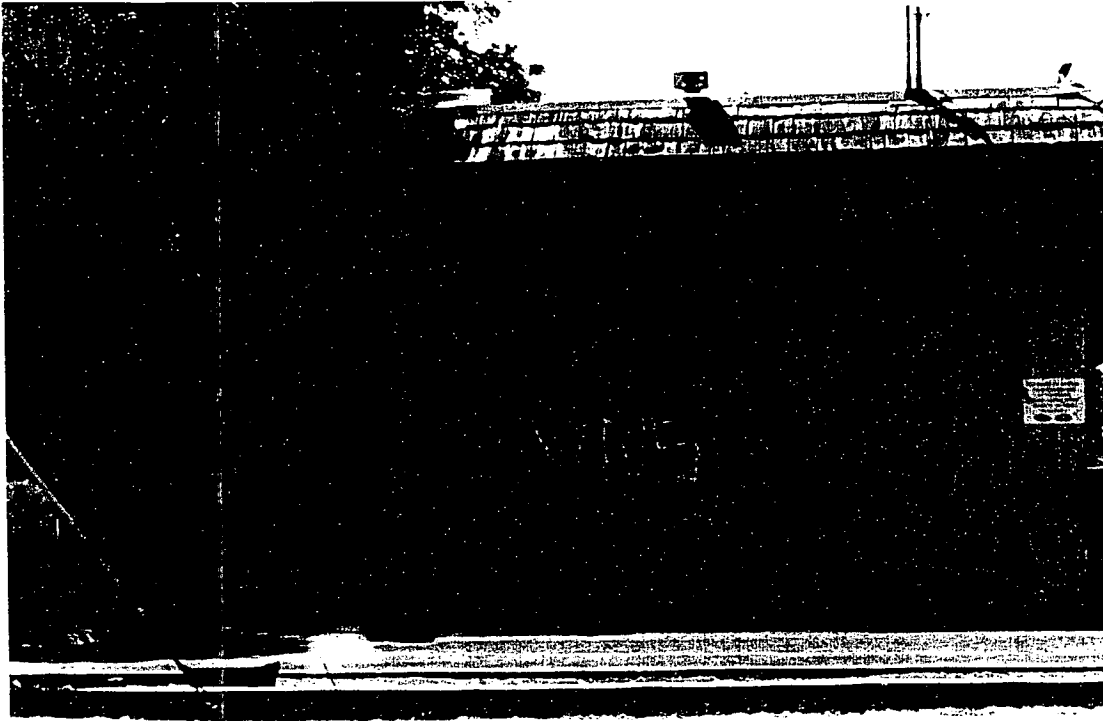
Criminal activity in Del Paso Heights continues to greatly impact the community, raising the costs of doing business and creating a negative perception of the area to outsiders. The impacts of crime in the area are so prevalent that even the construction of a police department sub-station has done little to alter the perception of the area.

### **iii. Public Improvements Deficiencies**

The Del Paso Heights Project Area was originally adopted under "old" blight definitions, which allowed a project to be determined blighted with the sole condition of the existence of inadequate public improvements, public facilities, open spaces, and utilities which cannot be remedied by private or governmental action without redevelopment. At the



**CRIME**  
(Graffiti, Norm's Liquors)

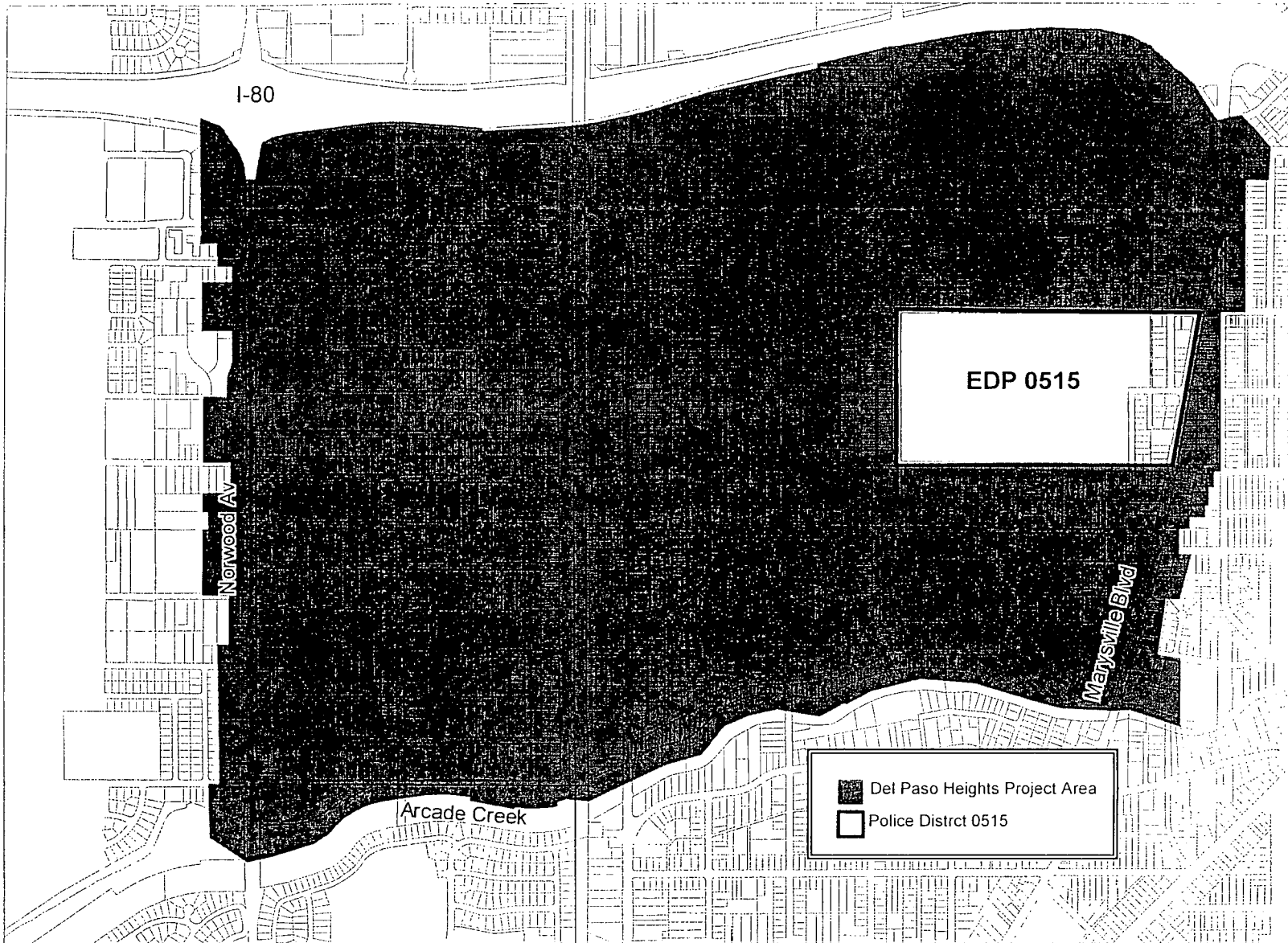


Graffiti on commercial businesses in the Project Area is a visible indicator of crime.



Norm's Liquors, at the corner of Marysville Boulevard and Roanoke Avenue, has historically been the focal point of criminal activity in Del Paso Heights, including homicides, assaults, and drug dealing.

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## EDP DISTRICT 0515

Sacramento Redevelopment Agency  
Del Paso Heights Redevelopment Project

Map 5

**Table II-11**

Del Paso Heights Redevelopment Project  
Fifth Amendment  
Sacramento Redevelopment Agency

**TOTAL REPORTED SERIOUS CRIMES - EDP 0515(1)**

	<b>Citywide Total Crimes (1993-96)</b>	<b>EDP 0515 Total Crimes (1993-96)</b>	<b>EDP 0515 as % of City</b>	<b>EDP 0515 Crime Rate as Proportion of Citywide Crime/Acre (2)</b>
Rape	664	4	0.60%	3.9
Robbery	8,036	54	0.67%	4.3
Assault	16,736	180	1.08%	7.0
Auto theft	31,345	30	0.10%	0.6
Residential Burglary	23,191	23	0.10%	0.6
Commercial Burglary	8,097	54	0.67%	4.3
	88,069	345	0.39%	2.5
Acreage	61,440	95	0.15%	

Source: City of Sacramento Police Department, 1997

- (1) EDP: Geographic unit used by Sacramento PD to track crime statistics  
(2) The number given is the relative amount of crime in the area vs. Citywide  
(i.e. 4.3 times more robberies in EDP 0515 than the City)

time of Project adoption there was a need for extensive public improvements in the Project Area.

While many of these improvements have been provided in the Project, there are still portions of the Project Area in need of upgrading, while other areas need infrastructure to open up land-locked property for development.

Public improvements deficiencies in the Project Area are greatest in the Del Paso Nuevo area, bounded generally by South Avenue, Norwood Avenue, Fairbanks Avenue, and Altos Avenue (Plate 11). This area is slated for complete infrastructure replacement and replanning as part of an effort funded by both grants and a loan from the US Department of Housing and Urban Development. The debt service on this below-market loan will be repaid by developers from the proceeds of housing developments which will occur in this area as part of its redevelopment. However, the role of the Agency and the tax increment from this area will be a crucial part of the financing puzzle, as these funds will be used to fill the gap in the debt service payments that will not be covered by the sale of the housing units alone.

Other remaining infrastructure needs in the Project Area include more community facilities, such as a job training & youth center, and additional child care facilities. Also, Marysville Boulevard is in need of additional parking, improved landscaping, and new lighting in order to make the street easier and safer to use. The Agency plans to assist these types of remaining public improvements deficiencies over the extended life of the Project Area.

b. Portions of the Project Area that are No Longer Blighted

Although the Sacramento Redevelopment Agency has accomplished much within the Project Area, the area is simply too large, and its problems too pervasive, to claim that redevelopment has been completely accomplished. In fact, although the extensive infrastructure improvements that were installed in the 1970's and 1980's have "set the stage" for further redevelopment, there is still much to do. For this reason, it is difficult to assess any one portion of the Project Area as no longer blighted. While much of this Report focused on conditions specific to Marysville Boulevard, certain conditions, such as crime and stagnant assessed values, affect most, if not all, of the Project Area. Additionally, many of the conditions, such as deterioration/dilapidation or vacant residential structures appear to be occurring uniformly over large areas, further indicating the pervasiveness of such conditions.

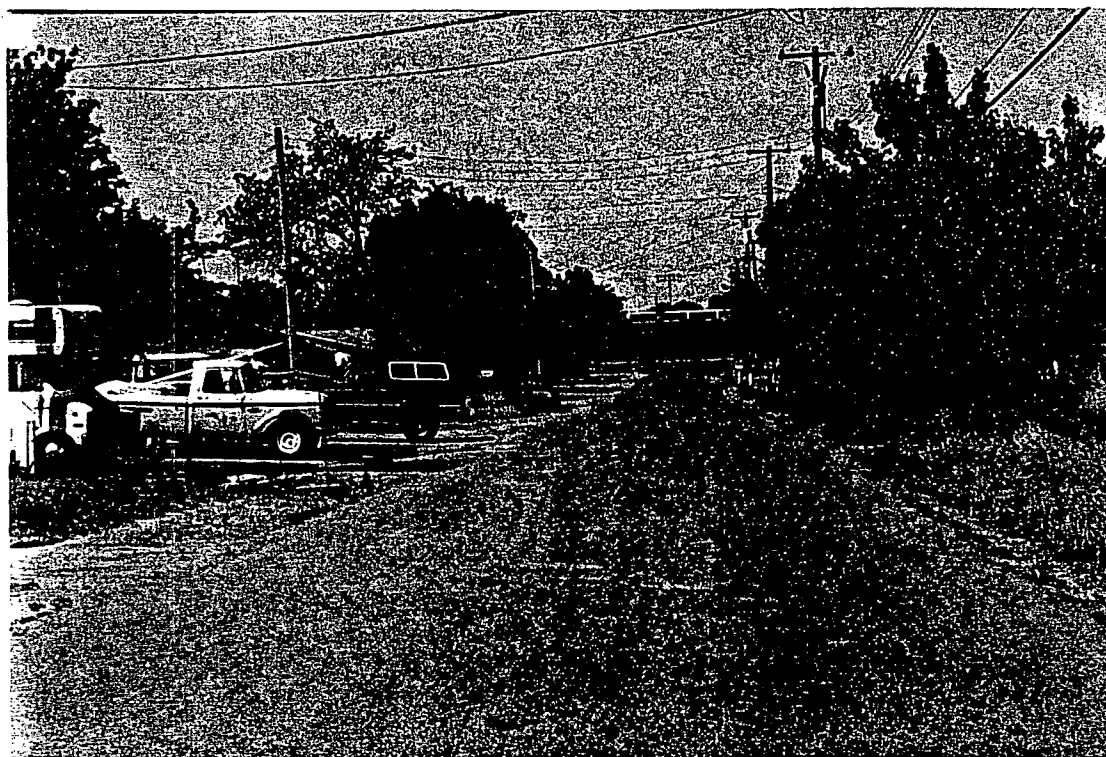
**D. SUMMARY OF CONDITIONS THAT COMBINED CAUSE A LACK OF PROPER UTILIZATION OF THE PROJECT AREA TO SUCH AN EXTENT THAT IT CONSTITUTES A SERIOUS PHYSICAL AND ECONOMIC BURDEN ON THE COMMUNITY WHICH CANNOT REASONABLY BE EXPECTED TO BE REVERSED OR ALLEVIATED BY PRIVATE ENTERPRISE OR GOVERNMENTAL ACTION, OR BOTH, WITHOUT REDEVELOPMENT**

Under Section 33030(b) of the CRL, a blighted area is defined as an area that contains one or more of each of the enumerated physical and economic conditions, which conditions combined are so prevalent and substantial that it causes a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community which cannot reasonably be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment. This section of the Report summarizes the remaining physical and economic blighting conditions described in detail above and describes the burden on the community which cannot be alleviated without continued redevelopment.

**PUBLIC IMPROVEMENT DEFICIENCIES**  
Del Paso Nuevo Area



Although most of the infrastructure in the area has been upgraded, the Del Paso Nuevo area still exhibits inadequate streets and has no sidewalks, gutters, or storm drainage.



## **1. Physical and Economic Burden on the Community**

The remaining physical conditions in the Project Area that cause blight include: deterioration and dilapidation; defective design; faulty or inadequate utilities; substandard design; and subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are under multiple ownership. The remaining economic conditions in the Project Area that cause blight include: impaired investments, vacant building and lots, overcrowding, lack of necessary commercial facilities, and crime. The prevalence of these conditions is briefly summarized below and illustrated on Map 6 for the Project Area as a whole and Map 7 for the Marysville Boulevard Corridor.

Physical blighting conditions (i.e., deterioration and dilapidation; defective design, faulty or inadequate utilities), lead to health and safety problems that are not being alleviated by the private sector or local government without redevelopment. The negative appearance caused by these blighting conditions discourages investment and perpetuates the blighted conditions in the Project Area. Conditions of defective design and faulty or inadequate utilities in the Project Area were often noted in alterations such as additions to structures, which appear not to have been constructed to code. In addition, issues of substandard design, particularly inadequate parking, continue to contribute to the lack of economic viability for businesses along the Marysville Boulevard Corridor.

Defects in design or physical construction and faulty or inadequate utilities often represent safety hazards. The costs associated with defective design and faulty utilities may range from a liability resulting from a safety hazard to a lost opportunity. A lost opportunity may occur when a potential buyer purchases another property comparable in all other aspects except for the defect instead of purchasing a property within the Project Area. Defective design and faulty utilities also indicate the unwillingness or inability of property owners to invest in their properties. Overall, 76 percent of the 60 structures surveyed within the Marysville Boulevard Corridor evidence characteristics of defective design or faulty utilities. Building deficiencies represent large costs that would likely be passed on to the private sector, thereby discouraging private sector investment.

Substandard, obsolete structures represent a burden to the community, since they're difficult to lease or sell, may generate little or no property taxes, and in some instances may have the potential to be environmentally unsafe.

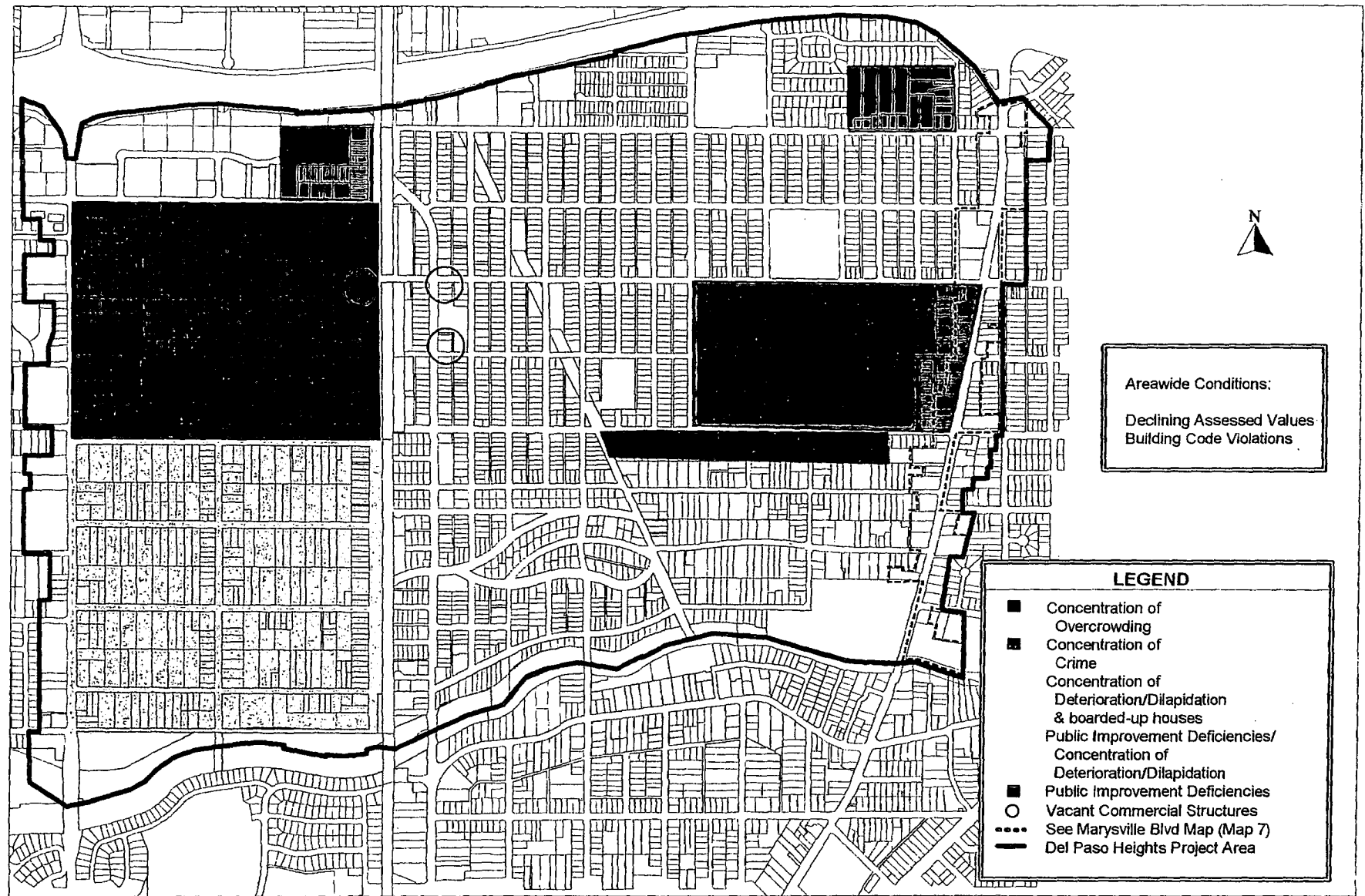
A lack of parking continues to be prevalent throughout the Marysville Boulevard Corridor. This condition means that properties become economically undesirable because the use of the building or lot becomes limited. A lack of parking for existing properties often results in haphazard parking accommodations and an overflow of parking onto surrounding streets and neighboring properties.

A number of lots are smaller than standard sizes for typical commercial or industrial developments, which limits the use of these properties. These properties are also under a number of different ownerships, which poses difficulties and risks to private investors, including existing owners who may wish to assemble parcels for new development. Because of the small lot sizes, and multiple ownership, new development continues to be nearly impossible without Agency assistance to assemble parcels.

The burden on the community caused by the adverse economic conditions in the Project Area is two-fold. First, there is a financial burden imposed upon businesses and property owners as a result of poor market conditions in the area. Second is the lower quality of life for residents in and around the Project Area due to overcrowded housing and crime.

The financial burden on businesses and property owners in the Project Area is exemplified by depreciated and stagnant property sales prices, abnormally low lease rates, and depressed retail sales tax revenues. Together, these factors create an

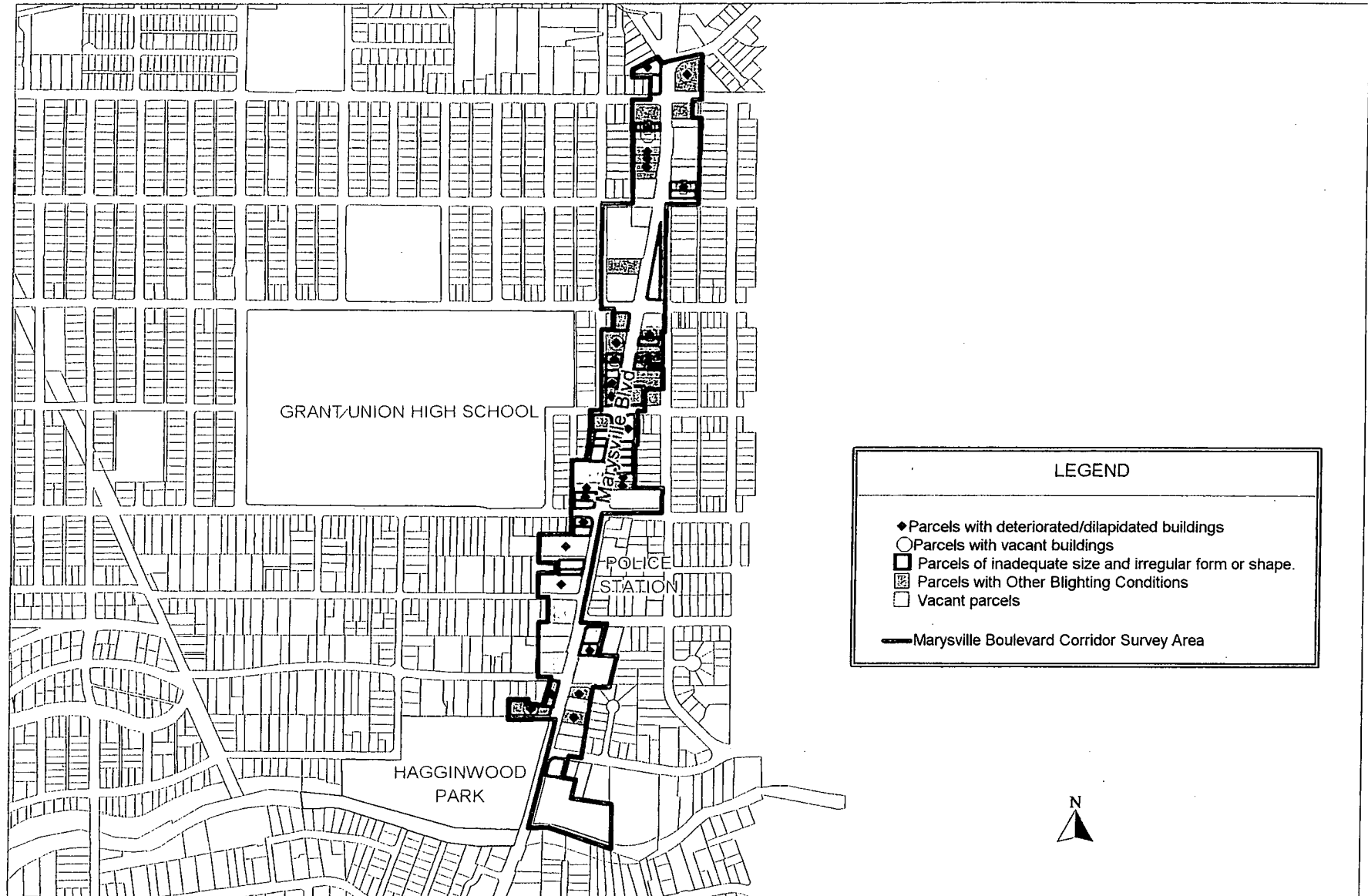
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## PROJECT AREA WIDE EXISTING CONDITIONS

Sacramento Redevelopment Agency  
Del Paso Heights Redevelopment Project

Map 6



## MARYSVILLE BOULEVARD REMAINING BLIGHTING CONDITIONS

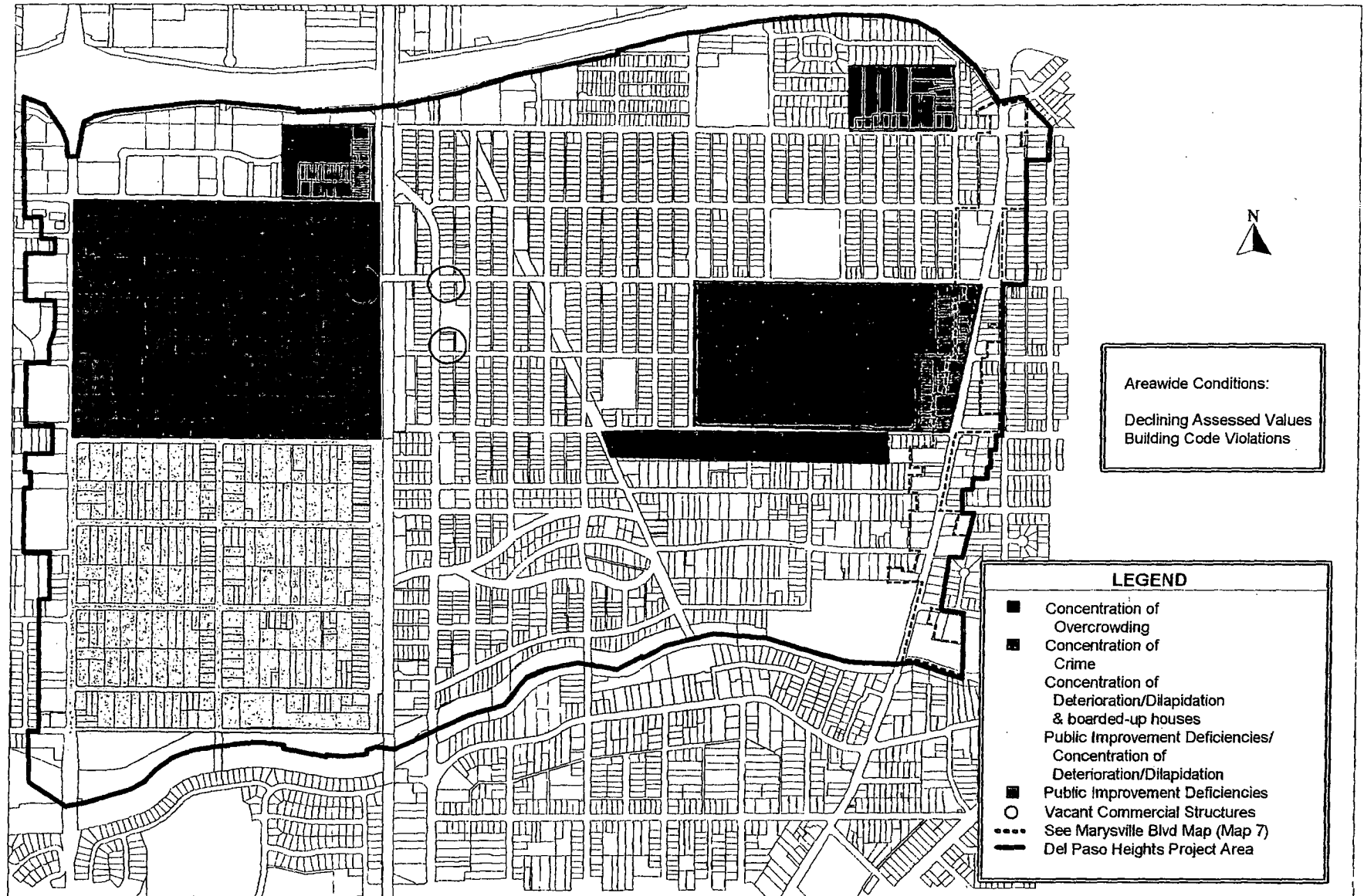
Sacramento Redevelopment Agency

Del Paso Heights Redevelopment Project

Map 7



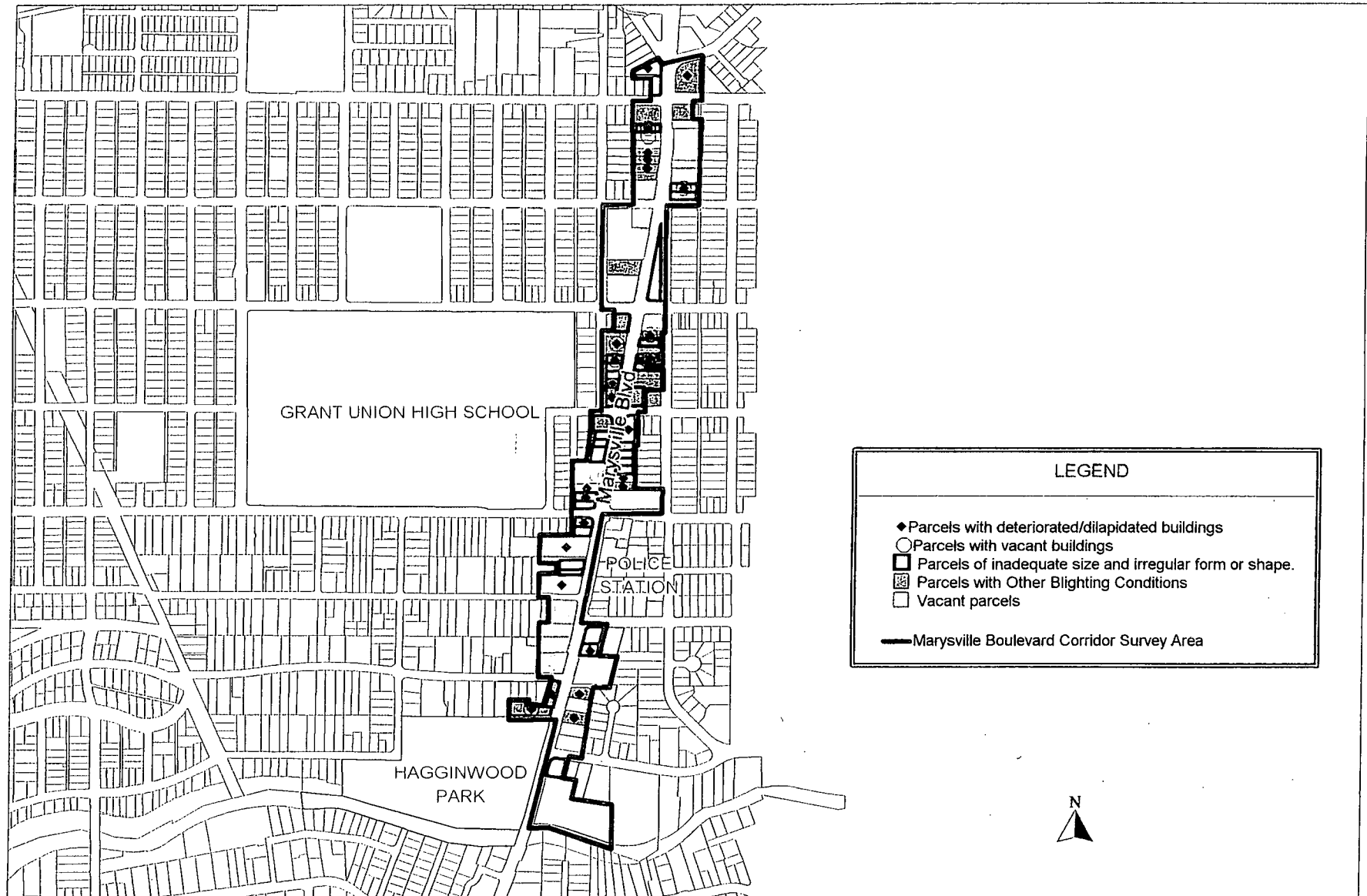
# KatzHollis



## PROJECT AREA WIDE EXISTING CONDITIONS

Sacramento Redevelopment Agency  
Del Paso Heights Redevelopment Project

Map 6



## MARYSVILLE BOULEVARD REMAINING BLIGHTING CONDITIONS

Sacramento Redevelopment Agency

Del Paso Heights Redevelopment Project

Map 7

unstable business environment which has adverse economic consequences for both private enterprise and the City in terms of income and business tax revenues.

The quality of life is sometimes more difficult to precisely measure but is no less important to the economic health and vitality of an area. In the case of the Project Area, overcrowding conditions in the housing stock continue to adversely affect both residents and property owners. Overcrowded housing is often more expensive to maintain and is generally considered an unhealthful condition in which to live. Crime is a major factor which continues to affect the quality of life of those living and working both within and adjacent to the Project Area. Crime in the Project Area has been a burden on the community and a threat to the public safety of residents, businesses and patrons of the area. It is important to note that a high incidence of crime, particularly those crimes that impact commercial properties such as burglary and theft, continues to threaten the economic vitality of businesses in the Project Area. As mentioned previously, businesses located in high crime areas tend to sustain additional costs of operations, including increased insurance and other costs as a result of stolen merchandise and property damage. Public perception of a crime problem in these areas also discourages patronage.

These physical and economic conditions combined are substantial and prevalent throughout the Marysville Boulevard Corridor and, because of the reasons stated above, continue to cause a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community.

## **2. Conditions Which Cannot Reasonably be Expected to be Reversed or Alleviated by Private Enterprise or Governmental Action, or Both, Without Redevelopment**

The conditions described above cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment because there continues to be little or no incentive for the private sector to invest in the area. In fact, the need for redevelopment is due to the continuing physical and economic conditions in the Project Area which are a result of limited or declining private and public investment and reinvestment.

Private development from existing owners as well as outside developers has been hindered by the risks associated with investment in a blighted area. In analyzing potential sites for development, the private sector reviews the costs and issues attendant to each site in relation to the potential revenues from the site. Blighted areas will almost always have higher costs and more significant risk factors than non-blighted areas. Governmental actions cannot address all the conditions that cause blight in the Project Area or reduce the risks and impediments to developers of the Project Area single-handedly or in conjunction with private enterprise without redevelopment. In the absence of some form of major public assistance, private sector investment in blighted areas is minimal. Alternative areas that are not blighted offer better and safer investment opportunities. Therefore, without major public intervention, the large-scale effort needed to redevelop and reverse the conditions in the area would not and cannot occur. The extensive programs and costs in governmental intervention cannot be provided or sustained by any one source or program available on an on-going basis except redevelopment. This is explored in more detail in Part IV of this Report.

Parts III and IV of this Report identify the programs and costs that continue to be needed to alleviate the conditions that cause blight found in the Project Area. As stated in Part IV Section B.3.a., "Reasons for Continuing to Include Tax Increment Financing in the Redevelopment Plan," these programs cannot be undertaken solely by private enterprise or by the local government other than through redevelopment financed by tax increment revenue. The use of tax increment financing is necessary to cover portions of the

extensive program costs that have been and will continue to be incurred in implementing the redevelopment program, and land acquisition to create developable sites.

### **PART III.**

## **DESCRIPTION OF SPECIFIC PROJECTS PROPOSED TO BE CONTINUED BY AGENCY IN PROJECT AREA, AND DESCRIPTION OF HOW PROPOSED PROJECTS WILL IMPROVE OR ALLEVIATE CONDITIONS REMAINING IN THE PROJECT AREA**

As described in detail in Part II of this Report, the Project Area continues to suffer from certain problems which cannot be remedied by private enterprise acting alone. The area's problems center around a number of physical issues, including: serious building code violations, buildings characterized by deterioration; defective design or physical construction; faulty utilities; substandard design; inadequate parking facilities; and irregularly/inadequately-sized parcels. The area's problems also center around a number of economic issues, including: vacant lots and vacant buildings, depreciated or stagnant property values; impaired investments; a lack of necessary commercial facilities; residential overcrowding; and a high crime rate. Project Area conditions are also affected by public improvement deficiencies. In order to remove remaining blighting conditions and facilitate economic revitalization, the following programs will continue to be implemented in the Project Area.

### **A. GENERAL REDEVELOPMENT ACTIONS**

The Amended and Restated Redevelopment Plan for the Del Paso Heights Redevelopment Project (as contained in the proposed Fifth Amendment) identifies the redevelopment implementation mechanisms available to the Agency to eliminate and prevent the spread of remaining blight and blighting influences. The central purpose of a redevelopment project is the elimination of blighting conditions and the overall revitalization of the area. To accomplish this purpose in the Project Area, the redevelopment projects, programs and activities contemplated under the Redevelopment Plan include: 1) property owner, tenant and business owner participation; 2) construction, reconstruction, and installation of public improvements and facilities; 3) demolition, clearance, and site preparation for the construction of buildings and public improvements; 4) relocation assistance; 5) construction and enhancement of low and moderate income housing; 6) property acquisition; 7) property disposition; 8) public and private cooperation; 9) establishment of restrictions and enforcement programs; and 10) other actions as appropriate.

The foregoing projects, programs and activities of the Agency have been occurring and include projects and programs identified in the Agency's Implementation Plan for the Project Area. The Implementation Plan, which was adopted in November 1994 and implemented over a five-year period, will remain consistent with the projects, programs and activities discussed below. However, since the Implementation Plan covers only the first three years of this Report, additional activities within each of the programs have been included and will be implemented in later years of the Amended and Restated Redevelopment Plan.

### **B. SPECIFIC REDEVELOPMENT PROJECTS, PROGRAMS AND ACTIVITIES**

The general redevelopment mechanisms available to the Agency will continue to be used to implement the specific programs and projects administered by the Agency, as described below. Even though the proposed projects, programs and activities are preliminary with respect to the exact sequence and timing of activities, the emphasis and major components of the activities represent the Agency's intent as to its involvement in the ongoing revitalization of the Project Area. The allocation of resources to accomplish the goals and objectives of the Amended and Restated Redevelopment Plan will occur on an annual basis.

The overall intent of the Agency's program is the removal of the remaining blight and blighting influences identified in Part II in order to benefit the occupants of the area and to

accomplish the integration of the area into the overall economic fabric of the City of Sacramento. It is believed that this betterment and integration will be realized when sufficient private investment and reinvestment occurs, and when the provision of ancillary, regional and community-based services in the area is fully realized.

In order to accomplish this goal, the Agency will continue to implement a number of activities, programs and projects that are specifically intended to eliminate those remaining blighting conditions identified in Part II and to prevent their recurrence. The programs proposed by the Agency to address the Project Area's problems and needs include: a Development Assistance Program; a Rehabilitation Program; a Public Improvements Program; and a Housing Program.

### **1. Development Assistance Program**

As described in Part II of this Report, the Project Area continues to suffer from a variety of physical and economic blighting conditions. Through this program, the Agency intends to rehabilitate and where necessary eliminate the most blighted structures and promote new economic activity, primarily along Marysville Boulevard and Norwood Avenue.

The Agency will continue to encourage industrial and commercial development within the Project Area by providing incentives to encourage businesses to locate in the Project Area. As part of this program, the Agency enters into agreements with developers or property owners which call for the redevelopment of developed sites or new development of vacant sites in the Project Area. In order to engender such development activity on these sites, the Agency assists with land assembly, site preparation, offsite improvements and provides relocation assistance to existing property owners and tenants. The Agency also assists new development activity in the Project Area by providing low interest or deferred payment loans. The recruitment and retention of existing businesses is also a part of this program. Programs have included or may include: business outreach programs, promotional programs for businesses, assistance to spur a business incubation program, and other programs of this nature.

The Agency has provided assistance through this program to the development of Phases I and II of the Norwood/I-80 business park development. Phase I of the business park is partially completed and Phase II is now underway. Agency assistance has come in the form of financial assistance for the installation of infrastructure. It is anticipated that additional Agency assistance will be required for the recruitment of additional new users to the business park through the Development Assistance Program.

As discussed in Part II of this Report, the Agency has received an Economic Development Assistance grant and Section 108 loan funds from HUD to assist in the development of the Del Paso Nuevo project. The project will consist of a 150-acre master-planned residential community. The grant and loan funds will be utilized to install infrastructure and provide gap financing on the first 300 homes to be built. Repayment of the Section 108 loan funds will come from both the sale of housing units and from the future tax increment from development of the housing units. It has been assumed that the Agency obligation to repay the Section 108 loan funds will come from both discretionary tax increment as part of the Development Assistance Program as well as housing set-aside funds used to finance the Housing Program.

### **2. Rehabilitation Program**

This program is designed to eliminate blighting conditions resulting from defective design, deterioration and dilapidation. The program encourages existing property owners/businesses to substantially upgrade deteriorated storefronts, correct code violations, and renovate the interiors of stores in order to upgrade the appearance of commercial properties. This program provides deferred payment and low interest loans to property

owners in the Project Area for these types of upgrades. Expenses are also reimbursed to business property owners and tenants for facade improvements.

### **3. Public Improvements Program**

Part II of this Report identified inadequate parking facilities along Marysville Boulevard as a contributor to the stagnation in the Project Area. There are several vacant lots on Marysville Boulevard which could function as public parking places serving nearby businesses. The Agency intends to assist in the provision of adequate parking in the Project Area. In addition, landscaping improvements and the installation of street lights are planned in order to upgrade the appearance of Marysville Boulevard.

The Project Area is also in need of the installation of a variety of public facilities. In conjunction with the development of the Del Paso Nuevo project, the Agency may assist in the construction of one or more child care centers for use by low and moderate income households. The Agency may also assist with the creation of a youth center/job training center in the Project Area. It is currently anticipated that the youth/job training center would be constructed in one of the more blighted areas along Marysville Boulevard, thereby assisting in the elimination of deteriorated and dilapidated buildings.

### **4. Housing Program**

The Agency's Housing Program includes both a rehabilitation component and assistance for new housing construction designed to increase and preserve the supply of low and moderate income housing.

The Agency's rehabilitation loan program focuses on preserving existing housing. Loans are available both for units housing low-income households (80 percent of area median income) and those housing very low-income (50 percent of median income) households. Typical repairs that can be made with these loans include: roof repair or replacement; new plumbing; replacement of water heaters, heating and air conditioning systems; repair of termite and pest damage; and interior or exterior painting of the units. General property improvement such as new appliances and carpeting may be permitted, if accompanied by all structural repairs necessary to bring the unit(s) to community standards.

The Agency also participates in the rehabilitation of vacant and boarded homes in the Project Area. The rehabilitation of such units can follow a self help model in which the future owners assist in the actual rehabilitation of the units. The Agency has also utilized the services of individuals who receive job training in all aspects of residential construction as part of the rehabilitation effort.

The Agency also assists in the construction of new housing. The Del Paso Nuevo project discussed above is one example of such a project. It is also expected that the Agency will assist in other new housing construction projects on infill sites in the future. The use of the self help model or the construction of units in conjunction with the job training program described above may also occur as part of this element of the housing program.

Other housing programs include: the First-Time Homebuyer program designed to encourage home ownership and the Reaching New Heights program, in which paint is provided to property owners to assist in maintaining their properties.

### **5. Other Redevelopment Activities**

Other redevelopment activities may be necessary to eliminate blighting conditions, facilitate rehabilitation and development or to otherwise carry out the Agency's purposes in the Project Area. In addition, the Agency will continue to have various administrative and operational requirements associated with carrying out the above programs and

activities. These will include program staff, conducting planning and other studies, and securing legal and other technical assistance.

### **C. DESCRIPTION OF HOW PROPOSED PROJECTS WILL IMPROVE OR ALLEVIATE REMAINING BLIGHTING CONDITIONS IN THE PROJECT AREA**

In addition to facilitating expansion and development of new businesses, the Agency's Development Assistance Program directly confronts many of the physical and economic blighting conditions remaining in the Project Area. The negative effect of buildings suffering from deterioration and obsolescence can continue to be removed and vacant and underutilized lots and buildings can continue to be replaced with, or rehabilitated to house, more productive commercial or industrial development. New businesses have created and will continue to create new jobs and increase economic activity in the Project Area. In addition, the use of a business attraction and retention program assists in alleviating such economic blighting characteristics as stagnant land values.

The Rehabilitation Program enables existing business owners to upgrade their properties not only to eliminate structural problems stemming from deterioration but also to expand and/or modernize their facilities so that they are no longer obsolete and can effectively compete in the commercial marketplace. Rehabilitation of commercial structures improves the image and appearance of the area to attract new businesses and private investment to the Project Area.

Parking improvements will improve traffic circulation by taking vehicles off the streets and eliminating the need to drive around looking for scarce on-street parking spaces. These improvements will also enhance the competitiveness of the businesses they serve. The construction of child care centers and a youth/job training center will eliminate the lack of public facilities available to assist the residents of the Project Area. It is also anticipated that the youth/job training center will be located on one of the most blighted sections of the Project Area and that the Agency, through its land assembly program, will remove some of the most deteriorated structures in the Project Area. A focused public improvement program represents a tangible expression of the Agency's/City's continuing interest in making the Project Area a better place to live, work and conduct business, creating an environment where property owners, businesses and outside developers have the incentive to make long range plans and the commitment to carry them out.

It is a major goal of the Agency to increase, improve and preserve the supply of affordable housing in the Project Area and the City of Sacramento. The Housing Program promotes this goal through rehabilitation, new construction, and low interest funding of housing projects. Development of new and rehabilitation of existing housing units will substantially enhance the economic vitality of the Project Area and the City of Sacramento.



## **PART IV.**

### **PROPOSED METHOD OF FINANCING REDEVELOPMENT OF THE AMENDED PROJECT, INCLUDING ASSESSMENT OF CONTINUED ECONOMIC FEASIBILITY OF AMENDED PROJECT AND REASONS FOR CONTINUING TO INCLUDE TAX INCREMENT FINANCING**

The Agency proposes that the redevelopment process continue to be used, to the greatest extent possible, to alleviate remaining problems in the Project Area, which are described in detail in Part II of this Report, in order to provide a proper environment for revitalization to continue to occur. Such activities will facilitate and enable the economic revitalization of the Project Area, and will benefit the City of Sacramento as a whole. This Part IV will briefly describe and provide aggregate cost estimates for the activities described in Part III of this Report which, along with ancillary activities such as Project administration, constitute the redevelopment program proposed to be continued by the Agency to alleviate remaining blighting conditions. The potential resources and methods of financing that are available to the Agency will be discussed and the amended Project's continuing economic feasibility will be demonstrated.

This Part IV analyzes the Project Area financing in two ways for separate purposes. First, the total costs attributable to the various elements of the continued redevelopment program are aggregated in current 1998 dollars, as shown in Table IV-1. This analysis of costs is then used as the basis for establishing new bonded indebtedness and tax increment limits for the Project Area, as shown in Table IV-2. To determine if the Project is financially feasible, total Project costs could be compared to total estimated tax increment revenues. This approach to financial feasibility, however, is a limited portrayal because it cannot identify annual revenue shortfalls that could potentially cripple program implementation, nor does it show whether the continued program of redevelopment is feasible given the extended time limits for incurring and repaying debt and undertaking program activities as contemplated under the Fifth Amendment. Thus, as shown on the Cash Flow Summary (Table IV-5), the costs identified in Table IV-1 (as adjusted for inflation) are compared to resources over time on a cash flow basis to demonstrate financial feasibility.

The cash flow represents only one possible portrayal of the implementation of the amended Project over its extended term and does not allow for unforeseen events, such as higher than anticipated inflation or bond interest rates substantially in excess of current rates. Therefore, to be prudent, the Project's bonded indebtedness and tax increment limits are established by the "snapshot" method shown in Table IV-2, with contingencies taken into account.

#### **A. ESTIMATED COSTS OF THE CONTINUED REDEVELOPMENT PROGRAM**

Part III of this Report discussed the activities, programs, and projects that make up the Agency's continued redevelopment program and how that redevelopment program will improve or alleviate blighting conditions remaining in the Project Area. This section summarizes the estimated costs of the continued redevelopment program.

The total cost estimates, as shown below for the categories of Agency involvement in the revitalization of the Project Area, are shown in 1998 dollars. These amounts have been adjusted for inflation and included in the Cash Flow Summary of the Project Area's financial feasibility discussed above and described more fully below.

Table IV-1 shows the total estimated Project Area costs to complete the Agency's continued redevelopment program, any offsets to program costs, and the portion of those costs proposed for Project Area funding. The offsets to program costs shown on the table are revenues dedicated to the Project Area which would come from sources other than the Agency's tax increment revenues. Estimated program costs and offsets to those

Table IV-1  
Sacramento Housing and Redevelopment Agency  
Del Paso Heights Project

**ESTIMATED PROGRAM COSTS**  
(000's Omitted)

	<u>Total</u> <u>Estimated Cost</u>	<u>Offsets to</u> <u>Estimated Cost</u>	<u>Net</u> <u>Estimated Cost</u>
<b>Development Assistance Program</b>			
Land Assembly / Relocation	\$4,054	\$990	\$3,063
Other Development Assistance	4,414	0	4,414
Subtotal	<u>8,468</u>	<u>990</u>	<u>7,477</u>
<b>Rehabilitation Program</b>			
Deferred Payment Loans	780	401	379
Subtotal	<u>780</u>	<u>401</u>	<u>379</u>
<b>Public Improvement and Facilities Program</b>			
Landscaping, Parking and Lighting	2,900	0	2,900
Public Facilities	2,250	1,000	1,250
Subtotal	<u>5,150</u>	<u>1,000</u>	<u>4,150</u>
<b>Low - Mod Housing Program</b>			
Housing Rehabilitation	3,700	1,745	1,955
New Housing Construction	4,562	0	4,562
Other Housing Programs	715	0	715
Subtotal	<u>8,977</u>	<u>1,745</u>	<u>7,232</u>
<b>Administration And Operations (1)</b>	<u>6,089</u>	<u>0</u>	<u>6,089</u>
<b>GRAND TOTAL</b>	<b>\$29,463</b>	<b>\$4,136</b>	<b>\$25,328</b>

(1) Based on the net present value of administrative expenses shown in the Cash Flow Summary.

costs have been included in the Cash Flow Summary of the Project's financial feasibility discussed later.

### **1. Development Assistance Program**

In order to address certain physical and economic blighting conditions within the Project Area, the Agency proposes to continue its Development Assistance Program. Through this program, the Agency encourages infill development that establishes new commercial and industrial areas within the Project Area. This program also solicits businesses to locate within the boundaries of the Project Area and encourages the retention of existing businesses. Also included within this program is a portion of the funding needed to repay the Section 108 loan associated with the Del Paso Nuevo housing project. Total costs for this program are estimated to equal \$8.5 million over the extended term of the Project, with net Agency expenditures estimated to be \$7.5 million.

### **2. Rehabilitation Program**

As noted in Part III of this Report, the Agency will continue its Rehabilitation Program to address certain conditions of blight in the Project Area. This program provides deferred payment or low interest loans to businesses in the Project Area for a variety of rehabilitation improvements. The total cost for the continuation of the Agency's Rehabilitation Program is estimated to be \$780,000. Offsets to the cost of the Rehabilitation Program in the form of loan repayments are estimated to equal \$401,000, resulting in net Agency costs of approximately \$379,000.

### **3. Public Improvement and Facilities Program**

The Agency intends to provide for the construction of certain public facilities in the Project Area, at a cost of \$2.3 million. It has been assumed that approximately \$1.0 million will come from sources other than tax increment, leaving net Agency costs of \$1.3 million. The Agency also proposes to participate in a program for the provision of additional parking, as needed, within the Project Area and the installation of landscaping and lighting along Marysville Boulevard. The total cost for this item is estimated to equal \$2.9 million.

### **4. Housing Program**

The Agency proposes the continuation of a Housing Program within the Project Area. One element of this program involves the creation of new residential development on vacant and underutilized sites in the Project Area. A portion of the funding for the repayment of the Section 108 loan for the Del Paso Nuevo project is contained within the housing program. In addition, the Agency has provided, and will continue its efforts to rehabilitate the housing stock. This includes assistance in the rehabilitation of vacant and boarded housing units. The Agency also intends to continue funding its First Time Homebuyers program designed to promote home ownership in the Project Area. The total costs for the Housing Program are estimated to be approximately \$9.0 million. Approximately \$1.7 million of funds are anticipated to be available from loan repayments, leaving \$7.2 million in net Housing Program costs.

### **5. Other Redevelopment Activities**

In implementing all of the above program activities, administrative and operating overhead expenditures will be incurred over the extended term of the Project. Administrative and operating expenses reflect costs for salaries, technical assistance and enforcement programs, operating services and supplies, and consultant and legal services for both daily operations and project-specific implementation. Administration and operations costs shown in Table IV-1 are based on the net present value of administrative expenditures shown in the Cash Flow Summary, resulting in a total cost of approximately \$6.1 million, in 1998 dollars.

The combination of estimated net Agency costs for the completion of redevelopment of the Project Area, including anticipated costs associated with the continued redevelopment program activities described above and administrative expenditures over the extended life of the Project Area, total approximately \$25.3 million (in 1998 dollars), as summarized in Table IV-1. The costs shown in Table IV-1, and summarized above, do not include adjustments for inflation or the cost of interest which may result from the financing of Agency activities. Project Area costs also do not include future mandated payments to taxing entities pursuant to the provisions of the CRL.

## **B. FINANCING METHODS AND ALTERNATIVES**

### **1. General Financing Methods Available to the Agency**

Except for extending time limits and increasing the Project tax increment and bond debt limits, the proposed Fifth Amendment does not affect the Agency's authority to finance the Project Area with financial assistance from the City of Sacramento, the County of Sacramento and other local public entities, the State of California, the federal government, tax increment funds, special assessment districts, donations, interest income, Agency bonds, loans from private financial institutions, the lease or sale of Agency-owned property, participation in development or any other available sources, both public and private.

Also not affected is the Agency's authority to obtain advances, borrow funds and create indebtedness in carrying out the Amended and Restated Redevelopment Plan. The principal and interest on such advances, funds and indebtedness may be paid from tax increments or any other funds available to the Agency.

### **2. Financing Alternatives Other Than Tax Increment**

Other than tax increment receipts, which are discussed later, the potential revenue funding sources for the anticipated Project Area costs include: loans, grants and contributions from the City, other local entities, the County, the State, the federal government, developers; proceeds from the sale or lease of Agency-owned property; repayment of Agency loans and advances; financing proceeds based upon revenues from special assessment or special tax districts; and developer fees.

#### **a. Loans, Grants, Contributions From the City, the County, the State, the Federal Government and From Developers**

The Agency has received an Economic Development Initiative (EDI) grant from the federal government, along with Section 108 loan funds, for the Del Paso Nuevo project. Other advances, grants or loans from government agency funds or private sector developers could be effectively used to realize timely implementation and completion of the continuing redevelopment activities and programs for the Project Area. Neither the EDI grant or the Section 108 loan funds have been included in the Cash Flow Summary, since the infrastructure and other costs which the grant and loan will be used for have not been included in the Redevelopment Program costs. No other grant or loans have been incorporated into the Cash Flow Summary of the continued economic feasibility of the amended Project, since the availability of such funding is uncertain.

#### **b. Property Disposition Proceeds**

The Agency anticipates continuing to assist in the acquisition of certain property in the course of program implementation in the Project Area. Any such property not intended to house or be the site for permanent public improvements or facilities is intended for disposition by the Agency to private sector participants in the revitalization efforts in the Project Area. Due to the density of the area within the Project Area and the high cost of

land assembly, any proceeds recovered for Agency-assembled sites are not expected to exceed the costs of assembly and will likely continue to be substantially below the cost of assembly. For this reason it is assumed that the Agency will need to continue to fund the excess cost of land assembly over disposition proceeds in order to spur the revitalization of the Project Area. Resources resulting from sale proceeds are included in the Cash Flow Summary and are estimated at \$1.2 million in escalated dollars. Such amounts are assumed to be utilized to fund the acquisition activities to which they are related.

c. Repayment of Loans and Advances

The Agency is proposing the continuation of a loan program to assist in the revitalization of commercial and residential structures in the Project Area. The repayment of these loans will constitute a resource that can fund other expenditures of the Agency. As shown on the Cash Flow Summary (Table IV-5) approximately \$2.8 million (escalated dollars) in loan repayment resources are assumed to be available over the extended term of the Project Area.

d. Special Assessment or Tax Districts

The Agency may consider the creation of special assessment or tax districts to assist in the financing of anticipated Project Area activities and programs. Assessment or special tax districts, as permitted under existing state law, could be utilized as a method for financing deficits anticipated as a result of the implementation of the public improvements or private development activity within or of specific benefit to the district. Under this financing alternative, the Agency could be responsible for the partial or total funding of improvements originally financed by the special district through the sale of Agency bonds in future years or through use of tax increment reimbursements. The proceeds of such bonds, as well as tax revenues in excess of corresponding debt service, could reimburse the district for costs and reimburse developers for all or a portion of assessments paid in the interim. Such districts are not specifically included in the Cash Flow Summary, but could be the source of funding in some years of project implementation.

### 3. Tax Increment Revenue

a. Reasons for Continuing To Include Tax Increment Financing in the Redevelopment Plan

The continued redevelopment program anticipated for the Project Area will continue to provide a method of securing desired revitalization, new development and public improvements in the Project Area which will, in turn, benefit from the infusion of new capital. The redevelopment program and subsequent development activity in the Project Area will also continue to provide a viable financing tool by means of tax increment revenue generation. As discussed in the previous section, it is assumed that the City and the Agency will continue to consider other legally permissible alternative sources of funding available to finance Project Area activities and programs, prior to the use of tax increment revenues. However, the Agency and the City must look to and continue to rely upon this source of funding as a primary means of resolving the Project Area's various problems.

Neither the City, nor other public entities, nor private sector developers will be or historically have been able to fully assume the combination of costs associated with development in the Project Area. The provision for tax increment in the Amended and Restated Redevelopment Plan is necessary to cover the currently estimated shortfall between costs and other funding sources and to be available in the event that other funding sources are not fully realized. In the case of the City and other public entities, without the assistance of tax increment funding, public services in other parts of the City would have to be reduced in order to fund needed redevelopment activities in the Project Area. In the case of the private development market, once the anticipated investment

return on a property is reduced below a rate comparable to alternative investments, the economic feasibility of developing the given parcel is jeopardized.

Finally, even though a number of financing methods and sources are available and will continue to be utilized to fund some of the types of programs to be administered by the Agency, such sources are insufficient to finance all program costs. Alternative financing sources also present limitations and drawbacks that are not presented by tax increment financing. For example, the availability of tax increment revenue is ongoing, measurable and determinable, unlike assistance and grants from different levels of government which must be applied on an annual basis and are therefore not guaranteed. Loans from other governmental entities, such as the federal Section 108 loan to be used for the Del Paso Nuevo project, create an upfront financing method but also a repayment obligation for which tax increment is needed. Furthermore, the limitations of the use of tax increment are not as restrictive as those for other types of funding, such as assessment districts. Assessment districts also increase the cost of development for the private sector and can act as a barrier to investment, particularly in blighted areas. Development fees have similar problems, and also are normally set at levels sufficient to cover the cost of a particular service or infrastructure need. Such fees are not and cannot be set at levels sufficient to generate excess revenue for use in a general revitalization effort, as is to be continued in the Project Area. For each of these reasons, tax increment revenues are necessary to resolve the significant blight problems remaining in the Project Area.

b. New Debt Establishment, Debt Repayment, Plan Effectiveness, Bonded Indebtedness and Tax Increment Revenue Limitations

The CRL requires that every redevelopment plan that includes the use of tax increment must include specified time limits. The Amended and Restated Redevelopment Plan for the Del Paso Heights Project includes the following limits:

Debt Establishment:	2010
Plan Effectiveness:	2010
Debt Repayment:	2020

The above time limits have been extended to the maximums permitted by the CRL. In addition to the above limits, the Del Paso Heights Redevelopment Plan specifies the maximum amount of bonded indebtedness, to be repaid from tax increment, that may be outstanding at any time during the implementation of the plan. For redevelopment plans adopted prior to January 1, 1994, the redevelopment plan must also contain a limit on the total amount of tax increment that can be received by an Agency. These limits have been increased, as shown in Table IV-2, and are included in the Amended and Restated Redevelopment Plan and discussed below.

The determination of the new bonded indebtedness limit is based on the combined total costs of the various components of the Agency's continued program for the Project Area, as shown in Table IV-1. As was indicated earlier, the costs shown in Table IV-1 exclude any estimate of inflationary or financing (interest) costs which may be incurred in the implementation of the Agency's program. Table IV-1 also excludes any factor for contingencies which may have to be addressed in the course of program implementation. To take into account adjustments to the cost estimates and other unforeseen events, a contingency factor of 30 percent has been included, resulting in assumed additional costs totaling approximately \$7.6 million. Together with program costs, the total Project costs are estimated to be approximately \$32.9 million.

To determine the total amount of bonded indebtedness that can be outstanding at any one time, estimated Project costs are assumed to be financed as a single borrowing. The total amount is adjusted for financing costs (debt service reserve requirements and assumed underwriter's discount and fees). In addition, the Agency has approximately \$3.3 in principal outstanding in tax allocation bonds. The combined total amount of \$41

Table IV-2

Sacramento Housing and Redevelopment Agency  
Del Paso Heights Project

limit

**BONDED INDEBTEDNESS AND TAX INCREMENT LIMITS**

(000's Omitted)

Total Program Costs	\$25,328
Plus: Contingencies @ 30%	7,598
Total Estimated Project Costs	<u>\$32,926</u>
Plus: Finance Costs (1)	4,939
Principal Outstanding on Tax Allocation Bonds	3,254
<b>Round to Bonded Indebtedness Limit</b>	<b><u>\$41,000</u></b>
Plus: Debt Service on Bond Issue (Interest Only) (2)	63,701
Tax Increment Received thru 1996	10,162
Estimated Tax Sharing Payments	16,516
Amended Project Costs	<u>131,379</u>
<b>Tax Increment Limit (Rounded)</b>	<b><u>\$131,000</u></b>

(1) Financing costs are the costs of issuance included as 15% of Program Costs assuming deposits to reserve fund, underwriters discount and miscellaneous costs associated with the issuance of bonds.

(2) Debt service on the financing assumes a 12 percent interest rate and a 22 year term. Also includes remaining interest on outstanding bonds. It is assumed that debt service in the 22nd year will be paid from reserve fund.

Source: Katz Hollis, 1997

million is the new limitation contained in the Amended and Restated Redevelopment Plan on the total amount of bonded indebtedness that can be outstanding at any one time.

Given the assumption of a single financing that would fund the totality of continued program expenditures, the debt service payments on this borrowing would represent the total use of tax increment in the completion of the Project, other than tax increment revenue received to date and mandatory payments to taxing entities required by Section 33607.5 of the CRL. Using the assumptions of an interest rate of 12 percent and a term of 22 years, interest on the financing, plus interest on outstanding bonds, would result in total payments (or required tax increment) of approximately \$63.7 million.

The Agency has received approximately \$10.2 million of tax increment revenues through 1995-96. Based on the provisions of Section 33607.7 of the CRL, approximately \$16.5 million in tax increment revenues are anticipated to be used for future statutory pass through payments triggered by the Fifth Amendment. The total of each of these items, when rounded to \$131.0 million, is the new limitation of tax increment included in the Amended and Restated Redevelopment Plan for the Project.

c. Estimate of Potential Tax Increment Revenue

Revenues resulting from the annual incremental assessed valuation of the Project Area are based upon transfer of property ownership and new construction activities within the Project Area. Table IV-3, Assumed Agency-Engendered New Development, summarizes the type and scope of developments engendered by the Agency that may occur over the extended term of the Project Area.

A projection of annual tax increment revenues that could be realized over the extended term of the Project Area is summarized in Table IV-4, Projection of Tax Increment Revenue. It should be noted that the total amount of tax increment revenue shown in Table IV-4 reflects the potential universe of revenue that the Agency could receive, given the assumptions that underlie the projections, including an increase in the existing tax increment limit and the extension of plan effectiveness, debt establishment and repayment time limits.

Estimated tax increment revenues shown in Table IV-4 are based upon future Project Area valuation increases attributable to transfer of ownership and assumed new construction activities and to allowable inflationary increases as permitted under Article XIII A of the California Constitution. Assumptions regarding other trending factors utilized in this projection are noted in the footnotes for Table IV-4. The timing of specific new development activity is based on the Cash Flow Summary of Project Area implementation presented in this Report.

Total cumulative tax increment revenues to be received by the Agency over the extended term of the Project, given the assumptions used in the analysis, are estimated to be \$71.2 million. This amount has been reduced for: 1) property tax administration fees that are collected by the County of Sacramento pursuant to SB 2557 (Chapter 466, Statutes of 1990); and 2) mandatory payments to taxing entities pursuant to AB 1290. As shown in Table IV-4, approximately \$14.2 million will be set aside for the use of funding low and moderate income housing programs. As a result, the Agency is anticipated to receive approximately \$47.9 million in net tax increment revenue, given the implementation scenario represented by the cash flow below.

The estimated tax increment revenue projections are based on the general assessment and revenue allocation practices of the County of Sacramento. General assessment and revenue allocation practices are, however, subject to policy and legislative changes, which could result in actual tax increment revenues being different from what has been projected for the cash flow. To the extent development activities do not take place based on the scope and schedule assumed, tax increment could also be other than what is



Table IV-3  
 Sacramento Housing and Redevelopment Agency  
 Del Paso Heights Project

**ASSUMED AGENCY ENGENDERED NEW DEVELOPMENT**

<u>Type of Development</u>	<u>Square Footage Units</u>	<u>Value Added (000's Omitted)</u>
Norwood Business Park	275,500	\$13,775
Commercial Development	97,530	6,739
Housing - Del Paso Nuevo	780	74,100
Housing - Other	123	10,930
<b>Grand Total</b>		<b>\$105,544</b>

Table IV-4

Sacramento Housing and Redevelopment Agency  
Del Paso Heights Project

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**PROJECTION OF TAX INCREMENT REVENUE**

(000's Omitted)

Plan Year	Agency Fiscal Year	Total Real (1) Property	Total Other (2) Property	Total Value	Value Over Base Of \$27,063	Gross Tax (3) Increment	Unitary Tax (4) Increment	Total Tax Increment	Property Tax Admin. (5) Fees	Tax Increment Less Admin. Fee	Tax Sharing (6) To Other Taxing Entities	To City	Housing Set Aside	Net Tax Increment
1	1997	\$129,654	\$6,398	\$136,052	\$108,989	\$1,095	\$43	\$1,138	\$25	\$1,113	\$0	\$0	\$223	\$891
2	1998	134,455	6,526	140,981	113,918	1,144	44	1,188	26	1,162	0	0	232	930
3	1999	144,550	6,826	151,376	124,314	1,248	45	1,293	28	1,265	0	0	253	1,012
4	2000	157,035	8,103	165,139	138,076	1,386	46	1,431	31	1,400	0	0	280	1,120
5	2001	169,289	9,260	178,550	151,487	1,519	47	1,566	34	1,532	20	10	306	1,195
6	2002	182,279	10,723	193,002	165,939	1,663	48	1,711	37	1,674	39	20	335	1,280
7	2003	195,846	12,301	208,147	181,084	1,814	49	1,863	40	1,822	59	30	364	1,369
8	2004	215,421	13,952	229,373	202,310	2,026	50	2,075	45	2,031	88	44	406	1,493
9	2005	235,890	15,627	251,517	224,454	2,246	51	2,297	49	2,248	117	58	450	1,623
10	2006	255,779	17,377	273,157	246,094	2,462	52	2,514	53	2,460	146	73	492	1,749
11	2007	276,557	18,585	295,142	268,079	2,681	53	2,733	58	2,676	176	87	535	1,878
12	2008	298,255	19,843	318,098	291,035	2,910	54	2,964	62	2,902	206	103	580	2,013
13	2009	319,770	21,152	340,922	313,859	3,139	55	3,193	66	3,127	237	118	625	2,147
14	2010	340,128	21,575	361,703	334,640	3,346	56	3,402	71	3,332	276	132	666	2,258
15	2011	358,063	22,006	380,070	353,007	3,530	57	3,587	74	3,513	321	144	703	2,345
16	2012	376,733	22,447	399,180	372,117	3,721	58	3,779	78	3,701	368	157	740	2,436
17	2013	396,166	22,895	419,062	391,999	3,920	59	3,979	82	3,897	417	170	779	2,531
18	2014	408,853	23,353	432,207	405,144	4,051	60	4,112	85	4,027	449	179	805	2,594
19	2015	421,985	23,820	445,805	418,742	4,187	62	4,249	88	4,161	483	188	832	2,659
20	2016	435,577	24,297	459,874	432,811	4,328	63	4,391	91	4,300	517	197	860	2,726
21	2017	449,647	24,783	474,430	447,367	4,474	64	4,538	94	4,444	553	207	889	2,796
22	2018	464,213	25,278	489,492	462,429	4,624	65	4,690	97	4,593	590	217	919	2,867
23	2019	479,293	25,784	505,077	478,015	4,780	67	4,847	100	4,747	628	227	949	2,942
	2020	494,907	26,300	521,207	494,144	4,941	68	5,009	104	4,906	668	238	981	3,019
<b>CUMULATIVE REVENUE</b>						<b>\$71,238</b>	<b>\$1,312</b>	<b>\$72,551</b>	<b>\$1,518</b>	<b>\$71,032</b>	<b>\$6,359</b>	<b>\$2,596</b>	<b>\$14,206</b>	<b>\$47,870</b>

(1) Real property is trended at an assumed annual rate of 3 percent for 1997-98 and 1998-99 and 4 percent thereafter.

Also includes new development value from Table IV-3, "Assumed Agency Engendered New Development". The future value of new development has been trended at 2 percent per year.

(2) Includes the taxable value of personal property trended at 2 percent annually plus the value of new construction.

(3) Based on the application of Project Area tax rates to incremental value.

(4) Reflects unitary revenues reported by Sacramento County for 1995-96, escalated by 2 percent per year.

(5) Property tax administrative fees assumed to be collected by Sacramento County.

(6) Mandatory tax sharing payments per the provisions of the CRL.

shown in Table IV-4. However, the level of development assumed in this analysis is consistent with that which is possible through the implementation of the continued redevelopment program.

d. Tax Increment Obligations

No tax sharing agreements currently exist for the Project Area. Pursuant to the CRL, once any of the current Redevelopment Plan limitations being amended by the Fifth Amendment would have taken effect without the Fifth Amendment, the Agency is required to begin payments to the affected taxing entities. It is estimated that the Agency will pass the current debt incurrence limit of May 2000 prior to reaching its current tax increment limit and that mandatory tax sharing payments will commence in 2000-01. At that point in time, tax sharing payments are calculated against the amount of assessed value by which the (then) current year assessed value exceeds an adjusted base year value. The adjusted base year value is the assessed value of the Project Area in the year in which the first limit is reached (estimated to be 1999-2000).

Outlined below is a description of specific payments amounts.

- (1) Commencing with the first fiscal year following the fiscal year in which the adjusted base year value is determined and continuing through the last fiscal year in which the Agency receives tax increments, the Agency shall pay to the affected taxing entities an amount equal to 25 percent of the tax increment attributable to increases in value above the adjusted base year value. The tax sharing payment is calculated after the amount required to be deposited in the Low and Moderate Income Housing Fund has been deducted. The net tax sharing payment is therefore equal to 20 percent.
- (2) Commencing with the 11th fiscal year in which the Agency receives tax increments above the adjusted base year value and continuing through the last fiscal year in which the Agency receives such tax increments, the Agency shall pay to the affected taxing entities, in addition to the amounts paid pursuant to item (1) above and after deducting the amount allocated to the Low and Moderate Income Housing Fund, an amount equal to 21 percent of the portion of tax increments received by the Agency, which shall be calculated by applying the tax rate against the amount of assessed value by which the current year assessed value exceeds a second adjusted base year assessed value. The second adjusted base year assessed value is the assessed value of the Project Area in the 10th fiscal year in which the Agency receives tax increment attributable to the first adjusted base year value.

It should be noted that the CRL requires a third tier of tax sharing payments. However, such payments would not be due until after the period of time when the Agency is eligible to receive tax increment for the Project Area has expired.

The tax sharing payments that are required to be made to the affected taxing entities have been included as offsets to net tax increment revenue in Table IV-4, Projection of Tax Increment Revenue, under the heading "Tax Sharing." Such amounts have also been shown in Table IV-5, Cash Flow Summary and are therefore included in the analysis of the continuing economic feasibility of the amended Project.

e. Tax Increment Use Limitations and Requirements

In addition to the limits discussed above, there are several other statutory requirements relating to the Agency's use of tax increment funds. The Agency is aware of such requirements and intends to adhere to them to the extent they are applicable to the Agency and/or the Project Area. A summary of these requirements is presented below:

- (1) Prior to paying all or part of the value of land for and the cost of installation and construction of any building, facility, structure, or other improvement which is publicly owned either within or outside a project area, the Agency will request the City Council to consent to such payment and to determine:

that such building, facility, structure or improvement is of benefit to the project area or the immediate neighborhood; and

that no other reasonable means of financing the building, facility, structure or improvement is available to the community; and

that the payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements will assist in the elimination of one or more blighting conditions inside the project or provide housing for low- or moderate-income persons; and

that the payment of funds for the acquisition of land or the costs of buildings, facilities, structures, or other improvements is consistent with the implementation plan adopted pursuant to Section 33490 of the CRL.

- (2) The Agency shall not pay for, either directly or indirectly with tax increment funds, the construction or rehabilitation of a building that is, or that will be used as, a city hall or county administration building unless the Agency uses tax increment funds of the purpose of rehabilitating or replacing a city hall that was seriously damaged during an earthquake that was declared by the President of the United States to be a natural disaster.

- (3) The Agency shall not provide any form of direct assistance to:

an automobile dealership which will be or is on a parcel of land which has not previously been developed for urban use, unless, prior to January 1, 1994, the Agency either owns the land or has entered into an enforceable agreement, for the purchase of the land or of an interest in the land; or

a development that will be or is on a parcel of land of five acres or more which has not previously been developed for urban use and that will, when developed, generate sales or use taxes, unless the principal permitted use of the development is office, hotel, manufacturing, or industrial, or unless, prior to January 1, 1994, the Agency either owns the land or has entered into an enforceable agreement, for the purchase the land or of an interest in the land.

a development or business, either directly or indirectly, for the acquisition, construction, improvement, rehabilitation, or replacement of property that is or would be used for gambling or gaming of any kind whatsoever, including, but not limited to, casinos, gaming clubs, bingo operations, or any facility wherein banked or percentage games, any form of gambling device, or lotteries, other than the California State Lottery, are or will be played.

- (4) The Agency will not, without prior consent of the City Council, develop a site for industrial or commercial use so as to provide streets, sidewalks, utilities or other improvements which the owner or operator of the site would otherwise be obligated to provide.
- (5) Prior to entering into any agreement to sell or lease any property acquired in whole or in part with tax increment funds, the Agency will request the City Council to approve such sale or lease after holding a public hearing. In connection with such public hearing the Agency shall make available a summary describing and specifying to the extent applicable:

the cost of the agreement to the Agency;

the estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the redevelopment plan;

the estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants and development costs required by the sale or lease. The purchase price or the present value of the lease payments, and, if the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased determined at the highest and best use consistent with the redevelopment plan, an explanation of the reasons for such difference; and

an explanation of why the sale or lease of the property will assist in the elimination of blight.

### **C. ASSESSMENT OF PROPOSED FINANCING METHOD AND CONTINUED ECONOMIC FEASIBILITY OF THE AMENDED PROJECT**

The determination of financial feasibility as required by the CRL is demonstrated on a cash flow basis. The Cash Flow Summary, shown in Table IV-5, is a projection of assumed annual resources and expenditures over the extended term of the amended Project.

Table IV-5 provides an example of the implementation of the Project Area's continued redevelopment program on a cash flow basis. The cash flow projection presented and described in this Report should not be construed, however, as the only method of financing the Agency's continued redevelopment program for the Project Area under the provisions of Section 33000 *et seq.* of the Health and Safety Code. The projection does show that the completion of the continued redevelopment program in the Project Area is feasible under the assumptions explained in this section and within the following general parameters: that actual timing and costs of the redevelopment program are as projected; that subsequent new development activities will occur as projected assuming the continuation of necessary Agency assistance; and that the Plan's time and financial limits are amended as proposed as part of the Fifth Amendment.

In implementing the continued redevelopment program of the Project Area, it is assumed that the City and the Agency will continue to consider and utilize legally permissible funding sources, like those described earlier. However, given the estimated continued redevelopment program cost (including administration) of approximately \$72.7 million to complete the Agency's revitalization objectives as shown in the Cash Flow Summary, it is obvious that tax increment revenues will continue to be required to finance program activities. The annual resources in the cash flow include: tax increment revenues assumed to be generated within the Project Area; bond proceeds; land sale proceeds; investment earnings on the available fund balances; and repayment of rehabilitation loans.

The expenditures included in the cash flow are bond debt service, the administrative costs associated with completing the Agency's continued program and specific Project Area program costs. For the purposes of the cash flow, specific program costs have been divided into four main categories including: Development Assistance; Public Improvements; Rehabilitation; and Housing. The cash flow expenditures also include administrative costs associated with completing the Agency's redevelopment program.

The Cash Flow Summary includes certain timing and duration assumptions for the completion of the Agency's continued redevelopment program that are intended to address the goals and objectives of the Agency's program. The prioritization of program

implementation is based on funding those items most likely to engender new development at the earliest feasible date. The Cash Flow Summary is also consistent with the Agency's budget for 1997. The sequence of implementation beyond 1997 as portrayed in the Cash Flow Summary should not be construed, however, as the actual or only potential sequence of implementation for the Agency's program. Even though the sequence of implementation for the programs and activities to be continued over the extended term of the Project is preliminary with respect to the exact sequence and timing of activities, the emphasis and major components of the activities planned represent the Agency's intent as to its involvement in the revitalization of the Project Area. To a large degree, the timing of events for program implementation is dependent upon external factors, over which the Agency may have little or no control. To the extent these externalities impact the Agency's ability to implement the program, the actual sequence of implementation may be other than what is assumed in the cash flow analysis. Minimally, the proposed sequence of implementation will be determined in three years and every five years thereafter as the Agency updates its proposed program of actions and expenditures for each respective five-year period in its Implementation Plan for the Del Paso Heights Redevelopment Project.

It is assumed in the Cash Flow Summary that the Agency will address and mitigate the remaining blighting conditions discussed in Part II of this Report throughout the extended duration of the continued redevelopment program. An integral assumption of the cash flow analysis is that the continued redevelopment program cannot be financed without the infusion of capital in the form of tax allocation bonds. Given the Agency's current tax increment limit of \$18 million, its existing obligations against the limit, and the remaining time frame to repay debt (in 2010) the Agency would not be able to issue additional tax allocation bonds without the Fifth Amendment. Given amendments to the Project's tax increment limit and financial time limits contained in the Amended and Restated Redevelopment Plan, the Agency would be able to issue additional tax allocation bonds in the latter part of 1998, 2000, 2004 and 2007.

It is assumed that the Agency's efforts through the Development Assistance Program will continue to serve as a catalyst for the generation of revenue necessary for the continued implementation of the redevelopment program. The use of bond proceeds will be essential to this effort. As the remaining deteriorated, aged and obsolete structures and other blighted properties are recycled or rehabilitated as a result of Agency activities, the annual flow of tax increment revenue will grow. It is assumed that bond proceeds will be utilized to fund major Development Assistance activities, the installation of parking improvements and rehabilitation efforts. It is also assumed in the Cash Flow Summary that the Agency's continued program will be funded through short-term and other forms of debt (other than bonds) after the final tax allocation bond issue in 2007 through the Plan effectiveness termination date of 2010. Development Assistance costs shown beyond the Plan effectiveness termination date are assumed to be repayment of obligations entered into per agreements with Project Area developers or property owners and also include the repayment of the Section 108 loan incurred for the Del Paso Nuevo project.

Based on the assumptions in the Cash Flow Summary, by the end of the extended time limits to receive tax increment and/or pay indebtedness of the Project Area and after all currently projected expenditures have been made, the Project would have a cash balance of \$16.3 million. This balance of discretionary resources represents the continued redevelopment program's "hedge" against cost increases or resource deficiencies resulting from situations that vary from the assumptions used in compiling the cash flow. Absent such occurrences the balance would accrue to the affected taxing entities whose jurisdictions include the Project Area. The total tax increment revenues of \$71.0 million the Agency is estimated to receive is based on the assumption that on an annual basis, total indebtedness will exceed available funds on hand and the estimated annual tax increment to be received. Pursuant to the provisions of Section 33675 of the Health and Safety Code, if total indebtedness is not greater than anticipated revenues, the surplus revenues would accrue to the taxing entities in the Project Area.

The existence of the cash balance at the termination of the time limits to receive tax increment and/or pay indebtedness, indicates that the Project continues to be economically feasible given the assumptions underlying the cash flow. The amount of the ending balance indicates, that even with some adverse adjustment(s) to the assumptions incorporated into the implementation scenario, the Project would remain economically feasible.

**D. RELATIONSHIP BETWEEN SIGNIFICANT REMAINING BLIGHT, THE NEED TO EXTEND OR INCREASE THE FINANCIAL AND TIME LIMITS OF THE PLAN, THE COSTS OF THE CONTINUED REDEVELOPMENT PROGRAM AND THE AGENCY'S ABILITY TO ELIMINATE REMAINING BLIGHT**

The provisions of the CRL require that when an agency proposes to increase the financial limitations of an existing redevelopment plan, it must identify the remaining blight within the project area, identify the portion, if any, that is no longer blighted, and identify the projects that are needed to eradicate the remaining blight. In addition, the relationship between the costs of those projects, the amount of increase in the limitation on the number of dollars proposed to be allocated to the agency and the agency's ability to eliminate remaining blight must be identified. Both the agency and the city council must also make a finding that (1) significant blight remains within the project area and (2) the blight cannot be eliminated without the establishment of additional debt and the increase in the limitations on the number of dollars to be allocated to the agency.

As described in the Introduction to this Report, the Agency's proposed Fifth Amendment includes: 1) an increase in the number of dollars to be allocated to the Agency (tax increment limit); 2) an increase in the amount of bond debt that may be outstanding at one time; 3) extension of the time limits for incurring debt and repaying debt with tax increment; and 4) extension of the Plan effectiveness time limit. These amendments are needed in order to fund redevelopment program activities in order to eliminate remaining blight.

Despite the efforts of the Agency, the Project Area continues to contain physical and economic blighting conditions which cannot reasonably be expected to be removed by the private sector acting alone. These remaining blighting conditions are discussed in earlier sections of this Report. In light of the extensive role the Agency needs to take in implementing the continuing redevelopment programs, redevelopment efforts will need to extend well into the next century. The amendment of the financial and time limits of the existing Redevelopment Plan is necessary to fund the continued redevelopment program as proposed in this Report.

To continue the Agency's efforts in eliminating remaining blighting conditions, the Agency is proposing to increase the bond and tax increment limits of the Redevelopment Plan. The Agency is within \$3.9 million of reaching the Project's existing \$18 million tax increment limit. Part III of this Report discussed the types of programs, activities, and projects that make up the Agency's continued redevelopment program and demonstrated how the redevelopment program will improve or alleviate blighting conditions remaining in the Project Area. The total cost of this continued redevelopment program, including financing costs, is estimated to be approximately \$72.7 million, as shown in Table IV-5, Cash Flow Summary. Therefore, without an increase in the current tax increment limit, the Agency would be unable to complete the redevelopment program and eliminate remaining blight. In addition, an increase in the tax increment limit will be needed in order for the Agency to incur additional debt, as described below.

Table IV-5, the Cash Flow Summary, assumes that the timing and expenditures included in the continued redevelopment program are financially feasible when bond financings take place in the latter part of 1998, 2000, 2004 and 2007. None of the bond issues would be feasible without an amendment to the financial and time limits, including the one

Table IV-5  
Sacramento Housing and Redevelopment Agency  
Del Paso Heights Project

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**CASH FLOW SUMMARY**  
(000's Omitted)

	Total Escalated 1998 \$	1997	1 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007
<b>Revenues</b>												
Beginning Balance	\$1,755	\$1,755	\$605	\$3,765	\$1,222	\$3,800	\$3,566	\$1,907	\$194	\$2,216	\$820	\$251
Tax Increment	71,032	1,113	1,162	1,265	1,400	1,532	1,674	1,822	2,031	2,248	2,460	2,676
Less: Mandatory Tax Sharing	(8,720)	0	0	0	0	(30)	(59)	(89)	(132)	(176)	(219)	(263)
Net Bond Proceeds	15,392	0	5,800	0	3,168	0	0	0	3,256	0	0	3,168
Land Sale Proceeds	1,150	0	59	61	0	0	507	522	0	0	0	0
Inv Earnings @	5,550	55	66	228	101	230	234	153	47	168	117	83
Rehab. Loan Repayments	2,816	295	77	85	97	101	104	108	121	137	153	169
<b>Total Revenues</b>	<b>\$88,975</b>	<b>\$3,218</b>	<b>\$7,770</b>	<b>\$5,405</b>	<b>\$5,988</b>	<b>\$5,633</b>	<b>\$6,026</b>	<b>\$4,423</b>	<b>\$5,517</b>	<b>\$4,593</b>	<b>\$3,331</b>	<b>\$6,083</b>
<b>Expenditures</b>												
Existing Bond Debt Service	19,875	707	803	799	801	805	840	840	840	840	840	840
Bond Debt Service	17,422	0	0	0	0	314	314	314	314	680	680	680
Administration and Operations	7,988	596	494	523	300	260	486	502	320	328	336	344
Deficit Carry	13	0	0	0	0	0	0	0	13	0	0	0
<i>Program Costs:</i>												
Development Assistance	10,123	583	885	1,079	268	289	2,062	2,137	86	126	168	213
Public Improvements	5,067	0	773	796	0	0	0	0	769	792	0	627
Rehabilitation	965	0	62	64	66	68	70	72	74	76	78	81
Housing	11,212	729	988	922	752	331	348	365	886	932	979	1,028
<b>Total Expenditures</b>	<b>\$72,666</b>	<b>\$2,613</b>	<b>\$4,005</b>	<b>\$4,182</b>	<b>\$2,188</b>	<b>\$2,067</b>	<b>\$4,119</b>	<b>\$4,230</b>	<b>\$3,302</b>	<b>\$3,773</b>	<b>\$3,081</b>	<b>\$3,812</b>
<b>ENDING ANNUAL BALANCE</b>	<b>\$16,310</b>	<b>\$605</b>	<b>\$3,765</b>	<b>\$1,222</b>	<b>\$3,800</b>	<b>\$3,566</b>	<b>\$1,907</b>	<b>\$194</b>	<b>\$2,216</b>	<b>\$820</b>	<b>\$251</b>	<b>\$2,270</b>

Source: Katz Hollis



Table IV-5  
Sacramento Housing and Redevelopment Agency  
Del Paso Heights Project

**CASH FLOW SUMMARY**  
(000's Omitted)

	11	12	13	14	15	16	17	18	19	20	21	22
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Revenues</b>												
Beginning Balance	\$2,270	\$888	\$18	\$88	\$632	\$1,249	\$1,952	\$3,462	\$5,099	\$6,944	\$8,974	\$11,203
Tax Increment	2,902	3,127	3,332	3,513	3,701	3,897	4,027	4,161	4,300	4,444	4,593	4,747
Less: Mandatory Tax Sharing	(309)	(355)	(408)	(465)	(525)	(587)	(628)	(670)	(670)	(714)	(760)	(807)
Net Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0	0
Land Sale Proceeds	0	0	0	0	0	0	0	0	0	0	0	0
Inv Earnings @	190	149	109	103	120	159	194	269	351	444	545	657
Rehab. Loan Repayments	183	189	184	170	157	134	103	63	50	44	38	31
<b>Total Revenues</b>	<b>\$5,236</b>	<b>\$3,998</b>	<b>\$3,234</b>	<b>\$3,409</b>	<b>\$4,086</b>	<b>\$4,853</b>	<b>\$5,649</b>	<b>\$7,285</b>	<b>\$9,130</b>	<b>\$11,161</b>	<b>\$13,390</b>	<b>\$15,831</b>
<b>Expenditures</b>												
Existing Bond Debt Service	840	840	840	840	840	840	840	840	840	840	840	840
Bond Debt Service	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087
Administration and Operations	352	288	260	260	260	260	260	260	260	260	260	260
Deficit Carry	0	0	0	0	0	0	0	0	0	0	0	0
<i>Program Costs:</i>												
Development Assistance	260	310	355	393	433	476	0	0	0	0	0	0
Public Improvements	646	665	0	0	0	0	0	0	0	0	0	0
Rehabilitation	83	86	88	0	0	0	0	0	0	0	0	0
Housing	1,079	705	516	197	217	238	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$4,348</b>	<b>\$3,981</b>	<b>\$3,146</b>	<b>\$2,776</b>	<b>\$2,837</b>	<b>\$2,900</b>	<b>\$2,187</b>	<b>\$2,187</b>	<b>\$2,187</b>	<b>\$2,187</b>	<b>\$2,187</b>	<b>\$2,187</b>
<b>ENDING ANNUAL BALANCE</b>	<b>\$888</b>	<b>\$18</b>	<b>\$88</b>	<b>\$632</b>	<b>\$1,249</b>	<b>\$1,952</b>	<b>\$3,462</b>	<b>\$5,099</b>	<b>\$6,944</b>	<b>\$8,974</b>	<b>\$11,203</b>	<b>\$13,644</b>

Source: Katz Hollis

in 1998. The late 1998 bond issue has been assumed to have a "wrap-around" debt service structure. That is, the full debt service on the bond issue will not begin until the Agency's currently outstanding bonds are repaid in 2002. This structure will allow the Agency to issue bonds in 1998, which is much sooner than the Agency would otherwise be able to issue such debt, but is predicated on the extension of the debt repayment time limit in order to allow the Agency to repay such bonds beyond 2010. Without the ability to extend debt repayment, the sale of such bonds would not be possible. The Cash Flow Summary also indicates that the use of bond proceeds in 1998 will provide capital for the Agency to leverage private sector investment and new development in the Project Area through its Development Assistance program. Growth in tax increment due to this will allow the Agency to issue additional bonds and thereby continue its program of redevelopment. The assumed sale of bonds in 2004 and 2007 would occur after the existing (unamended) debt establishment time limit for the Project has expired.

The Cash Flow Summary also assumes that the Agency will incur additional debt beyond the bond issues, shown in the form of development agreements and other short-term borrowing in years up to 2010 (the final date to incur debt under the Fifth Amendment). Extension of the effectiveness of the Redevelopment Plan is also crucial in order to continue the program of redevelopment through the last year to incur debt in 2010.

In summary, the current time and financial limits restrict the Agency's ability to issue new debt to finance its ongoing programs designed to eliminate blight. By extending the time limits and increasing the tax increment and bond debt limits, the Agency will have the financial resources to complete an effective redevelopment program aimed at eliminating remaining blight and constraints to development throughout the Project Area. Because the Agency is approaching existing time limitations on the establishment of debt, repayment of debt and duration of the existing Redevelopment Plan, the Agency's ability to eliminate remaining blight in the Project would be restricted to near-term actions rather than long-term accomplishments. The Agency's ability to eliminate remaining blight will be seriously restricted unless the existing time limits are extended by adoption of the Fifth Amendment.

**E. EXPLANATION OF WHY THE ELIMINATION OF BLIGHT AND REDEVELOPMENT OF THE PROJECT AREA CANNOT BE ACCOMPLISHED BY PRIVATE ENTERPRISE ACTING ALONE**

Redevelopment of the Project cannot be accomplished by private enterprise acting alone for the reasons discussed in a subsection of Part II of this Report, "Conditions Which Cannot Reasonably be Expected to be Reversed or Alleviated by Private Enterprise or Governmental Action, or Both, without Redevelopment." This explanation speaks to the intended use of redevelopment to eliminate specific blighting influences remaining within the Project Area.

**F. EXPLANATION OF WHY THE ELIMINATION OF BLIGHT AND REDEVELOPMENT OF THE PROJECT CANNOT BE EXPECTED TO BE ACCOMPLISHED BY THE CITY COUNCIL'S USE OF FINANCING ALTERNATIVES OTHER THAN TAX INCREMENT FINANCING**

Section 33352(d) of the CRL states that the report of the redevelopment agency to the legislative body shall provide an explanation of why the elimination of blight and the redevelopment of the Project Area cannot reasonably be expected to be accomplished by private enterprise acting alone or by other financing mechanisms available to the city council. Redevelopment and the use of tax increment financing is a last resort measure to remediate blighting conditions in a project area. What follows is a discussion of other financing alternatives (to tax increment financing) and why these sources are inadequate for the elimination of blight in the Project Area.

### **1. State and Federal Aid and Grants**

A number of state and federal programs exist to assist cities with the funding of selected urban problems. There are state grants for development of new or improvement of existing recreation facilities. State grants also exist for historic restoration. These sources are very limited and extremely competitive to secure. Federal revenue sharing no longer exists. Urban Development Action Grants ("UDAG") from the U.S. Department of Housing and Urban Development ("HUD") are no longer being funded. The City of Sacramento is currently utilizing Community Development Block Grant Funds for certain individual project fundings but as with other programs, available funds are extremely limited and restricted.

Unfortunately, most state and federal programs tend to be available for one specific project rather than for systems or multi-year programs. And, of late, many of them have become a rapidly declining resource with limited options available to replace these lost opportunities for financial assistance. If funds were available and if the City was fortunate in securing grants and aid from the state and/or Federal Government, the funds could provide some assistance in correcting identified local infrastructure deficiencies and other public facilities deficiencies that impede private development. But, since these funds are so unreliable and rapidly disappearing, it is difficult to see what role they would play, other than an extremely limited one, in continuing the Agency's comprehensive program to implement the goals and objectives identified for the Project.

### **2. Loans from Private Financing Institutions**

A city may borrow money, but obviously must have sufficient revenues to repay any loan. Other than revenue bonds or other borrowing related to a specific revenue source to repay the borrowing, cities are legally restricted in their ability to incur long term obligations. Also, cities and lenders are hesitant to create long term debt because general revenues, without the voter-approved ability to increase taxes, tend to be too uncertain from year to year to be committed to the repayment of a long term loan.

### **3. Property Rehabilitation and Private Investment Incentive Programs**

Public improvements and facilities are only one component of the comprehensive redevelopment program proposed to be continued within the Project and is a component which, for the most part, is confined to the public domain.

To address deficiencies found on private property, an entirely new set of circumstances is presented to local government. Property rehabilitation programs may be undertaken by local government, but these programs are usually limited to addressing minor deficiencies in existing structures. There is little opportunity to deal with blighting conditions that are identified in the Project Area. Typically, the only point at which local government may step in to remediate poor property conditions is when the public's immediate health and safety are threatened.

### **4. Other Revenue Sources**

Donations could certainly be used to finance redevelopment needs but the unreliability of this source clearly diminishes its value as an effective tool.

While a city expends funds on a number of projects, programs and activities, it tends to get comparatively little monetary return from these expenditures other than short term utility value. Unlike a redevelopment agency, a city does not usually receive ongoing income from an expenditure. For example, a redevelopment agency may spend a large sum of money to acquire private property for site assembly for private development and can realize a limited return when the property is sold. The agency's financial benefit from this activity, however, does not cease after the sale of such real property. The agency

continues to receive revenue in the form of ongoing tax increment revenue from the taxes generated by the new development.

A city is limited in the use of its revenue in a way an agency is not. If a need is identified and a redevelopment agency chooses to utilize its powers, it may condemn private property (paying the fair market value of the property) for the expressed purpose of selling the property (possibly included with other adjacent property) to another private party for the development of new private improvements. A city is not empowered to act in this manner. A city may only condemn property for a declared public purpose and must maintain that property for public use.

## **5. Conclusion**

The Legislature created a special unit of local government, the redevelopment agency, and provided it with special powers designed to deal with the complex activities that are part of a costly, time consuming redevelopment process. The detailed study and analysis required to adopt a redevelopment project has been designed to ensure that the special powers given to agencies will be used to correct the specific problems associated with urban blight and that there is, in fact, an identified need in certain areas of the city within which to use these powers.

The special powers of redevelopment agencies have not been given "carte blanche" to cities. As stated above, cities have many more concerns and responsibilities. Only when a city defines a need to address the urban blight problems of a specifically identified area is it empowered to utilize the special tools of redevelopment, and it may do so only through its redevelopment agency.

## **PART V**

### **EFFECT OF AMENDMENT ON METHOD OR PLAN FOR RELOCATION**

Section 33352(f) of the Community Redevelopment Law requires this Report to contain a "method or plan" for "the relocation of families and persons to be temporarily or permanently displaced from housing facilities in the project area, which...shall include the provision required by Section 33411.1..." This Part V has been prepared in compliance with Sections 33352, 33411 and 33411.1 of the Community Redevelopment Law.

Section 33411 of the CRL requires an agency to prepare a feasible "method or plan" for relocation of families or persons to be temporarily or permanently displaced from housing facilities in a project area, and for nonprofit local community institutions to be temporarily or permanently displaced from facilities actually used for institutional purposes in a project area. Section 33411.1 requires a city council to insure that "...such method or plan of the agency...shall provide that no persons or families of low and moderate income shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by such displaced person or family at rents comparable to those at the time of their displacement. Such housing units shall be suitable to the needs of such displaced persons or families and must be decent, safe, sanitary, and otherwise standard dwelling. The agency shall not displace such person or family until such housing units are available and ready for occupancy."

This Part V is not intended to be a "Relocation Plan" within the meaning of Section 6038 of the "Relocation Assistance and Real Property Acquisition Guidelines" promulgated by the California Department of Housing and Community Development (California Code of Regulations, Division 1 of Title 25, commonly called the "State Guidelines"). As described below, a Section 6038 Relocation Plan is not prepared until an agency initiates negotiations for the acquisition of real property and prior to proceeding with any phase of a public improvement or facility project or other implementation activity that would result in any displacement other than an insignificant amount of non-residential displacement.

#### **A. AGENCY DISPLACEMENT**

As noted in Parts III and IV of this Report, the Agency anticipates that its development assistance program and its program of upgrading and installation of public improvements and facilities needed within the Project Area will continue to provide an incentive for the private sector to develop or redevelop vacant, underutilized and blighted properties. As an additional aid to the private sector, the Agency may selectively acquire and dispose of property: 1) to respond to property owner and developer initiated efforts where public assistance is necessary to assemble property needed for expansion of existing uses; and 2) to recognize "opportunity" acquisitions in which an existing owner may desire to sell in order to pursue opportunities out of the Project Area. To the extent that the Agency acquires occupied property for land assembly or other purposes, or enters into agreements with developers or others under which occupants will be required to move, the Agency will cause or will be responsible for causing such displacement of occupants. The Agency is not responsible for any displacement which may occur as a result of private development activities not directly assisted by the Agency under a disposition and development, owner participation, or other such agreement.

#### **B. RELOCATION IN THE EVENT OF AGENCY DISPLACEMENT**

As noted within this Report, displacement of persons, families, businesses or tenants is a possibility under the Agency's continued programs and activities in the Project Area. However, should such displacement occur, the Agency provides persons, families, business owners and tenants displaced by Agency activities with monetary and advisory relocation assistance consistent with the California Relocation Assistance Law (Government Code, Section 7260 *et seq.*), the State Guidelines adopted and promulgated

pursuant thereto, and the provisions of the Amended and Restated Redevelopment Plan for the Del Paso Heights Redevelopment Project.

The Agency pays all relocation payments required by law. The following portions of this Part V of the Agency's Report to City Council outline the general relocation rules and procedures which will continue to be adhered to by the Agency in activities requiring the relocation of persons and businesses. Also identified below are the Agency determinations and assurances which must be made prior to undertaking relocation activities. The Agency's functions in providing relocation assistance and benefits are also summarized.

#### **C. RULES AND REGULATIONS**

The Agency has adopted rules and regulations that: (1) implement the requirements of California Relocation Assistance Law (Government Code, Chapter 16 of Division 7 of Title 1, commencing with Section 7260) (the "Act"); (2) are in accordance with the provisions of the State Guidelines; (3) meet the requirements of the California Community Redevelopment Law and the provisions of the Redevelopment Plan; and (4) are appropriate to the particular activities of the Agency and not inconsistent with the Act or the State Guidelines.

#### **D. AGENCY DETERMINATIONS AND ASSURANCES**

1. The Agency may not proceed with any phase of a project or other activity which will result in the displacement of any person or business until it makes the following determinations:

a. Fair and reasonable relocation payments will be provided to eligible persons as required by law, the State Guidelines and Agency rules and regulations adopted pursuant thereto.

b. A relocation assistance advisory program offering the services described in Article 2 of the State Guidelines will be established.

c. Eligible persons will be adequately informed of the assistance, benefits, policies, practices and procedures, including grievance procedures, provided for in the State Guidelines.

d. Based upon recent survey and analysis of both the housing needs of persons who will be displaced and available replacement housing, and considering competing demands for that housing, comparable replacement dwellings will be available, or provided, if necessary, within a reasonable period of time prior to displacement sufficient in number, size and cost for the eligible persons who require them.

e. Adequate provisions have been made to provide orderly, timely and efficient relocation of eligible persons to comparable replacement housing available without regard to race, color, religion, sex, marital status, or national origin with minimum hardship to those affected.

f. A Relocation Plan meeting the requirements of law and the State Guidelines has been prepared.

2. No person shall be displaced until the Agency has fulfilled the obligations imposed by the Act, the California Community Redevelopment Law, the Redevelopment Plan, the State Guidelines and the Agency rules and regulations adopted pursuant thereto.

3. No persons or families of low and moderate income shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by such displaced person or family at rents comparable to those at the time of their displacement. Such housing units shall be suitable to the needs of such displaced persons or families and must be decent, safe, sanitary and an otherwise standard dwelling. The Agency shall not displace such persons or families until such housing units are available and ready for occupancy.

4. If any portion of the Amended Project Area is developed with low or moderate income housing units, the Agency shall require by contract or other appropriate means that such housing be made available for rent or purchase to the persons and families of low and moderate income displaced by Agency activities. Such persons and families shall be given priority in renting or buying such housing; provided, however, that failure to give such priority shall not affect the validity of title to real property.

5. If insufficient suitable housing units are available in the community for low and moderate income persons and families to be displaced from the Project Area, the City Council shall assure that sufficient land is made available for suitable housing for rental or purchase by low and moderate income persons and families. If insufficient suitable housing units are available in the City of Sacramento for use by such persons and families of low and moderate income displaced by Agency activities within the Project Area, the Agency may, to the extent of that deficiency, direct or cause the development, rehabilitation, or construction of housing units within the City.

6. Permanent housing facilities shall be made available within three years from the time occupants are displaced and pending the development of such facilities there shall be available to such displaced occupants adequate temporary housing facilities at rents comparable to those in the City at the time of their displacement.

#### **E. RELOCATION ASSISTANCE ADVISORY PROGRAM AND ASSURANCE OF COMPARABLE REPLACEMENT HOUSING**

The Agency implements a relocation assistance advisory program which satisfies the requirements of the State Law and Article 2 of the State Guidelines and the Civil Rights Act. Such program is administered so as to provide advisory services which offer maximum assistance to minimize the hardship of displacement and to ensure that (a) all persons and families displaced from their dwellings are relocated into housing meeting the criteria for comparable replacement housing contained in the State Guidelines, and (b) all persons displaced from their places of business are assisted in reestablishing with a minimum of delay and loss of earnings. No eligible person is required to move from his/her dwelling unless within a reasonable period of time prior to displacement a comparable replacement dwelling or, in the case of a temporary move, an adequate replacement dwelling is available to such person.

The following outlines the general functions of the Agency in providing relocation assistance advisory services. Nothing in this section is intended to permit the Agency to displace persons other than in a manner prescribed by law, the State Guidelines and the adopted Agency rules and regulations prescribing the Agency's relocation responsibilities.

#### **F. ADMINISTRATIVE ORGANIZATION**

##### **1. Responsible Entity**

The Redevelopment Agency of the City of Sacramento is responsible for providing relocation payments and assistance to site occupants (persons, families, business owners and tenants) displaced by the Agency from the Project Area, and the Agency will

continue to meet its relocation responsibilities through the use of its staff and consultants, supplemented by assistance from local realtors and civic organizations.

## **2. Functions**

The Agency's staff and/or consultants perform the following functions:

1) Prepare a Relocation Plan as soon as possible following the initiation of negotiations for acquisition of real property by the Agency and prior to proceeding with any phase of a public improvement or facility project or other implementation activity that will result in any displacement other than: (a) an insignificant amount of non-residential displacement or (b) displacement of 15 or fewer households. Such Relocation Plan shall conform to the requirements of Section 6038 of the State Guidelines. The Agency shall interview all eligible persons, business concerns, including non-profit organizations, to obtain information upon which to plan for housing and other accommodations, as well as to provide counseling and assistance needs.

2) Provide such measures, facilities or services as needed in order to:

a) Fully inform persons eligible for relocation payments and assistance within 60 days following the initiation of negotiations for a parcel of land, and not less than 90 days in advance of displacement, as to the availability of relocation benefits and assistance and the eligibility requirements therefor, as well as the procedures for obtaining such benefits and assistance, in accordance with the requirements of Section 6046 of the State Guidelines.

b) Determine the extent of the need of each such eligible person for relocation assistance in accordance with the requirements of Section 6048 of the State Guidelines.

c) Assure eligible persons that within a reasonable period of time prior to displacement there will be available comparable replacement housing meeting the criteria described in Section 6008(c) of the State Guidelines, sufficient in number and kind for and available to such eligible persons.

d) Provide current and continuing information on the availability, prices and rentals of comparable sales and rental housing, and of comparable commercial properties and locations, and as to security deposits, closing costs, typical down payments, interest rates, and terms for residential property in the area.

e) Assist each eligible person to complete applications for payments and benefits.

f) Assist each eligible, displaced person to obtain and move to a comparable replacement dwelling.

g) Assist each eligible person displaced from his/her business in obtaining and becoming established in a suitable replacement location.

h) Provide any services required to insure that the relocation process does not result in different or separate treatment on account of race, color, religion, national origin, sex, marital status or other arbitrary circumstances.

i) Supply to such eligible persons information concerning federal and state housing programs, disaster loan and other programs administered by the Small Business Administration, and other federal or state programs offering assistance to displaced persons.



j) Provide other advisory assistance to eligible persons in order to minimize their hardships. As needed, such assistance may include counseling and referrals with regard to housing, financing, employment, training, health and welfare, as well as other assistance.

k) Inform all persons who are expected to be displaced about the eviction policies to be pursued in carrying out the Project, which policies shall be in accordance with the provisions of Section 6058 of the State Guidelines.

l) Notify in writing each individual tenant and owner-occupant to be displaced at least 90 days in advance prior to requiring a person to move from a dwelling or to move a business.

m) Coordinate the Agency's relocation assistance program with the project work necessitating the displacement and with other planned or proposed activities of other public entities in the community or other nearby areas which may affect the implementation of its relocation assistance program.

### **3. Information Program**

The Agency has established and maintains an information program that provides for the following:

a. Within 60 days following the initiation of negotiations and not less than 90 days in advance of displacement, except for those situations described in subsection 6042(e) of the State Guidelines, the Agency shall prepare and distribute informational materials (in the language most easily understood by the recipients) to persons eligible for Agency relocation benefits and assistance.

b. Conducting personal interviews and maintaining personal contacts with occupants of the property to the maximum extent practicable.

c. Utilizing meetings, newsletters and other mechanisms, including local media available to all persons, for keeping occupants of the property informed on a continuing basis.

d. Providing each person written notification as soon as his/her eligibility status has been determined.

e. Explaining to persons interviewed the purpose of relocation needs survey, the nature of relocation payments and assistance to be made available, and encouraging them to visit the relocation office for information and assistance.

### **4. Relocation Record**

The Agency prepares and maintains an accurate relocation record for each person to be displaced as required by the State of California.

### **5. Relocation Resources Survey**

The Agency conducts a survey of available relocation resources in accordance with Section 6052 of the State Guidelines.

## **6. Relocation Payments**

The Agency makes relocation payments to or on behalf of eligible displaced persons in accordance with and to the full extent permitted by State Law and Article 3 of the State Guidelines. The obligations for relocation payments are in addition to any acquisition payments made pursuant to the Agency's real property acquisition guidelines.

## **7. Temporary Moves**

Temporary moves are required only if adequate resources for permanent relocation sites are not available. Staff makes every effort to assist the site occupant in obtaining permanent relocation resources prior to initiation of a temporary move, and then only after it is determined that Agency activities in the Project Area will be seriously impeded if such move is not performed.

## **8. Last Resort Housing**

The Agency follows State law and the criteria and procedures set forth in Article 4 of the State Guidelines for assuring that if the Agency action results, or will result in displacement, and comparable replacement housing will not be available as needed, the Agency shall use its funds or funds authorized for the Project to provide such housing.

## **9. Grievance Procedures**

The Agency has adopted grievance procedures to implement the provisions of the State Law and Article 5 of the State Guidelines. The purpose of the grievance procedures is to provide Agency requirements for processing appeals from Agency determinations as to the eligibility for, and the amount of a relocation payment, and for processing appeals from persons aggrieved by the Agency's failure to refer them to comparable permanent or adequate temporary replacement housing. Potential displacees are informed by the Agency of their right to appeal regarding relocation payment claims or other decisions made affecting their relocation.

## **10. Relocation Appeals Board**

The Mayor of the City of Sacramento has appointed a relocation appeals board composed of five members, and approved by the City Council. The relocation appeals board shall promptly hear all complaints brought by residents of the Project Area relating to relocation and shall determine if the Agency has complied with the applicable State relocation requirements and where applicable, federal regulations. The board shall, after a public hearing, transmit its findings and recommendations to the Agency.

## **PART VI. ANALYSIS OF THE PRELIMINARY PLAN**

Prior to the preparation of a redevelopment plan for the adoption of a new project area, the Planning Commission in cooperation with the Agency must prepare a preliminary plan. An adopted redevelopment plan must be based upon the preliminary plan. Per section 33324 of the CRL a preliminary plan is sufficient if it 1) describes the boundaries of the project area, 2) contains a general statement of the land uses, layout of principal streets, population densities and building intensities and standards proposed as the basis for the redevelopment of a project area, 3) shows how the purposes of this part would be attained by such redevelopment, 4) shows that the proposed redevelopment conforms to the master or general community plan, and 5) describes, generally, the impact of the project upon residents thereof, and upon the surrounding neighborhood.

The Fifth Amendment to the Del Paso Heights Redevelopment Project proposes only changes to financial and time limits and changes to provide that permitted land uses will continue to conform to the City's General Plan, and therefore does not cause the Redevelopment Plan to depart from its Preliminary Plan basis.

**PART VII. REPORT AND RECOMMENDATIONS OF PLANNING COMMISSION, AND  
REPORT REQUIRED BY SECTION 65402 OF GOVERNMENT CODE**

Section 33352(h) of the CRL requires the report and recommendations of the Planning Commission on the proposed Fifth Amendment to be included in this Report to Council. Section 65402 of the Government Code states that no real property should be acquired by dedication or otherwise for public purposes, no real property shall be disposed of, no street shall be vacated or abandoned, and no public building or structure shall be constructed or authorized until such activities have been submitted to and reported upon by the local planning agency as to conformity with the jurisdiction's adopted general plan.

On June 11, 1998, the Planning Commission of the City of Sacramento adopted a Notice of Decision and Findings of Fact (Exhibit VII-1) providing the report and recommendations of the Planning Commission on the proposed Fifth Amendment including the Planning Commission's determination that the proposed Fifth Amendment conforms to the General Plan of the City of Sacramento, pursuant to Section 65402 of the Government Code.

Exhibit VII-1  
Notice of Decision and Findings of Fact  
Of the Sacramento Planning  
Commission

## ATTACHMENT D

**NOTICE OF DECISION AND FINDINGS OF FACT FOR  
The General Plan Review of amendments to the Del Paso Heights and  
Oak Park Redevelopment Plans (M97-026)**


At the regular meeting of June 11, 1998, the City Planning Commission heard and considered evidence in the above entitled matter. Based on verbal and documentary evidence at said hearing, the Planning Commission took the following action:

- A. **General Plan Review** determining that the proposed amendments to the Oak Park and Del Paso Heights Redevelopment Plans are consistent with adopted goals and policies.

These actions were made based upon the following findings of fact and subject to the following conditions:

**FINDINGS OF FACT**

- A. General Plan Consistency Review: The City Planning Commission finds the Oak Park and Del Paso Heights Redevelopment Plan amendments to be consistent with adopted goals and policies, based upon the following findings:
1. The project is consistent with the adopted goals and policies of the Commerce and Industry Element in that the amendments promote:
    - a. the re-use and revitalization of existing developed areas;
    - b. new employment opportunities;
    - c. economic vitality and diversification of the local economy;
    - d. ensuring that all areas of the City are adequately served by neighborhood/ community shopping districts; and,
    - e. a mixed use development of neighborhood/ community commercial districts through new construction and revitalization.
  2. The project is consistent with the adopted goals and policies of the Housing Element in that the amendments promote:
    - a. improving the existing housing stock;
    - b. meeting new housing needs for all income groups; and,
    - c. affordable housing for all income groups.

  
\_\_\_\_\_  
CHAIRPERSON

ATTEST:

  
\_\_\_\_\_  
SECRETARY TO CITY PLANNING COMMISSION

6-11-98  
\_\_\_\_\_  
DATE (M97-026)

# **CITY PLANNING COMMISSION CONSENT ITEMS**

CPC AGENDA DATE: June 11, 1998

Item No.	Project No.	Title/Location	Action: Approved/ Denied
4	P98-026	Warehouse located at 4291 Pell Drive Don Lockhart, 264-7584	<i>Approved</i>
5	<del>P98-026</del> <i>M 97-024</i>	Redevelopment Plan Review (Del Paso Heights & Oak Park) Don Smith, 264-8289	<i>Approved</i>
<u>6</u>	P97-021	Unity Parkside Villages 1 & 2 Bridgette Williams, 264-5000	<i>Continued</i>
7	P98-014	McDonald's Restaurant at 2517 Del Paso Blvd. Doug Holmen, 264-8267 <i>Amended Conditions per staff</i>	<i>Approved</i>
8	P98-030	Simotas Estates Tentative Map, 4209 76th St/7600 17th Ave. Bridgette Williams, 264-5000	<i>Approved</i>
<u>9</u>	P98-040	Kennedy High School Cellular Site at 6715 Gloria Drive Sandra Yope, 264-7158	<i>Hearing</i>

## **VOTE OF THE PLANNING COMMISSION:**

COMMISSIONER	Motion (M)/ Second (S)	YES	NO	ABSTAIN
Donahue	<i>S</i>	<i>✓</i>		
Duruisseau	<i>M</i>	<i>✓</i>		
Harvey		<i>✓</i>		
Jacobs		<i>✓</i>		
La Chappelle		<i>✓</i>		
Molodanof		<i>✓</i>		
Valencia				
Yee (Vice-Chair)		<i>✓</i>		
Kennedy (Chair)		<i>✓</i>		

**PART VIII. ACTIONS OF REDEVELOPMENT ADVISORY COMMITTEE (RAC) AND SUMMARY OF CONSULTATIONS WITH PROJECT AREA OWNERS, RESIDENTS, COMMUNITY ORGANIZATIONS AND OTHERS**

Section 33385.3(a) of the CRL provides that "The Agency shall forward copies of the proposed amendment to the redevelopment plan to the project area committee, if one exists, at least 30 days before the hearing of the legislative body, required in Section 33454." The Del Paso Heights Redevelopment Advisory Committee (RAC) has acted as a project area committee for the area since 1986. Because the Fifth Amendment does not propose to add any additional territory to the Del Paso Heights Redevelopment Project Area, there is no need to expand membership of the RAC for the Fifth Amendment.

The Fifth Amendment was presented to the Del Paso Heights RAC at its regular meeting on June 11, 1998. This meeting also served as a public information meeting on the Fifth Amendment for all Project Area property owners, residents, businesses, and community organizations. At this meeting, copies of the Fifth Amendment with the attached Amended and Restated Redevelopment Plan were made available for public review. Notice of this meeting was transmitted by first class mail to all property owners, residents, and community organizations in the Project Area on May 15, 1998 (Exhibit VIII-1) and published in the Sacramento Bee on May 15, 1998 (Exhibit VIII-2). Minutes of this meeting are presented as Exhibit VIII-3.

Some of the issues raised by community members and the RAC related to the Agency's past activity in the area and the goals stated in the Fifth Amendment. Staff and consultants explained that Del Paso Heights has had redevelopment available as a tool for community revitalization for over 25 years, and presented examples of successful redevelopment projects in the community. Staff also explained that the goals and objectives as presented in the various documents were developed for the five-year implementation plan prepared for Del Paso Heights, which was originally approved by the Redevelopment Agency in November, 1994. The RAC recommended approval of the Fifth Amendment, with minor changes to the goals and objectives. These recommended changes are presented as Exhibit VIII-4.



Exhibit VIII-1  
Agency Letter Notifying Property  
Owners of Public Meeting  
Dated May 15, 1998

May 15, 1998

**Dear Property Owner, Business Owner, Resident, or Community Organization:**



The Sacramento City Council and the Sacramento Housing and Redevelopment Agency are considering amending the Redevelopment Plan for the Del Paso Heights Redevelopment Project Area. The Agency has prepared a proposed Fifth Amendment ("Fifth Amendment") to the existing Redevelopment Plan and we want to hear your comments. The attached Notice of Public Meeting explains the purpose of the proposed Fifth Amendment. County records show that you own or live on property in the Project Area or that you operate a business or represent an organization in the Project Area.

At the June 11, 1998, meeting of the Del Paso Heights Redevelopment Advisory Committee (RAC) you will have a first-hand opportunity to learn what is involved in the plan amendment process along with other residents, business owners, and community and church leaders. The meeting will start at 6:00 p.m., and it will be held at the Hagginwood Community Center, 3271 Marysville Boulevard, Sacramento, CA 95838. We look forward to seeing you at the meeting and answering any questions you may have.

If you have any questions prior to the meeting, please call Mark Heckey at (916) 440-1399 ext.1237, weekdays between 8:30 a.m. and 4:30 p.m.

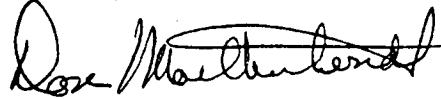
P.O. Box 1834

Sacramento

CA 95812-1834

916-444-9210

Cordially,



Dan Moellenberndt  
Associate Planner

Exhibit VIII-2  
Notice of Community Meeting as  
Published in the Sacramento Bee  
May 15, 1998

## NOTICE OF PUBLIC MEETING

### FOR PURPOSE OF CONSULTING WITH AND OBTAINING ADVISE OF PROPERTY OWNERS, RESIDENTS, BUSINESS OWNERS, AND COMMUNITY ORGANIZATIONS REGARDING THE PROPOSED FIFTH AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE DEL PASO HEIGHTS REDEVELOPMENT PROJECT

NOTICE IS HEREBY GIVEN that the Del Paso Heights Redevelopment Advisory Committee and the Sacramento Housing and Redevelopment Agency will hold a public meeting on June 11, 1998, at 6:00 p.m. at the Hagginwood Community Center, 3271 Marysville Boulevard, Sacramento, California 95838.

A draft Fifth Amendment to the Redevelopment Plan ("Fifth Amendment") for the Del Paso Heights Redevelopment Project Area has been prepared. Among other things, the proposed Fifth Amendment would extend certain time limitations contained in the existing Redevelopment Plan, including the time limit on the Agency's use of eminent domain (property condemnation) authority, would provide that land uses permitted in the Project Area shall be the same as the land uses permitted under the City's General Plan, and would replace the existing Redevelopment Plan with an updated Amended and Restated Redevelopment Plan. All residential owners-occupants and tenants, business owners, community organizations (including religious institutions) and other interested parties are invited to the public meeting for the purpose of consulting with and advising the Agency on the proposed Fifth Amendment and other matters pertaining to the Project.

Copies of the current Redevelopment Plan and the proposed Fifth Amendment will be available at the public meeting. The boundaries of the Del Paso Heights Project Area are shown on the map accompanying this Notice.

For further information please call Mark Heckey of the Sacramento Housing and Redevelopment Agency at (916) 440-1399 ext. 1237, weekdays, between 8:30 a.m. and 4:30 p.m.

The Del Paso Heights Redevelopment Advisory Committee and the Sacramento Housing and Redevelopment Agency urge your participation at this important meeting.

### SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

May 15, 1998

by: 

Anne M. Moore

Acting Executive Director

Sacramento Housing and Redevelopment Agency

Publish: Sacramento Bee

Exhibit VIII-3  
Minutes from June 11, 1998  
Redevelopment Advisory Committee Meeting

*Del Paso Heights  
Redevelopment Advisory Committee*

**MINUTES**

**of  
DEL PASO HEIGHTS  
RAC MEETING**

**June 11, 1998**

**MEMBERS PRESENT:** Daniel Olivares, Barbara Whittaker, Mark Perlberger, Carlterr Velez-Balay, Ollie Mack, Kai Vue, Benjamin Barnes

**MEMBERS ABSENT:** Lawrence Bolden, James "Ted" Smith, Marti Short (excused), Suli Ahkiong

**MEMBERS LATE:** Wendell Echols, Timothy Loree, Carolyn Moore

The meeting was called to order at 6:15 p.m. by Vice Chairperson Ollie Mark

**AGENDA ITEMS:**

**1. Approval of May 14, 1998 RAC Meeting Minutes**

Daniel Olivares stated the minutes should have reflected on "Aye" vote on Item 7. Carlterr Velez-Balay said her name was misspelled throughout the minutes. Mark Perlberger moved to approve the minutes with the corrections noted. Daniel Olivares seconded the motion and the votes were as follows:

**AYES:** Mack, Olivares, Moore, Perlberger, Velez-Balay, Vue, Whittaker, Barnes, Echols

**NOES:** None

**ABSENT:** Short, Smith, Bolden, Ahkiong

**NOT PRESENT TO VOTE:** Loree

**2. Neighborhood Police Officer Program Monthly Report**

The NPO's were not available to report.

3. **Approval of Staff Recommendation to Fund \$46,825 TI Commercial Loan and \$2,500 TI Grant for Facade Improvements for 3B's Hair Salon and Beauty Supply Business at 3901 Norwood Avenue**

Following presentation of the project by Mark Heckey and the Kinsey Family, RAC and public comments and questions were heard. Mark Perlberger moved to approve the staff recommendation. Carolyn Moore seconded the motion and votes were as follows:

AYES: Echols, Mack, Olivares, Moore, Perlberger, Velez-Balay, Vue, Whittaker, Barnes  
NOES: None  
ABSENT: Short, Smith, Bolden, Ahkiong  
NOT PRESENT TO VOTE: Loree

4. **Vote and Recommendation of the RAC Regarding Proposed Plan Amendment of Del Paso Heights Redevelopment Plan**

Don Moellenberndt, Mark Heckey, and Donna Melendez presented information regarding the plan amendment and the RAC heard public comments. Mark Perlberger, corrected budget information regarding the Norwood/I 80 business park and requested that other figures be double checked for accuracy. A community member recommended that the social goals identified in the plan needed to be strengthened. Following questions and answers, Mark Perlberger moved to approve the plan with the corrections, and additions recommended. Carlterr Velez-Balay seconded the motion and the votes were as follows:

AYES: Echols, Mack, Olivares, Moore, Loree, Perlberger, Velez-Balay, Vue, Whittaker  
NOES: None  
ABSENT: Short, Smith, Bolden, Ahkiong  
NOT PRESENT TO VOTE: Barnes

5. **Approval of Design Review Recommendation Regarding Addition of Canopy to Quick Stop 96 at 3296 Marysville Boulevard**

Donna Melendez presented the design review recommendations regarding the proposed improvements. Carolyn Moore moved to approve the recommendation. Mark Perlberger seconded the motion and the votes were as follow:

AYES: Echols, Mack, Olivares, Perlberger, Loree, Moore, Whittaker, Velez-Balay, Vue  
NOES: None  
ABSENT: Short, Smith, Bolden, Ahkiong  
NOT PRESENT TO VOTE: Barnes

**6. Request Regarding a Boys and Girls Club in Del Paso Heights**

Auntine Burney and Robert McQuade presented a recommendation to develop a Boys and Girls Club in Del Paso Heights and requested SHRA staff and RAC assistance. Clifton Harrison (CYA/Citizens for Drug Free Community) stated he works with 900, 17 - 21 year olds and there are no efforts to help them. Ollie Mack advised that developing a Boys and Girls Club would require strong community efforts and support to keep this project going. SHRA can meet with the group as advisors and contact communities who have achieved goals of getting the BGCA to find out the process. Mrs Burney also wanted the RAC to donate the land immediately south of Woodhaven, on Rio Linda Boulevard as the development site. Donna Melendez advised that there were multiple parcels and owners of the land requested by Mrs. Burney.

**7. Information Regarding \$9,000 Facade Grant (TI) for Burgertime Drive-In at 3300 Marysville Boulevard**

Andrew Martin, SHRA, presented the project which has a \$20,000 total cost. Proposed improvements include replacing exterior lighting, painting, restriping asphalt, enclosing the lobby and storage area, a new trash enclosure, and planting trees and plants to code. The project will be discussed further at the Economic Development subcommittee.

**8. Information Regarding Community Colors Paint Program**

A concerned citizen said that the paint program's new name, "Community Colors," has negative connotations to some community residents.

**9. Subcommittee Reports:**

***Planning/Special Projects Subcommittee - Carlterr Velez-Balay, Chair***

Carly requested more RAC involvement at subcommittee. She reminded RAC members of the date for the Home Beautification awards on June 25, 1998 at Grant High School, from 6 to 8:30 p.m. and requested donor solicitation support. RAC members were invited to donate there stipends to support home beautification needs, and she asked for RAC volunteers to help to set up at 3:00 p.m. and cleanup after the event. She then briefed the RAC on the status of the Firehouse and on a grant proposal submitted by the City for the Firehouse Community Center.

**10. Staff Update on Other Redevelopment Projects/Activities - SHRA Staff**

Mark Heckey reported that the Norms aquistion was approved by City Council. Two RAC volunteers are needed to assist in selecting a professional property management contract. Additionally four members are needed to serve on Youth Build oversight board. The selected members were: Norms - Tim, Danny and Carolyn; Youth Build - Carly, Tim and Carolyn.

**11. RAC Representative Districts Reports - RAC Reps**

No reports were filed.



**12. Chair's Report**

No reports were filed.

**13. Communication from RAC and Public on Items Not Otherwise on the Agenda**

Hmong Parents for Education presented their proposal for outdoor recreation and activity programming. They are looking for funding sources.

The meeting was adjourned at 9:35 p.m. by Chairperson Ollie Mack.

# interoffice

## MEMORANDUM

---

to: Dan Moellenberndt  
from: Donna A. Melendez  
subject: Preliminary Plan - Social Goals  
date: July 6, 1998

Pursuant to your request, I am offering the following for inclusion on page four of the preliminary plan:

**Social Goal:** To recognize and build upon the strengths and assests within the community by: 1) Creating economic activity that supports both neighborhood-based employment opportunities and spending opportunities; 2) developing quality housing that encourages young, move-up families to stay in the neighborhood; provides affordable home ownership opportunities to residents vested in neighborhood revitalization; and provides a safe and healthy living environment for senior and disabled residents; 3) constructs, restores, and/or improves public facilities serving youth, families, neighborhood leadership groups, and seniors, thereby ensuring the growth and continuation of valuable community cultural, health, and social activities; 4) continuing to value and support neighborhood leadership through on-going citizen participation in redevelopment initiatives aimed at neighborhood revitalization; and 5) engaging in partnerships and collaboratives that strengthen and uplift the human infrastructure that supports a safe and healthy living environment.

cc: Betty Kosman  
Mark Heckey

**PART IX.      REPORT REQUIRED BY SECTION 21151 OF PUBLIC RESOURCES CODE  
(INITIAL STUDY/NEGATIVE DECLARATION)**

An Initial Study/Negative Declaration on the Fifth Amendment was prepared by the Redevelopment Agency and circulated for public review and comment between July 2, 1998, and July 22, 1998. The proposed Fifth Amendment to the Del Paso Heights Redevelopment Project is administrative in nature and will not cause any additional development, but will rather facilitate development that was contemplated in the existing Redevelopment Plan and the General Plan of the City. As a result, no potential significant environmental impacts are anticipated. However, at such time as specific developments are proposed by the Agency, environmental clearance will be required prior to project approval by the Redevelopment Agency of the City of Sacramento.

The Redevelopment Agency, as the lead Agency, will approve the Initial Study/Negative Declaration and adopt a Mitigation Monitoring Program, if necessary, at the joint public hearing on the Fifth Amendment scheduled for September 29, 1998. The Initial Study/Negative Declaration is attached as Exhibit IX-1.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

***NEGATIVE DECLARATION***

Pursuant to Division 6, Title 14, Chapter 3, Article 6, Sections 15070 and 15071 of the California Administrative Code and pursuant to the Procedures for Preparation and Processing of Environmental Documents adopted by the Sacramento Housing and Redevelopment Agency pursuant to Resolution Number SHRC-94-039, and pursuant to City of Sacramento Environmental Procedures, the Environmental Coordinator of the Sacramento Housing and Redevelopment Agency of Sacramento County, State of California, does prepare, make, declare, publish, and cause to be filed with the County Clerk of Sacramento County, State of California, this Negative Declaration. The Project is described as follows:

1. ***PROJECT TITLE AND SHORT DESCRIPTION: DEL PASO HEIGHTS REDEVELOPMENT PLAN FIFTH AMENDMENT.***  
The proposed project is the amendment and continued implementation of the Redevelopment Plan for the Del Paso Heights Project Neighborhood Development Program Project No. 5 ("Redevelopment Plan" or "Plan") Area in accordance with the California Community Redevelopment Law ("CRL"). To further the Redevelopment Agency's ("Agency") efforts in eliminating blighting conditions in the Project Area, the Agency is proposing to amend the Del Paso Heights Redevelopment Plan to extend, as permitted, the time limits and financial limits of the redevelopment plan and extend the limit for commencement of eminent domain proceedings to the maximum permitted by the law.
2. ***PROJECT LOCATION AND ASSESSOR'S PARCEL NUMBERS:*** The Project Area is located in the Del Paso Heights community of the City of Sacramento. The Project Area is roughly bounded by I-80 to the north, Marysville Boulevard to the east, Arcade Creek to the south and Norwood Avenue to the west. APN: Various
3. ***PROJECT PROPONENTS:*** Redevelopment Agency of the City of Sacramento
4. ***SAID PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT FOR THE FOLLOWING REASONS:***
  - a) It does not have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory.
  - b) It does not have the potential to achieve short-term, to the disadvantage of long-term, environmental goals.
  - c) It will not have impacts which are individually limited, but cumulatively considerable.
  - d) It will not have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly.
5. As a result thereof, the preparation of an Environmental Impact Report pursuant to the Environmental Quality Act (Division 13 of the Public Resources Code of the State of California) is not required.
6. This Initial Study has been performed by the Sacramento Housing and Redevelopment Agency in support of this Negative Declaration. For additional information, contact the Agency at 630 I Street, Sacramento, California 95814, (916) 440-1330.

***DATE RECEIVED FOR FILING:***

SACRAMENTO HOUSING AND REDEVELOPMENT  
AGENCY, Sacramento County, State of California

By: \_\_\_\_\_

GAIL M. ERVIN, Acting Environmental Coordinator

Date: 5/28/98

**DEL PASO HEIGHTS REDEVELOPMENT PLAN  
FIFTH AMENDMENT**

**INITIAL STUDY**

*SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
for the*

**REDEVELOPMENT AGENCY  
OF THE  
CITY OF SACRAMENTO**

*Prepared for:*

*Sacramento Housing and Redevelopment Agency  
630 I Street  
Sacramento, California 95814  
916/440-1330*

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*May 29, 1998*

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## I. DESCRIPTION OF THE PROPOSED PROJECT

### A. The Project

The proposed project is the amendment and continued implementation of the Redevelopment Plan for the Del Paso Heights Project Neighborhood Development Program Project No. 5 ("Redevelopment Plan" or "Plan") Area in accordance with the California Community Redevelopment Law ("CRL"). To further the Redevelopment Agency's ("Agency") efforts in eliminating blighting conditions in the Project Area, the Agency is proposing to amend the Del Paso Heights Redevelopment Plan to 1) extend the time limits for debt establishment, debt repayment, Plan duration, and the exercise of eminent domain authority; 2) increase the tax increment and bond debt limits; 3) provide that land uses permitted in the Project Area shall be the same as permitted under the City's General Plan; and 4) replace the existing amended Redevelopment Plan with an "Amended and Restated Redevelopment Plan" in order to update the Plan's provisions to current legal requirements and terminology. The Fifth Amendment does not add territory to the Project Area or alter the existing boundaries in any way.

The Agency is within approximately \$4 million of reaching the established \$18 million tax increment cap. To allow the Agency to implement additional programs through the collection of additional tax increment and issuance of bonds, the Agency is proposing to increase both the tax increment and the bond debt limits. Extending the Redevelopment Plan's time limits for incurring debt and collecting tax increment will provide the Agency the ability to issue bonds for a longer period of time. This will result in additional resources to fund and complete redevelopment projects and programs. The proposed Fifth Amendment, by providing additional resources, will preserve and increase the availability of low and moderate housing within the Project Area and the City of Sacramento. In addition, extending the Agency's eminent domain authority will provide the Agency with the ability to acquire land at a fair negotiated market value in instances where the assembly of parcels is necessary to facilitate development which will benefit the larger community. The proposed Fifth Amendment would not add new territory to the Project Area nor alter the existing boundaries in any way.

The Redevelopment Plan establishes a set of guidelines and provides the Agency with the authority and tools to eliminate conditions of blight by revitalizing and upgrading the commercial and residential properties and public properties/facilities within the Project Area. At the time the Project Area was originally adopted, a major focus of the Redevelopment Agency was to provide the infrastructure necessary to make the area a functioning, modern neighborhood. Over the period from 1970 to 1990, more than \$8 million of tax increment and federal Community Development Block Grant (CDBG) funds were invested in the upgrading and installation of streets, drainage, water, and sewer systems in the area. During the late 1980s, Agency redevelopment efforts began to focus on improving the housing stock and providing community facilities for the area. Since 1991, the Agency's efforts have also moved towards economic development and facilitating and assisting private commercial development, especially along Marysville Boulevard. In 1996, the Agency adopted a five-year investment strategy, which was to provide a blueprint for Agency activities in the

Project Area. This strategy outlines the market conditions in the area, evaluates past Agency projects and programs, and recommends specific strategies for the five-year period.

The proposed Fifth Amendment is intended to remove remaining blight and will assist the Agency in continuing these efforts to improve the neighborhoods and the economic base of Del Paso Heights. Over the life of the redevelopment plan, continuing redevelopment activities could include: removal or rehabilitation of buildings characterized by deterioration and dilapidation, faulty or inadequate utilities, defective design and character of physical construction; elimination of parcels of irregular form, shape or inadequate size which make development problematic; incompatible uses; improvements to the circulation system, streets, sidewalks, curbs, and gutters; upgrading the sewer, storm drain, and water distribution systems; and construction of public facilities, like parking facilities.

The Sacramento Housing and Redevelopment Agency, for the Redevelopment Agency of the City of Sacramento (herein called "Agency"), is responsible for the preparation of amendments to the Owner Participation and Preference Rules, the Redevelopment Plan, the environmental documentation, and other materials that document the need for redevelopment and the financial feasibility of amending the redevelopment plan.

#### **B. Project Location**

The Project Area is located in the Del Paso Heights community of the City of Sacramento (Figure 1). The Project Area is roughly bound by I-80 to the north, Marysville Boulevard to the east, Arcade Creek to the south and Norwood Avenue to the west. The Project Area encompasses 1,028 acres, and is illustrated in Figure 2.

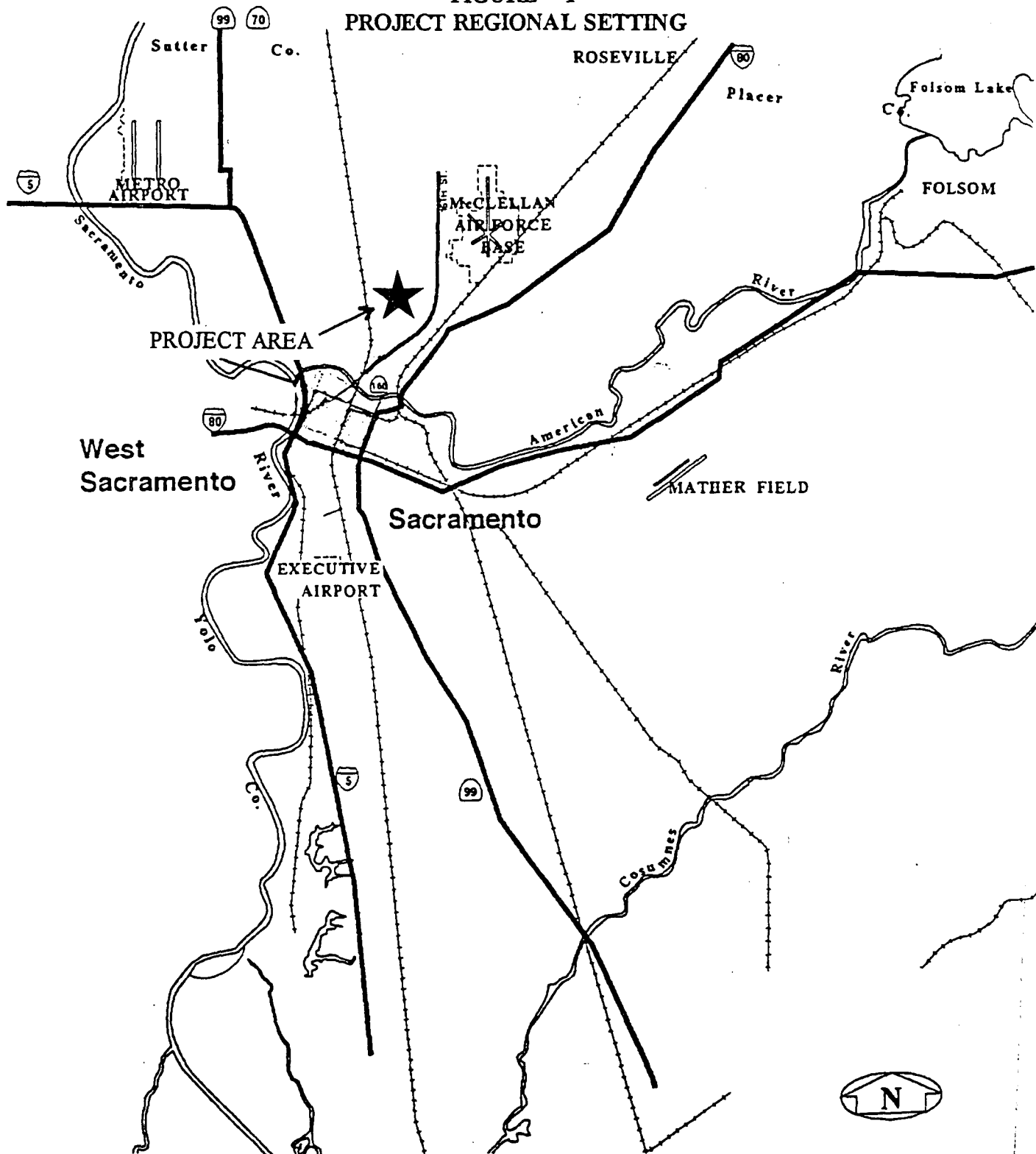
#### **C. Project Objectives**

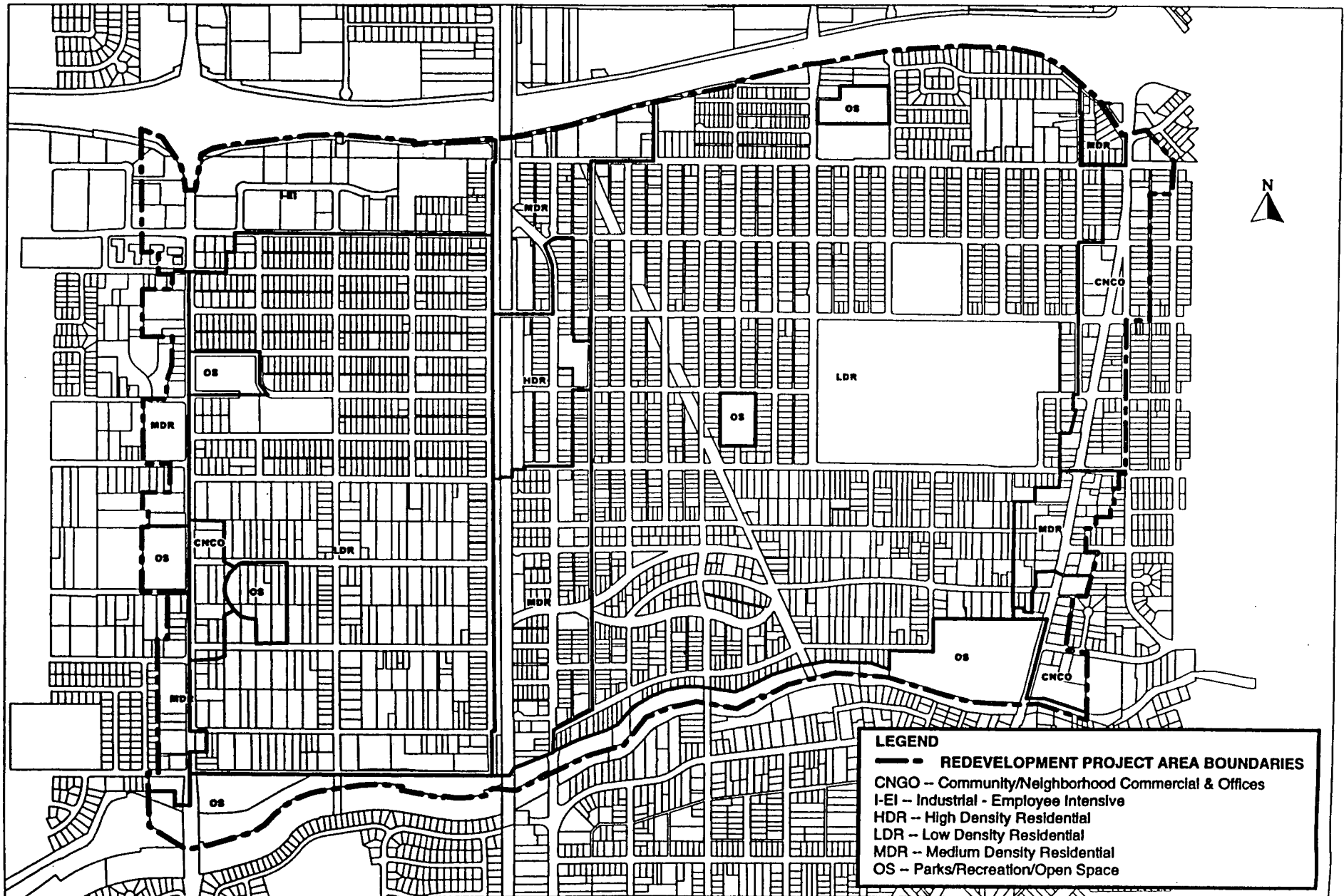
A redevelopment plan provides an agency with powers, duties, and obligations to implement and further a redevelopment program for the redevelopment, rehabilitation, and revitalization of a project area. It is long-term in nature, thus there is the need to maintain the flexibility to respond to market conditions, property owner and developer interests, and other opportunities as they arise. Therefore, a redevelopment plan does not present a precise plan or establish specific projects for the redevelopment, rehabilitation, and revitalization of a project area. Rather, a redevelopment plan represents a process and a basic framework within which specific plans are presented, specific projects are established and specific solutions are proposed, and by which tools are provided to a redevelopment agency to fashion, develop and proceed with such specific plans, projects and solutions.

Certain goals and objectives, as defined in the Amended and Restated Redevelopment Plan and the existing five-year implementation plan have been identified in connection with the Project. The accomplishment of these goals and objectives will achieve the purposes of the California Community



FIGURE 1  
PROJECT REGIONAL SETTING





**FIGURE 2**  
**DEL PASO HEIGHTS PROJECT NEIGHBORHOOD DEVELOPMENT PROGRAM NO. 5 (CALIF. A-16)**  
**REDEVELOPMENT PLAN MAP**

Redevelopment Law. In general, the goals and objectives of redevelopment in the Project Area are as follows:

1. **Housing Goals:** To provide standard housing for all families presently residing in Del Paso Heights and, at the same time to increase the housing supply. Rehabilitation will be fostered and encouraged where feasible and compatible with Plan objectives. Should clearance of existing structures be necessary, it will be coordinated with the availability of relocation housing. To provide for new housing construction.
2. **Social Goals:** To develop a superior level of community facilities providing for the cultural, health and social needs of the residents. Also, to develop a program maximizing citizen participation in the redevelopment process.
3. **Environmental Goals:** To improve the neighborhood environment and image. To eliminate blighted and blighting conditions. To provide all appropriate amenities to support the basic residential character of the area.
4. **Economic Goals:** To increase and develop economic activity in the area by attracting new business, assisting existing business and enhancing property values. To provide for new housing within the means of the majority of area residents. To enforce a strong affirmative action program with all contractors working in the area. To effect a workable residential rehabilitation program maximizing the improvement of economically feasible properties.

**D. Project Technical, Economic and Environmental Characteristics**

The Amended and Restated Redevelopment Plan for the Del Paso Heights Redevelopment Project (as contained in the proposed Fifth Amendment) identifies the redevelopment implementation mechanisms available to the Agency to eliminate and prevent the spread of remaining blight and blighting influences. In addition to extending the Agency's ability to collect tax increment for the repayment of debt until 2020, the proposed Redevelopment Plan Fifth Amendment authorizes the Agency to continue to undertake in the Project Area, through the year 2010, the redevelopment actions and activities listed below:

1. The acquisition of real property (by eminent domain if necessary) as may be needed to carry out the Plan throughout the Project Area;
2. The management and operation of such property under the ownership and control of the Agency until it is resold;
3. The relocation and re-housing of displaced occupants and displaced businesses;
4. The demolition, clearance and site preparation for the construction of buildings and public improvements;

5. The rehabilitation and preservation of buildings and structures;
6. The installation, construction, expansion, addition, extraordinary maintenance or reconstruction of streets, utilities and other public improvements and public facilities;
7. The execution of agreements with existing owners and occupants of property desiring to remain and participate in the project in accordance with the Redevelopment Plan;
8. The disposition of land to private developers and public agencies for the construction of new improvements in accordance with the Redevelopment Plan;
9. The establishment and retention of controls, restrictions, and covenants running with the land so that property will continue to be used in accordance with the Redevelopment Plan;
10. The construction and enhancement of low- and moderate-income housing; and
11. Other actions as appropriate.

In addition to the above, the Agency is required to replace on a one-for-one basis within four years any low- and moderate-income housing units destroyed or removed from the market by redevelopment actions, and to expend 20 percent of all tax increment revenues received from the Project Area on preserving, improving and increasing the supply of low- and moderate-income housing in the community.

#### **E. Project Development Characteristics**

##### **1. Existing Development**

The Project Area is primarily a residential neighborhood with traditional strip commercial uses located along Marysville Boulevard. Smaller commercial nodes also exist along Rio Linda Boulevard and Grand and Norwood avenues. Community facilities are found throughout the Project Area and include four schools, two community centers, four parks, two libraries, and a medical center. The physical building stock, while improved in some instances, remains largely blighted. Of the 67 tenants along the Marysville Boulevard Corridor, 44 are commercial, 17 are residential, and six are private institutional uses (several small churches and two community fraternal organizations). Along this corridor, 85 percent of the parcels are still impacted by remaining blighting conditions, and 22 percent are vacant. Over 43 percent of the buildings are in need of moderate to extensive rehabilitation, 90 percent of the commercial buildings surveyed are in need of maintenance and repair, almost all parcels are inadequate in size for new commercial development, and 23 percent suffer from inadequate parking facilities (*Draft Preliminary Report*, July 1997).

In the remainder of the Project Area, blighting conditions occur throughout the area and across all uses, with no particular concentration of blight. The 1996 Five -Year Investment Strategy noted that approximately 563 housing units, or over 20 percent of all residential units in the Project Area, have

been estimated to need extensive rehabilitation. The Strategy estimated that 52 percent of the units need moderate rehabilitation, 30 percent need extensive rehabilitation, and 3.2 percent of the 1,961 single-family residential structures in the Project Area are abandoned and boarded up. There are 468 vacant parcels (15 percent) indicated on the 1996-97 Sacramento County Assessor's Tax Roll, which is a relatively large number of parcels given that the Project Area has been developed for over 50 years.

In the Del Paso Nuevo area, bounded by South Avenue to the north, Altos Avenue to the east, Arcade Creek to the south and Norwood Avenue to the west, the Project Area is characterized by larger, irregularly-sized rural lots, many of which are vacant and blighted. To the extent there are existing structures in the Del Paso Nuevo area, few are in good condition and are worth rehabilitating or preserving (*Del Paso Nuevo Infrastructure Report*, Vail Engineering, July 1997). The existing streets in the area - Hayes Avenue, Ford Road, Carroll Avenue, and Taylor Street - are under-improved, 20-foot wide roadways without curbs, sidewalks and gutters. Overhead utility lines run along street frontages. Disjointed and dysfunctional streets generally inhibit vehicular and pedestrian circulation through the community.

The Del Paso Nuevo Master Plan Project, a 154-acre master planned neighborhood, was adopted on March 10, 1998. The purpose of the Del Paso Nuevo project is to create homeownership opportunities and to create a sustainable community with a variety of lifestyle options and a mixture of land uses and public facilities, and neighborhood services within close proximity to resident's homes. In addition, the Marysville Boulevard Urban Design Plan was conceptually approved on May 19, 1998. Marysville Boulevard is the historic and existing major focus of retail and commercial land use for the Project Area, and is a key traffic arterial that links the neighborhood with Del Paso Boulevard and the Highway 160 connector into the Sacramento Central Business District.

## 2. Anticipated New Development

The proposed Redevelopment Plan Fifth Amendment, both by the continued removal of barriers to development and by continued direct assistance, may encourage additional development in residential and commercial sectors, to the extent allowed under the City's General Plan. Potential redevelopment assisted activities include assisting the development of 100 new starter homes, completing a shopping center project, and building a job training center/youth center. Anticipated Agency engendered new development, which includes the recycling of existing properties, is assumed to include 275,500 square feet at the Norwood Business Park, 97,530 square feet of new commercial space, 780 new housing units at Del Paso Nuevo, and 123 new housing units throughout the Project Area. All anticipated development which may occur as a result of redevelopment activities in the Project Area would be consistent with the City's General Plan.

The greatest amount of new development that may be encouraged by redevelopment activities is anticipated to occur within the Del Paso Nuevo area. The Agency has received an Economic Development Assistance grant and Section 108 loan funds from HUD to assist in the development

of the Del Paso Nuevo project. The project consists of a 154-acre master-planned residential community in the southwest portion of the Project Area (**Figure 3**). The grant and loan funds will be utilized to install infrastructure and provide gap financing on the first 300 homes to be built. Repayment of the Section 108 loan funds will come from both the sale of housing units and from the future tax increment from development of the housing units. Major features of the Del Paso Nuevo project include:

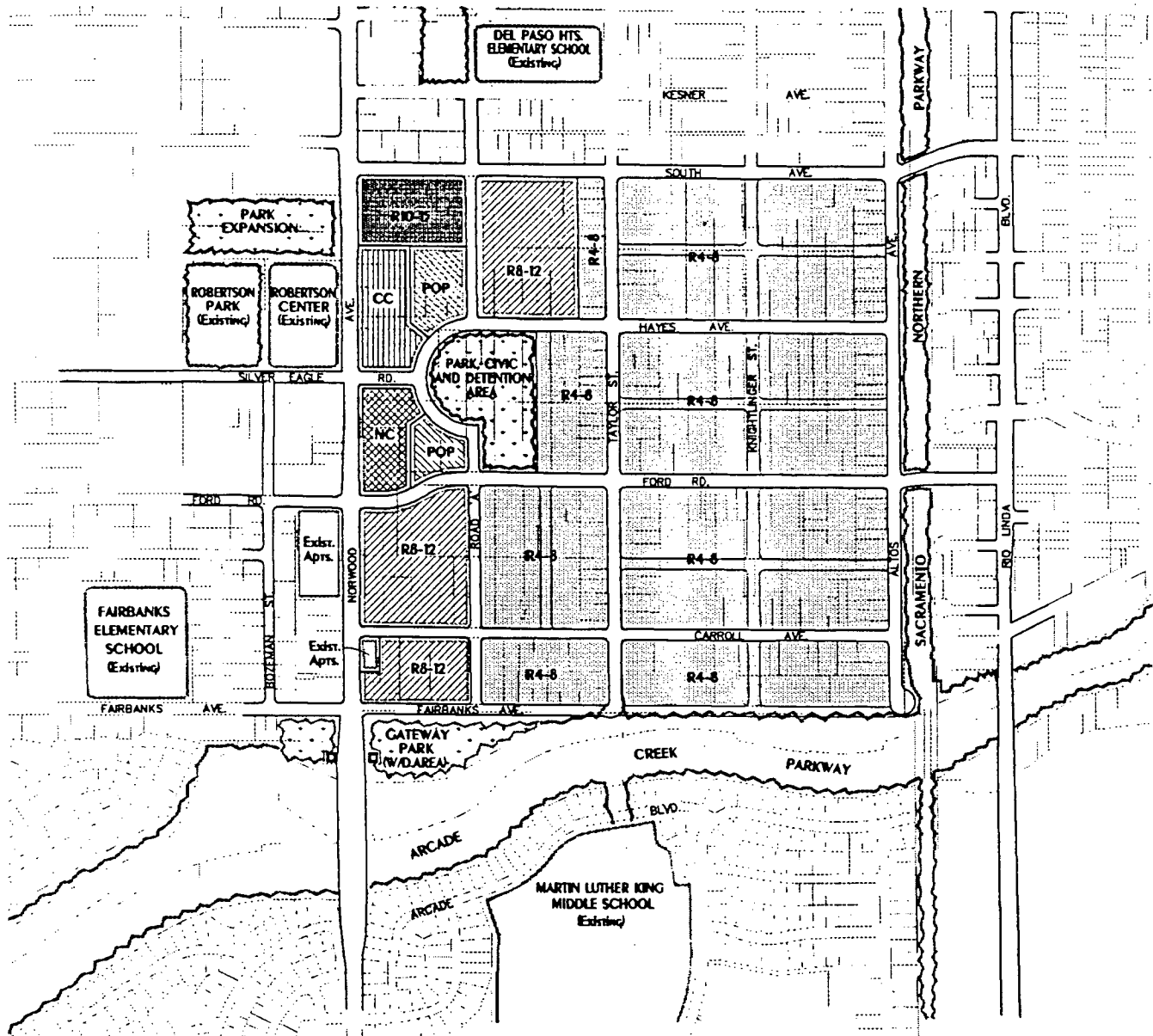
- ▶ Commercial and public facilities and higher residential densities will be located centrally in the neighborhood core with low residential densities fanning out from the core area;
- ▶ The extension of Silver Eagle Road has been designated as the "Main Street" and is the primary access into the neighborhood, culminating at the central public/civic use site, and creating a pedestrian corridor through the neighborhood that connects to a transit stop;
- ▶ A new Nuevo Park/Civic Center will provide for central public space within the community, and will be an active area with an amphitheater, playgrounds, picnic areas, and field sports. The park will also be used as a conjunctive use drainage detention basin during major storms.
- ▶ Street patterns are designed to match existing street patterns and three major roadways will be added with the extension of Silver Eagle Road, development of a new road ("New Road A"), and the extension of Fairbanks Avenue. Existing streets will be realigned, widened and improved with curbs, gutters, sidewalks and landscaping. Sidewalks, bikeways and traffic calming solutions will provide for safe pedestrian/bicycle travel throughout the neighborhood.
- ▶ Transit Station. A transit station will provide connections to the Del Paso Light Rail Line and the downtown area, located within five minutes walk from the neighborhood core.

Revitalization of Marysville Boulevard is also considered key to redevelopment efforts. The Marysville Boulevard Urban Design Plan includes an urban design framework and street beautification project that could be implemented using proposed 1999 Del Paso Heights tax increment bond proceeds (**Figure 4**). The ultimate goal for the Marysville Boulevard Commercial Area is a complete economic rebirth of the area through the elimination of blighted vacant parcels, improvement of parking facilities and traffic circulation, enhancement of street lighting, improvement of pedestrian connections and crosswalks, creation of public landscaped areas, street beautification, expansion/retention of existing businesses, and recruitment of new businesses. The Marysville Boulevard Urban Design Plan provides a development guidance tool, establishes the feasibility of catalyst projects and consolidates fragmented parcels for future retail expansion, and provides parking, lighting and landscaping improvements at key commercial intersections, as follows:

- ▶ Improvement of I-80 signage to include Marysville Boulevard as part of primary exit signage.
- ▶ Low median monument signage at just south of North Avenue intersection.
- ▶ Low median gateway signage at just north of Arcade Creek.

# DEL PASO NUEVO

## SACRAMENTO, CALIFORNIA



### ROADWAYS

- PRIMARY ROADWAYS  
(Fixed location)
- SECONDARY ROADWAYS  
(Adjustable location)

### LAND USE LEGEND

	RESIDENTIAL (4 - 8 DU / AC.)
	RESIDENTIAL (8 - 12 DU / AC.)
	RESIDENTIAL (10 - 15 DU / AC.)
	CONVENIENCE COMMERCIAL
	NEIGHBORHOOD COMMERCIAL
	PUBLIC / QUASI PUBLIC / MISC. (School, Library, Church, Daycare)
	PARKS, CIVIC & DETENTION BASIN
	EXISTING APARTMENTS

Gross Ac.	Net Ac.	Units
107.4	82.7	790-662
21.3	17.0	196-204
4.7	3.8	78-87
4.3		
3.9		
4.5		
11.9		
0.5		
<b>TOTALS</b>	<b>154.3</b>	<b>904-925</b>

NOTE:  
BUILDING UNIT CALCULATIONS ARE BASED ON A  
GROSS TO NET FACTOR OF ONE TO ALLOW FOR  
PARK RESIDENTIAL ROADWAYS.

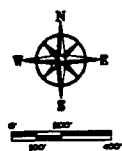
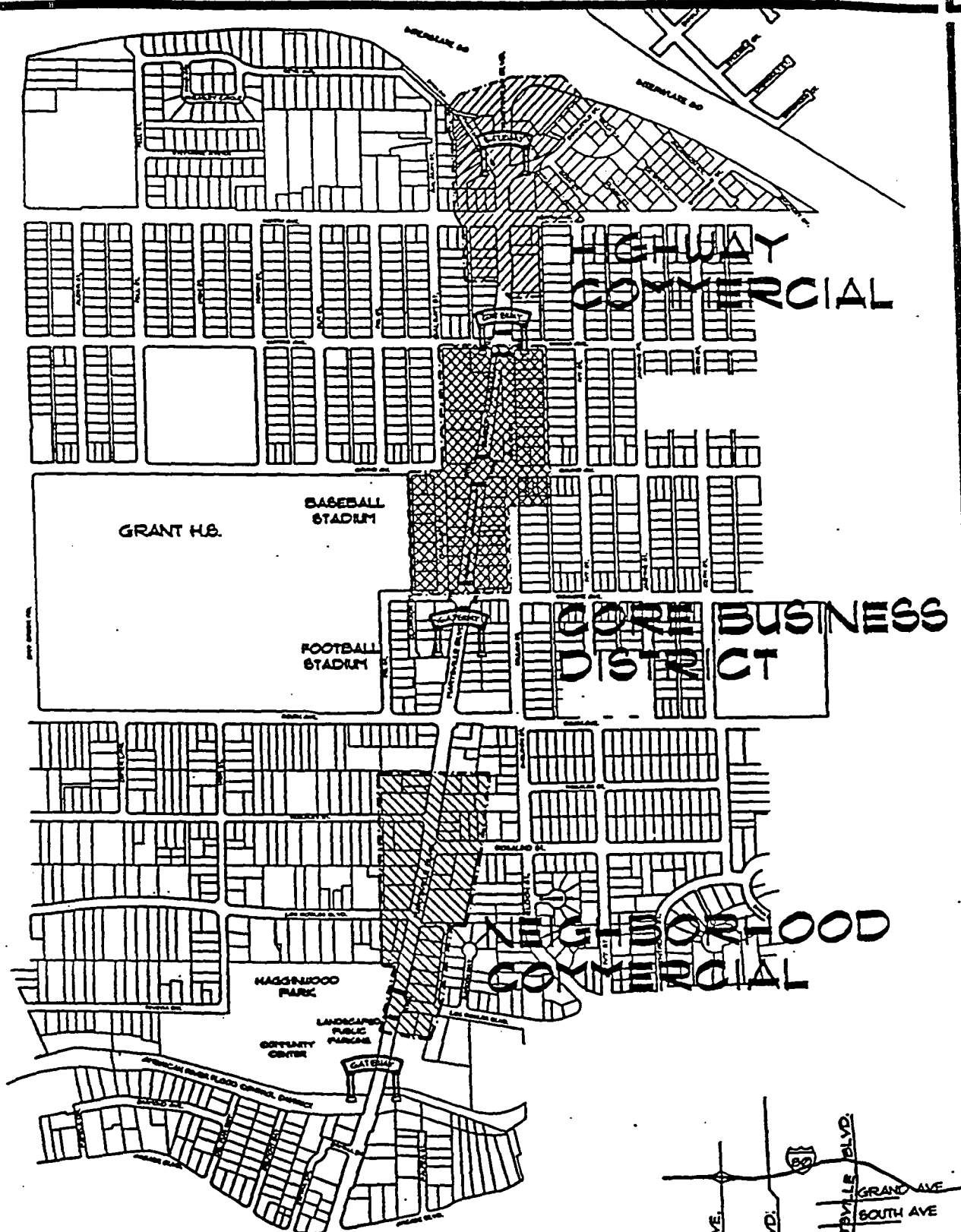


FIGURE 3

**SPECIAL  
PLANNING DIST.  
LAND USE PLAN**





# Marysville Blvd. Revitalization Project

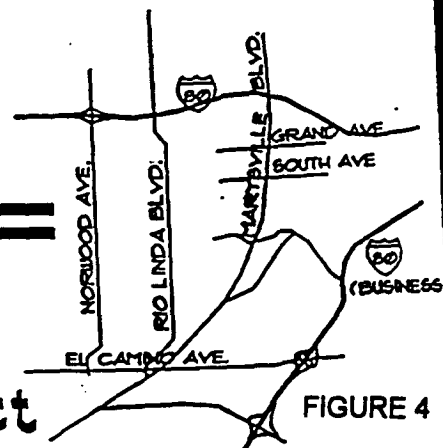


FIGURE 4



- ▶ Rezone area from I-80 to North Avenue to Highway Commercial and reconfigure street alignments. Center median with canopy trees and shrubs.
- ▶ 8' wide sidewalk.
- ▶ Canopy trees placed in tree wells within sidewalk area.
- ▶ 6" curb at back of sidewalk.
- ▶ Add pedestrian scale lighting to existing street lighting.
- ▶ Benches placed intermittently on a trial basis within main blocks from North Avenue to South Avenue.
- ▶ Provide bus shelters at all existing bus stop locations along Marysville Boulevard.
- ▶ Provide trash receptacles at all bus shelter locations.
- ▶ Provide emergency phones directly connected to the Police Department at all bus shelters.
- ▶ Enhanced crosswalks and landing areas at all intersections.
- ▶ Vine covered masonry soundwalls between commercial and residential uses.
- ▶ Close Willow Street from Grand Avenue to Harris.
- ▶ Close Balsam Street from Grand Avenue to Roanoke.
- ▶ On-street angled parking along Willow Street for additional parking to service existing retail.
- ▶ Reconfigure block east of Marysville Boulevard from Grand Avenue to Harris to retain corner pad buildings and include office/retail lease space (approximately 39,000 s.f.).
- ▶ Rezone all of Marysville Boulevard frontage from South Avenue to Hagginwood Park to C-2 zoning.
- ▶ Provide Gateway elements in two locations along Marysville Boulevard to enhance and continue Mission theme along Marysville Boulevard.
- ▶ Provide an on-street community marquee at Hagginwood Park/Community Center.

#### **F. Proposed Projects, Public Improvements and Public Facilities**

The central purpose of a redevelopment project is the elimination of blighting conditions and the overall revitalization of the Project Area. The ongoing redevelopment projects, programs and activities of the Agency, identified in the Redevelopment Plan for the Project Area, include: 1) property owner, tenant and business owner participation; 2) construction, reconstruction, and installation of public improvements and facilities; 3) demolition, clearance and site preparation for the construction of buildings and public improvements; 4) relocation assistance; 5) construction and enhancement of low- and moderate- income housing; 6) property acquisition; 7) property

disposition; 8) public and private cooperation; 9) establishment of restrictions and enforcement programs; and 10) other actions as appropriate.

The projects and programs identified in the Implementation Plan, adopted in November 1994 and implemented over a five-year period, will remain consistent with the projects, programs and activities discussed below. However, since the Implementation Plan covers only the two years following adoption of the Amended and Restated Redevelopment Plan, additional activities within each of the programs have been included and will be implemented in later years of the Amended and Restated Redevelopment Plan.

Redevelopment activities in the Project Area, including public improvements and facilities, will be financed through: tax increment revenues allocated to the Agency pursuant to the Redevelopment Plan; costs borne by private developers; City and County general fund revenues; federal revenue sharing; and any other funding becoming available to the Agency. The Report to the City Council on the proposed Fifth Amendment to the Redevelopment Plan, of which this Initial Study/Negative Declaration will be a part, will include detailed explanations of the method of financing and the economics of the project.

#### **1. Development Assistance Program**

The Agency intends to a) rehabilitate and where necessary eliminate the most blighted structures and promote new economic activity, primarily along Marysville Boulevard and Norwood Avenue; and b) continue to encourage industrial and commercial development within the Project Area by providing incentives to encourage business to locate in the Project Area. As part of this program, the Agency enters into agreements with developers or property owners which call for the redevelopment of developed sites or new development of vacant sites in the Project Area. The Agency assists with land assembly, site preparation, off-site improvements, and provides relocation assistance to existing property owners and tenants.

The Agency also assists new development activity in the Project Area by providing low interest or deferred payment loans. The recruitment and retention of existing businesses is a part of this program as well. Programs have or may include: business outreach programs, promotional programs for businesses, assistance to spur a business incubation program and other programs of this nature.

The Agency has assisted development of Phases I and II of the Norwood/I-80 business park through this program. Phase I of the business park is partially completed and Phase II is now underway. The Agency provided financial assistance for the installation of infrastructure. It is anticipated that additional Agency assistance will be required for recruitment of additional new uses to the business park through the Development Assistance Program. Projects being considered for assistance under the Development Assistance Program include:

- ▶ Complete a neighborhood shopping center project.
- ▶ Economic incentives for Industrial Users/Employers.
- ▶ Assist a Highway Commercial Development Project
- ▶ Support to YE'ES Grant type Job Training Programs.
- ▶ Repayment of Section 108 loan funds for Del Paso Nuevo.

## **2. Rehabilitation Program (Commercial)**

This program is designed to eliminate blighting conditions resulting from defective design, deterioration and dilapidation. The program encourages existing property owners/businesses to substantially upgrade deteriorated storefronts, correct code violations, and renovate the interiors of stores in order to upgrade the appearance of commercial properties. This program provides deferred payment and low interest loans to property owners in the Project Area for these types of upgrades. Expenses are also reimbursed to business property owners and tenants for facade improvements. Projects being considered for assistance include those to be identified through the Commercial Rehabilitation/Facade Program.

## **3. Public Improvements Program**

The Draft Preliminary Report identified inadequate parking facilities along Marysville Boulevard as a contributor to stagnation in the Project Area. There are several vacant lots on Marysville Boulevard which could function as public parking places serving nearby businesses. The Agency intends to assist in the provision of adequate parking in the Project Area. In addition, landscaping improvements and the installation of street lights are planned in order to upgrade the appearance of Marysville Boulevard. The Project Area is also in need of the installation of a variety of public facilities. These may include:

- ▶ Marysville Boulevard Urban Design Plan/Revitalization Project.
- ▶ Assist Child Care Center Projects for low- and moderate-income households in conjunction with Del Paso Nuevo.
- ▶ Assist in construction of a Youth/Job Training Center, Marysville Boulevard.

## **4. Housing Program**

The Agency's housing program includes both a rehabilitation component and assistance for housing construction designed to increase and preserve the supply of low- and moderate-income housing.

The Agency's rehabilitation loan program focusses on preserving existing housing. Loans are available both for units housing low-income households (80 percent of area median income) and those housing very low-income (50 percent of median income) households. Typical repairs that can be made with these loans include: roof repair or replacement; new plumbing; replacement of water

heaters, heating and air conditioning systems; repair of termite and pest damage; and interior or exterior painting of the units. General property improvement such as new appliances and carpeting may be permitted, if accompanied by all structural repairs necessary to bring the unit(s) to community standards.

The Agency participates in the rehabilitation of vacant and boarded homes in the Project Area. The rehabilitation of such units can follow a self-help model in which the future owners assist in the actual rehabilitation of the units. The Agency has also utilized the service of individuals who receive job training in all aspects of residential construction as part of the rehabilitation effort.

In addition, the Agency assists in the construction of new housing on infill sites in the Project Area. The Del Paso Nuevo Project is one example of such a project. It is expected that the Agency will assist in other new housing construction projects on infill sites in the future. Other housing programs include the First Time Homebuyer Program designed to encourage homeownership and the Reaching New Heights program, which provides paint to property owners to assist in maintaining their properties. Projects being considered for possible assistance with tax increment funds include:

- ▶ Repayment of Section 108 loan funds for Del Paso Nuevo.
- ▶ Rehabilitate approximately 500 homes (based on needs assessment)
- ▶ Subsidize the construction of 100 new starter homes.

#### **5. Other Redevelopment Activities**

The above summary of proposed projects and public improvements may not be complete in that other projects may be proposed by the Agency to eliminate blighting conditions, facilitate rehabilitation and development, or to otherwise carry out the Agency's purposes in the Project Area. In addition, the Agency will continue to have various administration and operational requirements associated with carrying out the above programs and activities. These will include program staff, conducting planning and other studies, and securing legal and other technical assistance.

#### **G. Intended Uses of the Initial Study/Negative Declaration (IS/ND)**

The IS/ND will be used by the following public agencies in the adoption of the proposed Redevelopment Plan Fifth Amendment and approval of implementation activities thereunder:

1. City Council of the City of Sacramento;
2. Redevelopment Agency of the City of Sacramento;
3. Sacramento Housing and Redevelopment Commission;

4. Planning Commission of the City of Sacramento;
5. Design Review and Preservation Board;
6. All Departments of the City of Sacramento who must approve implementation activities undertaken in accordance with the Redevelopment Plan; and
7. All other public agencies who may approve implementation activities undertaken in accordance with the Redevelopment Plan.

The IS/ND will be used in the adoption of the Redevelopment Plan Fifth Amendment and the adoption of and approval of any Project implementation activities that may be necessary, as listed below. As individual projects are brought forward over the life of the Amended Redevelopment Plan, they will be subject to further environmental review. Per CEQA Guidelines section 15180, actions in furtherance of the Amended Redevelopment Plan are deemed approved at the time of plan adoption, subject to the subsequent review requirements of Guidelines sections 15162 and 15163.

1. Approval of Disposition and Development Agreements;
2. Approval of Owner Participation Agreements;
3. Approval and funding of public facilities and improvements projects;
4. Sale of tax increment and/or other bonds, certificates of participation and other forms of indebtedness;
5. Acquisition and demolition of property;
6. Rehabilitation of property;
7. Relocation of displaced occupants;
8. Approval of certificates of conformance;
9. Approval of development plans, including zoning and other variances and conditional use permits; including those low- and moderate-income housing units; and
10. Issuance of permits and other approvals necessary for implementation of the Redevelopment Plan.

#### **H. Documents Incorporated by Reference**

This Initial Study has been compiled from a variety of sources, including published and unpublished studies, applicable maps, aerial photographs, and independent field investigations. The State CEQA Guidelines recommend that previously completed environmental documents, public plans, and reports directly relevant to a proposed project be used as background information to the greatest extent possible and, where this information is relevant to findings and conclusions, that it be incorporated by reference in the environmental document. The following documents are incorporated

herein by reference and are listed with numbers which correspond to those in () in the attached CEQA checklist:

1. *Del Paso Heights Redevelopment Plan Amendment*, Sacramento Housing and Redevelopment Agency, City of Sacramento, March 1985.
2. *Del Paso Heights Redevelopment Plan Amendment Draft Environmental Impact Report*, Sacramento Housing and Redevelopment Agency, City of Sacramento, January 1985.
3. *City of Sacramento General Plan*, City of Sacramento, January 19, 1988.
4. *City of Sacramento Zoning Code*, City of Sacramento
5. *Del Paso Nuevo Project, Environmental Assessment / Initial Study*, City of Sacramento and Sacramento Housing and Redevelopment Agency, February 3, 1998.
6. *Draft and Final Environmental Impact Report, City of Sacramento General Plan Update*, City of Sacramento, Draft EIR is dated March 2, 1987 and Final EIR is dated September 30, 1987.
7. *Air Quality Thresholds of Significance*, Sacramento Metropolitan Air Quality Management District, 1994, First Edition.
8. *Sacramento County Hazardous Materials Toxsite Report*, August, 1995; *Cortese List*; *National Priority List*; *CalEPA List*; and *CALSITES List*.
9. *2010 Sacramento City/County Bikeway Master Plan*, Environmental Impact Report, County of Sacramento, September 1992.
10. Airport CLUPs for Sacramento County: Mather, McClellan, Metro and Executive Airports.
11. *Official Register Containing Structures of Architectural or Historical Significance*, City of Sacramento, October 6, 1983.
12. *Draft Environmental Impact Report, Land Use Planning Policy Within the 100-Year Flood Plain in the City and County Of Sacramento*, City of Sacramento, September 18, 1989.
13. *Del Paso Nuevo Infrastructure Report*, Vail Engineering for the Sacramento Housing and Redevelopment Agency, July 1997.
14. *Draft Preliminary Report on the Proposed Fifth Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project*, Redevelopment Agency of the City of Sacramento, July 1997.
15. *Draft Fifth Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project*, Redevelopment Agency of the City of Sacramento, August 1997.

The documents incorporated by reference are available for review at the Sacramento Housing and Redevelopment Agency, 630 I Street, and the City of Sacramento, Neighborhoods, Planning and Development Services Division, 1231 I Street, Suite 300, Sacramento, California 95814.

**ENVIRONMENTAL ANALYSIS****A. Environmental Factors Potentially Affected**

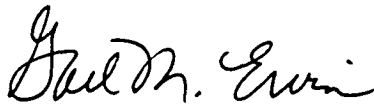
The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" or "Potentially Significant Unless Mitigated," as indicated by the checklist on the following pages.

- |                                                        |                                                             |
|--------------------------------------------------------|-------------------------------------------------------------|
| <input type="checkbox"/> Land Use and Planning         | <input type="checkbox"/> Transportation/Circulation         |
| <input type="checkbox"/> Public Services               | <input type="checkbox"/> Biological Resources               |
| <input type="checkbox"/> Population and Housing        | <input type="checkbox"/> Cultural Resources                 |
| <input type="checkbox"/> Utilities and Service Systems | <input type="checkbox"/> Geological Problems                |
| <input type="checkbox"/> Energy and Mineral Resources  | <input type="checkbox"/> Aesthetics/Urban Design            |
| <input type="checkbox"/> Water                         | <input type="checkbox"/> Noise                              |
| <input type="checkbox"/> Air Quality                   | <input type="checkbox"/> Recreation                         |
| <input type="checkbox"/> Hazards                       | <input type="checkbox"/> Mandatory Findings of Significance |

**B. CEQA Determination**

On the basis of the initial evaluation:

- ☒ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- ☐ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because mitigation measures described on an attached sheet have been incorporated into the proposed project. A NEGATIVE DECLARATION will be prepared.
- ☐ I find the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT or MITIGATED NEGATIVE DECLARATION is required.
- ☐ I find that the proposed project MAY have a significant effect(s) on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets, if the effect is "a potentially significant impact" or "potentially significant unless mitigated." An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.



GAIL M. ERVIN,  
Acting Environmental Coordinator  
Sacramento Housing and Redevelopment Agency

5/28/98  
DATE

	Potentially	Significant	Less Than	
	Significant	Unless	Significant	No
	Impact	Mitigation	Impact	Impact
		Incorporated		

**CEQA Initial Study Checklist**

Source Documentation is listed above with numbers corresponding to those in (), below.

**I. LAND USE AND PLANNING. Would the proposal:**

- |                                                                                                                                                                          |   |   |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|----------|----------|
| a) Conflict with general plan designation or zoning?<br>(source #(s): 4-Section D) See Section 1 discussion.                                                             | — | — | —        | <u>X</u> |
| b) Conflict with applicable environmental plans or policies adopted<br>by agencies with jurisdiction over the project?<br>(1,2,3,4,5,7,8,9,12) See Section 1 discussion. | — | — | —        | <u>X</u> |
| c) Be incompatible with existing land use in the vicinity?<br>(1,2,3,4,8,9,11) See Section 1 discussion.                                                                 | — | — | <u>X</u> | —        |
| d) Affect agricultural resources or operations (e.g. impacts to soils or<br>farmlands, or impacts from incompatible land uses)?<br>(1, 4-Sections D,T)                   | — | — | —        | <u>X</u> |
| e) Disrupt or divide the physical arrangement of an established<br>community? (including a low-income or minority community)? (1,2,3)                                    | — | — | <u>X</u> | —        |

**II. POPULATION AND HOUSING. Would the proposal:**

- |                                                                                                                                                                                |   |   |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|----------|----------|
| a) Cumulatively exceed official regional or local population<br>projections? (4-Section E)                                                                                     | — | — | —        | <u>X</u> |
| b) Induce substantial growth in an area either directly or indirectly<br>(e.g. through projects in an undeveloped area or extension of major<br>infrastructure)? (4-Section E) | — | — | —        | <u>X</u> |
| c) Displace existing housing, especially affordable housing?<br>(1,4-Section F)                                                                                                | — | — | <u>X</u> | —        |

**III. GEOLOGIC PROBLEMS. Would the proposal result in or  
expose people to potential impacts involving:**

- |                                                                                               |   |   |          |          |
|-----------------------------------------------------------------------------------------------|---|---|----------|----------|
| a) Fault rupture? (4-Section T)                                                               | — | — | —        | <u>X</u> |
| b) Seismic ground shaking? (4-Section T) See Section 3 discussion.                            | — | — | <u>X</u> | —        |
| c) Seismic ground failure, including liquefaction? (4-Section T) See<br>Section 3 discussion. | — | — | <u>X</u> | —        |
| d) Seismicity: seiche, tsunami or volcanic hazard? (4-Section T)                              | — | — | —        | <u>X</u> |
| e) Landslides or mudflows? (4-Section T)                                                      | — | — | —        | <u>X</u> |



	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
f) Erosion, changes in topography or unstable soil conditions from excavation, grading or fill? (1,4-Section T) See Section 3 discussion.	—	—	<u>X</u>	—
g) Subsidence of the land? (4-Section T)	—	—	—	<u>X</u>
h) Expansive soils? (4-Section T)	—	—	<u>X</u>	—
i) Unique geologic or physical features? (4-Section T)	—	—	—	<u>X</u>
<b>IV. WATER. <i>Would the proposal result in:</i></b>				
a) Changes in absorption rates, drainage patterns, or the rate and amount of surface runoff? (4-Sections J & W) See Section 3 discussion.	—	—	<u>X</u>	—
b) Exposure of people or property to water related hazards such as flooding? (4-Section W,12) See Section 3 discussion.	—	—	<u>X</u>	—
c) Discharge into surface waters or other alteration of surface water quality (e.g. temperatures, dissolved oxygen or turbidity)? (4-Sections J & W) See Section 3 discussion.	—	—	<u>X</u>	—
d) Changes in the amount of surface water in any water body? (4-Section W)	—	—	—	<u>X</u>
e) Changes in currents, or the course or direction of water movements? (4-Section W)	—	—	—	<u>X</u>
f) Change in the quantity of ground waters, either through direct additions or withdrawals, or through substantial loss of groundwater recharge capability? (4-Section W)	—	—	—	<u>X</u>
g) Altered direction or rate of flow of groundwater? (4-Section W)	—	—	—	<u>X</u>
h) Impacts to groundwater quality? (4-Section W)	—	—	—	<u>X</u>
i) Substantial reduction in the amount of groundwater otherwise available for public water supplies? (4-Section W)	—	—	—	<u>X</u>
<b>V. AIR QUALITY. <i>Would the proposal:</i></b>				
a) Violate any air quality standard or contribute to an existing or projected air quality violation?(4-Section Z,5) See Section 5 discussion.	—	—	<u>X</u>	—
b) Expose sensitive receptors to pollutants? (4-Section Z) See Section 5 discussion.	—	—	<u>X</u>	—

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
c) Alter air movement, moisture, or temperature, or cause any change in climate? (4-Section Z)	—	—	—	<u>X</u>
d) Create objectional odors? (4-Section Z)	—	—	<u>X</u>	—

#### VI. TRANSPORTATION/CIRCULATION. *Would the proposal result in:*

a) Increased vehicle trips or traffic congestion? (4-Section Y,10) See Section 6 discussion.	—	—	<u>X</u>	—
b) Hazards to safety from design features (e.g. sharp curves or dangerous intersections) or incompatible uses (e.g. farm equipment)? (4-Section Y) See Section 6 discussion.	—	—	<u>X</u>	—
c) Inadequate emergency access or access to nearby uses: See Section 6 discussion.	—	—	<u>X</u>	—
d) Insufficient parking capacity on-site or off-site? (10) See Section 6 discussion.	—	—	<u>X</u>	—
e) Hazards or barriers for pedestrians or bicyclists? (7,10) See Section 6 discussion.	—	—	<u>X</u>	—
f) Conflicts with adopted policies supporting alternative transportation (e.g. bus turnouts, bicycle racks)?(4-Section Y,7,10)	—	—	<u>X</u>	—
g) Rail, waterborne or air traffic impacts? (4-Section Y)	—	—	—	<u>X</u>

#### VII. BIOLOGICAL RESOURCES. *Would the proposal result in impacts to:*

a) Endangered, threatened or rare species or their habitats (including but not limited to plants, fish, insects, animals, and birds)? (4-Section U) See Section 7 discussion.	—	—	<u>X</u>	—
b) Locally designated species (e.g. heritage trees)? See Section 7 discussion.	—	—	<u>X</u>	—
c) Locally designated natural communities (e.g. oak forest, coastal habitat, etc.)? (4-Section U)	—	—	—	<u>X</u>
d) Wetland habitat (e.g. marsh, riparian and vernal pool)? (4-Section U)	—	—	—	<u>X</u>
e) Wildlife dispersal or migration corridors? (4-Section U)	—	—	—	<u>X</u>

#### VIII. ENERGY AND MINERAL RESOURCES. *Would the proposal:*

a) Conflict with adopted energy conservation plans? (4-Section R)	—	—	—	<u>X</u>
-------------------------------------------------------------------	---	---	---	----------

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
b) Use non-renewable resources in a wasteful and inefficient manner? (2,4-Section R)	—	—	—	<u>X</u>
c) Result in the loss of availability of a known mineral resource that would be of future value to the region and the residents of the State?(4-Section R)	—	—	—	<u>X</u>
<b>IX. HAZARDS. <i>Would the proposal involve:</i></b>				
a) A risk of accidental explosion or release of hazardous substances (including, but not limited to: oil, pesticides, chemicals or radiation)? (6, 4-Section X) See Section 9 discussion.	—	—	<u>X</u>	—
b) Possible interference with an emergency response plan or emergency evacuation plan? (4-Sections L,M,O,W,X)	—	—	—	<u>X</u>
c) The creation of any health hazard or potential health hazard? (6) See Section 9 discussion.	—	—	—	<u>X</u>
d) Exposure of people to existing sources of potential health hazards? (6,4-Section X) See Section 9 discussion.	—	—	<u>X</u>	—
e) Increased fire hazard in areas with flammable brush, grass, or trees? (4-Sections U&M)	—	—	—	<u>X</u>
<b>X. NOISE. <i>Would the proposal result in:</i></b>				
a) Increases in existing noise levels? (4-Section AA) See Section 10 discussion.	—	—	<u>X</u>	—
b) Exposure of people to severe noise levels? (4-Section AA) See Section 10 discussion.	—	—	<u>X</u>	—
<b>XI. PUBLIC SERVICES. <i>Would the proposal have an effect upon, or result in a need for new or altered government services in any of the following areas:</i></b>				
a) Fire protection? (4-Section M) See Section 11 discussion.	—	—	<u>X</u>	—
b) Police protection? (4-Section L) See Section 11 discussion.	—	—	<u>X</u>	—
c) Schools? (4-Section P) See Section 11 discussion.	—	—	<u>X</u>	—
d) Maintenance of public facilities, including roads? (4-Section Y)	—	—	<u>X</u>	—
e) Other governmental services? (12) See Section 11 discussion.	—	—	<u>X</u>	—

	Potentially		
Potentially	Significant	Less Than	
Significant	Unless	Significant	No
Impact	Mitigation	Impact	Impact
	Incorporated		

**XII. UTILITIES AND SERVICE SYSTEMS.** *Would the proposal result in a need for new systems or supplies, or substantial alterations to the following utilities:*

- |                                                                                |   |   |          |   |
|--------------------------------------------------------------------------------|---|---|----------|---|
| a) Power or natural gas? (4-Section R) See Section 12 discussion.              | — | — | <u>X</u> | — |
| b) Communications systems? See Section 12 discussion.                          | — | — | <u>X</u> | — |
| c) Local or regional water treatment or distribution facilities? (4-Section H) | — | — | <u>X</u> | — |
| d) Sewer or septic tanks? (4-Section I) See Section 12 discussion.             | — | — | <u>X</u> | — |
| e) Storm water drainage? (4-Section J) See Section 12 discussion.              | — | — | <u>X</u> | — |
| f) Local or regional water supplies? See Section 12 discussion.                | — | — | <u>X</u> | — |
| g) Solid waste disposal? (4-Section K) See Section 12 discussion.              | — | — | <u>X</u> | — |

**XIII. AESTHETICS.** *Would the proposal:*

- |                                                                                      |   |   |          |          |
|--------------------------------------------------------------------------------------|---|---|----------|----------|
| a) Affect a scenic vista or scenic highway? (4-Section S) See Section 13 discussion. | — | — | —        | <u>X</u> |
| b) Have a demonstrable negative aesthetic effect? (10) See Section 13 discussion.    | — | — | —        | <u>X</u> |
| c) Create light or glare? See Section 13 discussion.                                 | — | — | <u>X</u> | —        |

**XIV. CULTURAL RESOURCES.** *Would the proposal:*

- |                                                                                                                 |   |   |          |          |
|-----------------------------------------------------------------------------------------------------------------|---|---|----------|----------|
| a) Disturb paleontological resources? (4-Section V) See Section 14 discussion.                                  | — | — | <u>X</u> | —        |
| b) Disturb archaeological resources? (4-Section V) See Section 14 discussion.                                   | — | — | <u>X</u> | —        |
| c) Affect historical resources? (11, 4-Section V) See Section 14 discussion.                                    | — | — | <u>X</u> | —        |
| d) Have the potential to cause a physical change which would affect unique ethnic cultural values?(4-Section V) | — | — | —        | <u>X</u> |
| e) Restrict existing religious or sacred uses within the potential impact area? (4-Section V)                   | — | — | —        | <u>X</u> |

**XV. RECREATION.** *Would the proposal:*

- |                                                                                                                                      |   |   |          |   |
|--------------------------------------------------------------------------------------------------------------------------------------|---|---|----------|---|
| a) Increase the demand for neighborhood or regional parks or other recreational facilities? (4-Section Q) See Section 15 discussion. | — | — | <u>X</u> | — |
|--------------------------------------------------------------------------------------------------------------------------------------|---|---|----------|---|

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
b) Affect existing recreational opportunities? (4-Section Q) See Section 15 discussion.	—	—	<u>X</u>	—

**XVI. MANDATORY FINDINGS OF SIGNIFICANCE.**

a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	—	—	<u>X</u>	—
b) Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals?	—	—	<u>X</u>	—
c) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects).	—	—	<u>X</u>	—
d) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	—	—	<u>X</u>	—

## DISCUSSION

### Section I: Land Use and Planning

The City of Sacramento treats the discussion of land use and planning effects differently from technical environmental issues. Any indirect physical impacts associated with development that may be encouraged by proposed redevelopment activities would be addressed in the appropriate environmental sections of this Initial Study.

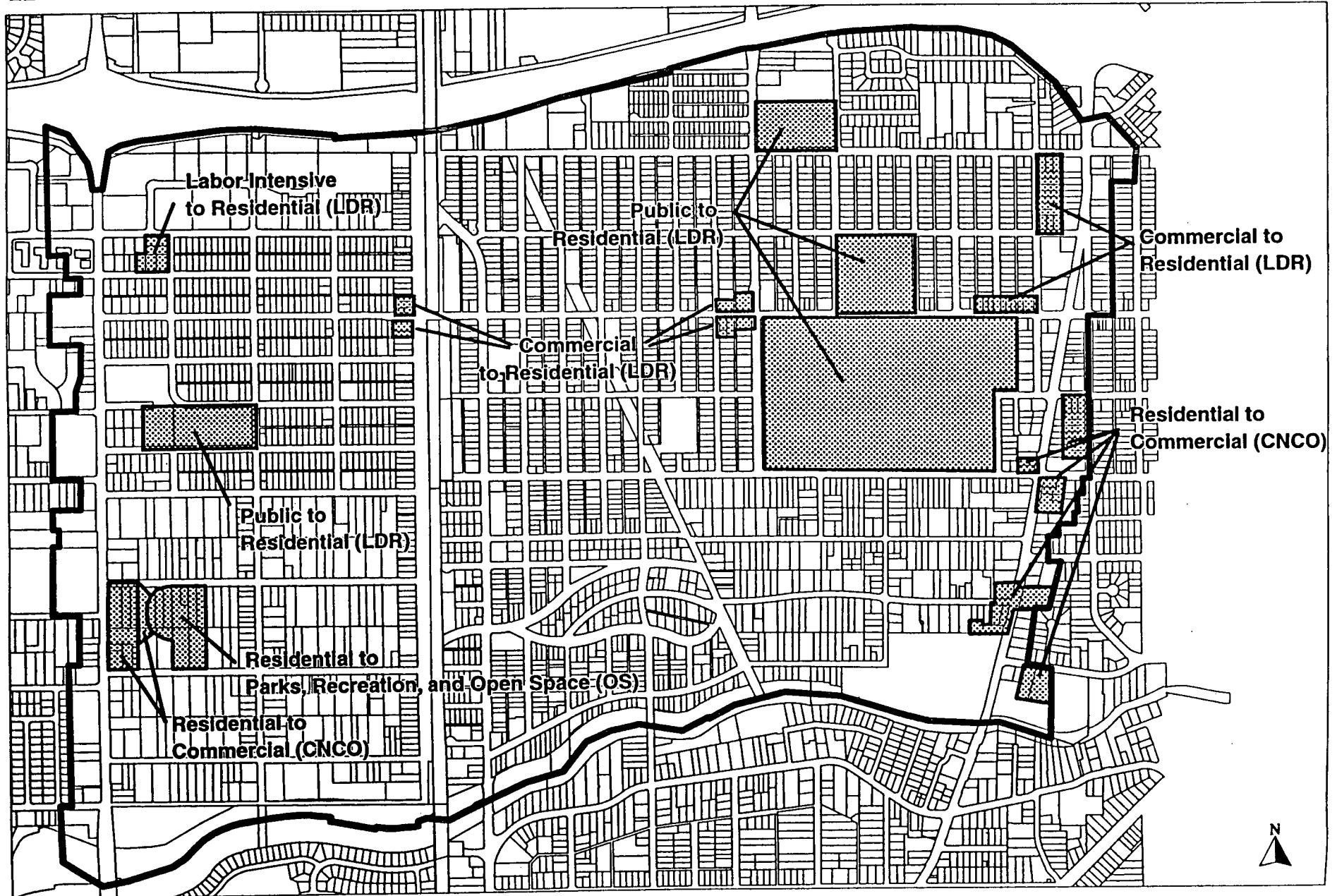
a,b) Generally, development encouraged by redevelopment activities will not result in a substantial alteration of the present or planned use of an area. On sites that are currently vacant, development in accordance with existing land use regulations will alter the undeveloped nature of that given site. Some intensification of existing land uses within the Project Area may also occur, especially adjacent to areas opened up by improved circulation. Any intensification that may occur must be consistent with adopted land use policy in place at the time of project approval.

The City of Sacramento General Plan is a twenty-year policy guide for physical, economic, and environmental growth and renewal of the City. The General Plan is comprised of goals, policies, programs and actions that are based on an assessment of current and future needs and available resources. The document is the City's principal tool for evaluating public and private projects and municipal service improvements. The Fifth Amendment to the Redevelopment Plan provides that the major and other land uses to be permitted within the Project Area must be consistent with the City's General Plan, as it currently exists or as it may from time to time be amended, and as implemented and applied by City ordinances, resolutions and other laws.

The currently effective version of the Del Paso Heights Redevelopment Plan specified land uses pursuant to an attached, 1985 General Plan land use map, and did not provide for consistency with the City's General Plan as it may from time to time be amended. The General Plan was adopted in January 1988, and is an update that replaces the previous 1974 General Plan. Since the 1985 Redevelopment Plan land use map was adopted, the City has amended General Plan land use designations for numerous parcels in the Project Area. Therefore, to the extent the land use maps in the 1985 Redevelopment Plan and the current General Plan disagree, land use changes are being made by the Fifth Amendment. These land use changes were previously approved by the City as General Plan amendments with appropriate CEQA review and compliance. A new map reflecting current General Plan land use designations is included in the proposed Fifth Amendment (**Figure 5**). Adoption of the map will bring the current General Plan into consistency with the Redevelopment Plan. No other land use changes are proposed by the Fifth Amendment.

Major General Plan land use designations for the Project Area include:

# KatzHollis



**LAND USE CHANGES**  
Sacramento Redevelopment Agency  
Del Paso Heights Redevelopment Project

FIGURE 5

- ▶ Community/Neighborhood Commercial & Offices
- ▶ Industrial - Employee Intensive
- ▶ High Density Residential
- ▶ Low Density Residential
- ▶ Medium Density Residential
- ▶ Parks / Recreation / Open Space

All construction in the Project Area must also comply with all applicable state and local laws in effect from time to time, including the City of Sacramento Comprehensive Zoning Ordinance. The purpose of the City's Zoning Ordinance is to regulate the use of land, building, or other structures for residences, commerce, industry, and other uses required by the community. Additionally, it regulates the location, height, size of buildings or structures, yards, courts, open spaces, amount of building coverage permitted in each zone, and population density. The Ordinance also divides the City of Sacramento into zones of such shape, size, and number best suited to carry out these regulations, and to provide for their enforcement, and ensure the provision of adequate open space for aesthetic and environmental amenities. All proposed redevelopment activities generally conform to the Zoning Ordinance. *The proposed Redevelopment Plan Fifth Amendment would be consistent with general plan designations, zoning, and adopted plans and policies.*

c,e) The Project Area includes a broad mix of land uses, including commercial, industrial and residential. Proposed redevelopment activities include commercial and housing rehabilitation and new construction, economic incentives, road and drainage infrastructure, landscaping, parking and lighting, and social service projects. These projects must be consistent with the City's general plan and zoning requirements prior to construction, which are designed to ensure compatibility of projects with existing land uses. *The proposed Redevelopment Plan Fifth Amendment would provide for activities which would be compatible with existing land uses in the Project Area, and would have a less than significant impact on the physical arrangement of the Del Paso Heights community.*

d) Agricultural resources are not located within the Project Area, *thus the proposed Redevelopment Plan Fifth Amendment would have no effect on agricultural resources or operations.*

## **Section II: Population and Housing**

Population and housing is considered a socio-economic, rather than a physical impact on the environment. CEQA does not require review of socio-economic impacts, except where a clear chain of cause and effect results in physical impacts. The City has developed policies and plans to provide for long-term population and housing needs, with documents such as the General Plan and the Del Paso Heights Redevelopment Plan. Socio-economic needs such as low-income housing are addressed by the Amended Plan through the use of at least 20% of all increased property taxes (tax increment) generated to provide for housing in the project vicinity. In addition, individual development projects are required to pay into the Housing Trust Fund, which provides funding for the development of low- and moderate-income housing in the City.



a,b) Redevelopment activities and development encouraged by redevelopment has the potential to encourage localized daytime population growth in the Project Area's employment market area by providing additional jobs that would otherwise locate elsewhere. Residential infill development and rehabilitation occurring within the Project Area could incrementally increase the permanent population of the area. Increases in population are expected to occur gradually over time as public improvements and development progresses, and be within the anticipated population levels identified in the City's General Plan. There is no change in zoning proposed as part of the Redevelopment Plan Fifth Amendment, nor any major new infrastructure improvements/extensions that have not previously been approved by the City. *The proposed Redevelopment Plan Fifth Amendment would not result in changes in population beyond those identified in regional and local population projections, nor induce substantial growth.*

c) The proposed Fifth Amendment is expected to have a beneficial impact on existing housing by assisting in the reconstruction or rehabilitation of dilapidated structures. Providing housing for persons of low- and moderate-incomes is an objective of the proposed Fifth Amendment. Some relocation of residents may be required in areas of severely deteriorated housing which may be beyond rehabilitation. The Amended Plan provides that no persons or families of low- and moderate-income will be displaced unless and until there is a suitable housing unit available and ready for occupancy at rents comparable to those at the time of their displacement. The Amended Plan further provides that permanent housing facilities must be made available within three years from the time occupants are displaced.

Within 30 days of executing an agreement for acquisition and/or disposition of property that would result in the destruction or removal of dwelling units, the Agency must adopt a replacement housing plan. This plan must identify the location of such housing, a financing plan for rehabilitation, development or construction, the number of dwelling units housing person and families of low or moderate income planned for construction or rehabilitation, and a timetable for replacing the units on a one for one basis.

The Amended Plan proposes to rehabilitate approximately 500 homes and subsidize the construction of 100 new starter homes. All these units are anticipated to be available to low- and moderate-income residents. In addition, the Agency uses several programs such as the First Time Homebuyers Program to encourage home ownership for low- and moderate-income households. Del Paso Heights/Strawberry Manor was targeted in the 1994 North Sacramento Empowerment Zone Application to the Department of Housing and Urban Development (HUD) as a "Homeownership Zone". By many standards, this area is the most socially and economically distressed area of Sacramento. It has Sacramento County's highest rate of public assistance, and is further threatened by the imminent closure of McClellan Air Force Base. There are approximately 3,500 housing units in the area, less than 40 percent of which are owner-occupied. This homeownership rate compares to 57.2 percent for the Sacramento area, 55.8 percent for California and 65.4 percent for the nation. Del Paso Nuevo is the center of the Homeownership Zone, and the centerpiece of SHRA's strategy to increase the homeownership rate from 40 percent to 55 percent by the year 2004.

Community Redevelopment Law requires that not less than 20 percent (20%) of all tax increment be set aside for preserving, improving and increasing the City's supply of low- and moderate-income

housing. The Project Area will also benefit from the Sacramento Housing Trust Fund Ordinance (also known as Section 33, Housing Requirements for Non-Residential Development Projects) as non-residential development is encouraged in the area. The Agency requires that a project developer pay in-lieu funds for housing as a condition of an OPA or DDA. The funds are paid to the Redevelopment Agency for use as allowed by the Ordinance. The fee structure and amount is negotiated between the Agency and the project proponent during preparation of the OPA or DDA.

The proposed Redevelopment Plan Fifth Amendment is not anticipated to alter the location, distribution, density or growth rate of the human population or reduce the supply of low- and moderate-income housing. All low- and moderate-income housing stock removed due to Agency involvement will be replaced through Agency programs. *No significant impacts on population or housing would occur as a result of the proposed Redevelopment Plan Fifth Amendment.*

### Section III: Geology

a,b,c,d,g) Development encouraged by redevelopment activities could be exposed to potentially damaging seismically-induced groundshaking. However, no known faults or Alquist-Priolo special study zones are located within or adjacent to the Project Area and the Project Area has no significant slopes. During the past 150 years, there has been no documented movement on faults within Sacramento County. However, the region has experienced numerous instances of ground shaking originating from faults located to the west and east. According to the *Preliminary Map of Maximum Expectable Earthquake Intensity in California*, prepared by the California Department of Mines and Geology, Sacramento is located near the border between the "low" and "moderate" severity zones, representing a probable maximum earthquake intensity of VII on the Modified Mercalli Scale. In Sacramento, the greatest intensity earthquake effects would come from the Dunnigan Hills fault, Midland fault, and the Foothill Fault System. The maximum credible earthquake for those faults is estimated at 6.5 on the Richter-scale. Currently, the City requires that all new structures be designed to withstand this intensity level.

Additional development encouraged by redevelopment activities in the Project Area could be exposed to impacts from liquefaction of subsurface soils. Liquefaction of soils could result in partial or complete loss of support which could damage or destroy buildings or facilities. Liquefaction is the loss of soil strength due to seismic forces acting on water-saturated, granular material which leads to a "quicksand" condition generating various types of ground failure. The potential for liquefaction must account for soil types, soil density, and groundwater table, and the duration and intensity of ground shaking. Earthquakes of the magnitude expected to emanate from any of several nearby faults would be strong enough in the Project Area to induce liquefaction in susceptible sand layers. Per local building requirements, however, site-specific geologic investigations would be required to evaluate liquefaction potential and to recommend appropriate designs in order to avoid major structural damage, thus reducing this impact to less-than-significant.

The City of Sacramento has adopted policies as a part of the General Plan Health and Safety Element which consider seismic related hazards, including liquefaction. These policies require that the City:

- 1) protect levees and property from unacceptable risk due to seismic and geologic activity or unstable

soil conditions to the maximum extent feasible; 2) prohibit the construction of structures for permanent occupancy across faults; 3) require reports and geologic investigations for multiple story buildings; and 4) ensure the use of Uniform Building Code requirements that recognize State and federal earthquake protection standards in construction. Development in the Project Area would not occur across any currently identified fault. In addition, the City requires soils reports and geological investigations for determining liquefaction, expansive soils and subsidence problems on sites for new multiple-story buildings as a condition of approval, and that such information be incorporated into the project design and construction to eliminate hazards. *The policies listed above are required for new construction projects and reduce potential geologic impacts to less than significant levels.*

e,h,i) Soils in the Project Area are categorized as Urban Land and consists of areas covered by up to 70 percent impervious surfaces. Topography is flat, and there are no outstanding topographic or ground surface relief features in the Project Area which would be disturbed as a result of the proposed redevelopment activities.

The Project Area is underlain by Holocene Floodplain deposits (SGPU EIR, T-2), which represent the depositional regime of the area immediately prior to streamflow and drainage changes brought about within the last 135 years. Floodplain deposits are unconsolidated sands, silts, and clays formed from flooding of the American and Sacramento rivers, and these generally are moderately to highly permeable. They are distributed in proximity to the present-day river channels and extend throughout the Central City, South Natomas, and a substantial portion of North Natomas (SGPU EIR, T-1). Exhibit T-4 of the SGPU EIR further indicates that the subject site correlates with the San Joaquin soil type, a moderately deep, well-drained soil underlain by cemented hardpan. These soils are characterized as nearly level to gently rolling on low terraces and in basins of low terraces.

Soils that have limitations for structural loading, i.e. weak or expansive soils, are scattered throughout the City. These limitations can usually be overcome through soil importation or specially engineered design for specific project construction. Adequate engineering studies will be required at the project level. *The proposed Redevelopment Plan Fifth Amendment would not result in impacts relative to landslides or mudflows, erosion or changes in topography, expansive soils, or unique geologic or physical features.*

f) New development in the Project Area encouraged by the redevelopment activities could result in the excavation, displacement, backfill and compaction of a minor amount of soil. Redevelopment activities may also result in the removal of dilapidated structures to accommodate new development on currently vacant land which will result in additional grading, compaction, and uncovering of exposed soils. Minor increases in the volume and rate of water runoff from development encouraged by redevelopment activities may increase offsite soil erosion during future construction periods. Adequate on-site drainage facilities will be required at the project level. Soil erosion would be limited to the construction period of any future development or improvement. This impact would be temporary and would be controlled by standard grading practices.

All grading activities associated with site development within the City of Sacramento are required to follow the Grading Permit requirements defined in the City's Grading, Erosion and Sediment Control Ordinance 93-068 (GESG). The City GESG Ordinance defines the requirements for grading plans,

erosion and sediment control plans, housekeeping practices as well as standards for cuts, fills, setbacks, drainage and terracing, and erosion control. These requirements ensure that development sites are graded such that new topography makes a smooth transition to existing adjacent topography. City Ordinance includes grading requirements that control excessive runoff during construction. Developers are required to carry out dust and soil erosion and sediment control measures before, during, and after the construction phase of development. This general permit requires the permittee to employ "Best Management Practices" (BMP's) before, during, and after construction. The City has a list of BMP's necessary to accomplish the goals of this permit, approved by the City's Department of Utilities, Engineering Services Division before beginning construction. *No impact is anticipated to occur due to required compliance with the City's Grading, Erosion, and Sediment Control Ordinance.*

#### Section IV: Water

a,d,e) The Project Area is located within a developed urbanized area with some existing infrastructure to accommodate existing drainage patterns. There are natural swales throughout the Project Area, and all drain into Arcade Creek along the Project Area's southern boundary. Development occurring as a result of redevelopment activities may alter drainage patterns on individual project sites. Mitigation measures will be identified at the individual project level to accommodate any changes in drainage patterns. The Del Paso Nuevo (DPN) Project's proposed storm drainage system design is intended to accommodate development of the DPN Project Area and improve existing drainage deficiencies in downstream areas. These drainage improvements are still under discussion with the City and may include multi-use park(s) with detention storage, and new storm drainage pipelines.

Additional development encouraged within the Project Area may increase the amount of land covered with impervious surfaces. This overcovering of the land will increase the speed and amount of runoff during storms. Any increase in runoff would be minor and would not be expected to significantly change the amount of surface water in any water body. The City Utilities Department encourages all new construction to include such measures as on-site storage and/or detention of site-generated storm water flows. Adequate drainage facilities will be required at the project level. *The proposed Redevelopment Plan Fifth Amendment would not result in significant changes in absorption rates, drainage patterns, increase in the amount of surface runoff or change in the amount of surface water or direction of flow within local water bodies.*

b) The eastern edge and a central "wedge" of the Project Area is mostly located in Zone X of the Federal Emergency Management Agency's Flood Insurance Rate Maps, an area protected by levees from a 100-year flood event. During preparation of this document, the remainder of the Project Area was located within an area of the 100-year floodplain currently designated as an A99 Flood Hazard Zone on the Sacramento Community's Official Flood Insurance Rate Map (FIRM), dated November 15, 1989 (Map Number 060266 0005E, revised 11-15-89). This area has been determined to be temporarily within the 100-year flood plain until certain flood control projects are completed. The A99 zone is defined by the Federal Emergency Management Agency (FEMA) as a "special flood hazard area (SFHA), where enough progress has been made on a protective system such as dikes, dams, and levees, to consider it complete for insurance rating purposes." The A99 Flood Hazard Zone does not designate flood elevations, and there are no FEMA regulations restricting development

in the zone. However, development within the A99 zone is subject to certain construction design regulations and flood insurance is required for any development that includes federal financing.

In recent years, the Sacramento Area has been subjected to numerous storm events resulting in high flows in the American and Sacramento rivers. In response to these flood events, the U.S. Army Corps of Engineers (COE) has revised flow frequency curves that indicate that portions of the area are only protected against a 77-year flood event. Even when additional levee protection that would be constructed along the American River in 1998 is considered, the level of protection is less than the 100-year level.

FEMA has a congressional mandate to establish a SFHA to deal with flood control systems that no longer provide 100-year protection. Based on the refined COE hydrologic calculations, FEMA has issued a final flood elevation determination letter and revised FIRM for portions of the Sacramento area. FEMA intends to issue new FIRMs on July 6, 1998 that would redesignate the A99 zones to a more restrictive "AR" zone ("A" denoting that the area is a SFHA, and the "R" denoting that restoration of a levee system to a level of base flood protection is underway). The area affected includes large areas of the City south of the American River, and smaller parts of the City north of the river and east of the Natomas East Main Drain Canal (NEMDC), generally contiguous with the area of the existing A99 flood zone. The AR zone is intended for communities such as Sacramento, where a previously certified 100-year or greater flood protection system has been de-certified due to updated hydrologic or other data.

The AR zone allows development to continue with some restriction while progress is being made toward restoring a 100-year flood protection level. Like the A99 zone, the AR zone is also temporary and will expire ten years from the date of classification or when certification of 100-year flood protection is obtained. The FEMA letter established the base flood elevations and initiated a six month compliance period that will end in July 1998, at which time the AR restrictions will be imposed. During the compliance period, the City is required to amend the existing floodplain management ordinance to incorporate and implement the AR zone requirements based on the flood hazard information shown on the maps.

The AR zone contains two categories: "Developed" and "Undeveloped". The Project Area is anticipated to be categorized as "Developed", or areas adjacent to existing public infrastructure or infill areas that are currently surrounded by existing development pursuant to FEMA definition. All new residential and non-residential development in the AR zone will be required to be constructed with the lowest floor including the basement at or above the base flood elevation, or three (3) feet above the highest adjacent grade, whichever is lower. Commercial projects will have the option of flood proofing in lieu of the elevation requirements.

Development in the Project Area would be required to comply with federal regulations imposed on the site whether it be a A99 or AR designation. At this time, no significant environmental impact will result since development would not be allowed unless it complies with the federal regulations regarding development in areas subject to this particular flood hazard. The City is currently preparing environmental review for amendments to sections 9.26 and 9.27 of the City Code relating to Flood Management.

Under applicable provisions of the Sacramento City Code, which will not be modified until July 1998, new development is permitted in the Project Area, provided building permit applicants, by agreement with the City, a) assume the risk of all flood-related damage to any permitted new construction; b) agree to notify subsequent purchasers of the flood risk; and c) ensure that any new construction complies with City-imposed design restrictions aimed at reducing the risk of flood-related property damage and personal injury. A project applicant, as part of standard City approval procedures, will be required to execute an agreement that acknowledges the flood risk of the project and that requires compliance with the provisions of the Sacramento City Code.

The City has evaluated the impacts of approving development within the flood zone in the Environmental Impact Report (EIR) prepared in connection with the Land Use Planning Policy Within the 100-Year Floodplain (M89-054) adopted by the City Council on February 6, 1990. That document serves as a program EIR addressing the flood-related risks to people and property created by new development in the 100-year floodplain in the City. Flood-related risks created by activities encouraged by the Redevelopment Plan Amendment fall within the scope of the program EIR. Accordingly, the findings adopted by the Council in connection with its certification of the program EIR and its adoption of the Policy are applicable to the Project. These findings are set forth in the Findings of Fact/Statement of Overriding Considerations for the Land Use Planning Policy Within the 100-Year Floodplain in the City of Sacramento ("Findings"). That document is appended to the Program EIR available through the Department of Planning and Development.

c) Construction encouraged by redevelopment would include temporary earth disturbing activities. This could result in a minor increase in soil erosion leading to increased sediment loads in storm runoff, which could adversely affect receiving water quality. Construction activities may contribute organic pollutants during the construction of infrastructure and improvements. Additional contamination may occur from increased traffic as a result of redevelopment activities which may contribute grease, oils, and other materials that may contaminate runoff from streets and parking lots.

All grading activities associated with site development within the City of Sacramento are required to follow the Grading Permit requirements defined in the City's Grading, Erosion and Sediment Control Ordinance 93-068 (GESC). The City GESC Ordinance defines the requirements for grading plans, erosion and sediment control plans, housekeeping practices as well as standards for cuts, fills, setbacks, drainage and terracing, and erosion control. The GESC includes grading requirements that control excessive runoff during construction. Developers are required to carry out dust and soil erosion and sediment control measures before, during, and after the construction phase of development. Implementing accepted dust control practices, revegetating or covering exposed soils with straw or other materials, constructing ingress/egress roads and adopting measures to prevent construction vehicles from tracking mud onto adjacent roadways, covering trucks containing loose and dry soil, and providing interim drainage measures during the construction period are measures intended to minimize soil erosion and fugitive dust emissions.

This general permit requires the permittee to employ "Best Management Practices" (BMP's) before, during, and after construction. The City has a list of BMP's necessary to accomplish the goals of this permit, approved by the City's Department of Utilities before beginning construction. The primary objective of the BMP's is to reduce nonpoint source pollution into waterways. These practices

include structural and source control measures for residential and commercial areas, and BMP's for construction sites. Components of the BMP's include:

- Maintenance of structures and roads
- Flood control management
- Comprehensive development plans
- Grading, erosion and sediment control ordinances
- Inspection and enforcement procedures
- Educational programs for toxic material management
- Reduction of pesticide use
- Specific structural and non-structural control measures

BMP mechanisms minimize erosion and sedimentation, and prevent pollutants such as oil and grease from entering the stormwater drains. BMP's are approved by the Department of Utilities before beginning construction (the BMP document is available from the Department of Utilities Engineering Services Division, 5770 Freeport Boulevard, Suite 100, Sacramento, CA). *Soil erosion would be limited to the construction period of the project. Minor increases in the volume and rate of water runoff from infrastructure improvements and development would be temporary and would be controlled by standard grading practices and the required BMPs, resulting in a less than significant impact.*

f,g,h,i) Redevelopment activities in the Project Area would not affect the direction or rate of flow of groundwater. Water supplies are provided by the City of Sacramento through a system of pipelines that currently exist within the streets. Development within the Project Area will not require new withdrawals from groundwater sources or affect aquifers by cuts or excavations. The proposed Redevelopment Plan Fifth Amendment also would not be expected to result in development that requires excavations to a depth that typically require continuous dewatering. The City does not rely on groundwater in this area for its source of public water supply. *As such, the project has no effect on groundwater used for public water supplies.*

## Section V: Air Quality

a,b) The Project Area is located within the Sacramento metropolitan area which is considered a non-attainment area for selected pollutants. The 1986-2006 SGPU DEIR identified urban emission sources as the primary source for existing air quality problems (SGPU DEIR, Z-6). The federal air quality standards for ozone and particulate matter PM<sub>10</sub> ) are being exceeded several times per year in Sacramento City and County.

Ozone is a secondary pollutant produced over time by a complicated series of chemical reactions involving nitric oxide, nitrogen dioxide, various organic compounds, ultraviolet light, and normal components of the atmosphere. Ozone problems have been identified as the cumulative result of regional development patterns, rather than the result of a few incremental significant emissions sources (SGPU DEIR, Z-9).

The Sacramento Metropolitan Air Quality Maintenance District (SMAQMD) collects ambient air quality data through a network of air monitoring stations. This data is summarized annually and published in the California EPA CARB's California Air Quality Data Summaries. Table V-1 is a four year summary listing the highest annual concentration observed in the SUA for non-attainment designated criteria pollutants for the years 1992-1996. This data was collected at the SMAQMD's Del Paso Manor gaseous and particulate monitoring station located in North Sacramento. This station was selected because it is the closest gaseous and particulate monitoring station to the Project Area. The CARB has not yet released monitoring data for the full 1997 calendar year.

**TABLE V-1**  
**AIR QUALITY DATA SUMMARY (1992-1996) FOR THE PROJECT AREA**

Pollutant	Monitoring Data By Year /a/					
	Std. /b/	1992	1993	1994	1995	1996
Ozone (O <sub>3</sub> ):						
Highest 1-hour average, ppm/c/	0.09	<u>0.130</u>	<u>0.150</u>	<u>0.145</u>	<u>0.154</u>	<u>0.15</u>
Days /d/		21	16	13	29	26
Particulate Matter (PM <sub>10</sub> ): /e/						
Highest 24-hour average, ug/m <sup>3</sup> /c/	50	<u>84</u>	<u>118</u>	<u>104</u>	<u>60</u>	<u>83</u>
Days/Samples		5/46	7/60	6/59	3/58	3/50
Annual Geometric Mean, ug/m <sup>3</sup>	30	<u>24.4</u>	<u>23.2</u>	<u>22.5</u>	<u>18.0</u>	<u>22.2</u>
<p>Underlined values are in excess of applicable standard.</p> <p>na     not available</p> <p>/a/     All data are from the Del Paso Manor monitoring station in North Sacramento.</p> <p>/b/     State standard, not to be exceeded.</p> <p>/c/     ppm = parts per million; ug/m<sup>3</sup> = micrograms per cubic meter.</p> <p>/d/     Days refers to the number of days during which excesses of the state standard were recorded in a given year.</p> <p>/e/     Particulate is usually measured every sixth day (rather than continuously like the other pollutants). "Days/Samples" indicates the number of excesses of the state standard that occurred in a given year and the total number of samples that were taken that year, respectively.</p>						
<p>SOURCE:                     California Air Resources Board, <i>California Air Quality Data Summaries</i>, 1992, 1993, 1994, 1995, 1996.</p>						

The Redevelopment Plan Fifth Amendment would continue to eliminate barriers to development within the Project Area, allowing development to proceed up to General Plan densities. Development activities would result in additional emissions relating to both construction and operations. Each development project as it is proposed over the life of the Redevelopment Plan Fifth Amendment will be assessed against the following SMAQMD recommended significance criteria:



- Criteria Pollutants: Construction and operation impacts are considered potentially significant if the project would result in a net increase of 85 pounds per day (lbs/day) of ROG<sub>s</sub>, 85 lbs/day of NO<sub>x</sub>, 275 lbs/day of PM<sub>10</sub> or 150 lbs/day of SO<sub>2</sub>. Operational impacts for CO are considered potentially significant if CO "hot spots" exceeding state 1-hour and 8-hour SAAQS are generated near major thoroughfares and congested surface streets.

With future development of the Project Area air pollutants would be emitted by construction equipment, and fugitive dust would be generated during interior grading and site preparation. Construction activities are regulated by the City and County, as well as the Air Quality Management District. Construction in the Project Area over the life of the Redevelopment Plan Fifth Amendment will include demolition of some structures and grading preparation for all new construction. PM<sub>10</sub> emissions in the form of fugitive dusts would vary from day to day, depending on the level and type of construction activity (demolition and grading), silt content of the soil, and prevailing weather. Phase I emissions from construction equipment (i.e. graders, back hoes, haul trucks etc.) would generate PM<sub>10</sub>, NO<sub>x</sub>, and ROG emissions.

The largest source of construction-related PM<sub>10</sub> emissions would be associated with the demolition of existing structures. Demolition activities are required to conform to the rules and guidelines outlined in the SMAQMD Rule 403 concerning fugitive dusts associated with construction activities, including demolition. Rule 403 requires the application of water or chemicals for the control of fugitive dust associated with demolition, clearing of land, construction of roadways, and any other construction operation that may potentially generate dust, including the stockpiling of dust-producing materials. Although PM<sub>10</sub> emissions associated with demolition can be quite large, these emissions will be reduced by Rule 403, and will take place over a very short period of time.

Phase II construction emissions are primarily associated with construction employee commute vehicles, asphalt paving operations, mobile construction equipment (i.e., bull dozers, fork lifts, etc.), stationary construction equipment, and architectural coatings. Phase II construction emissions will principally be generated from diesel-powered mobile construction equipment as well as architectural coatings. Phase II construction emission mitigation measures involve the routine maintenance and tuning of all mobile and stationary powered construction equipment, as well as construction employee commute vehicle trip reductions. Construction paving materials and coatings are required to conform to the rules outlined in the SMAQMD's Rule 453 and Rule 442 governing the manufacture and use of asphalt and architectural coatings.

Resident, employee, customer and/or delivery vehicle trips associated with new development would generate NO<sub>x</sub> and ROG emissions, contributing to regional ambient O<sub>3</sub> concentrations, and would generate vehicular dust emissions that would contribute to regional ambient PM<sub>10</sub> concentrations. Additionally, the combustion of natural gas for space heating will contribute NO<sub>x</sub> and ROG emissions.

SMAQMD requires site-specific potential air quality impacts be assessed and mitigated to the extent feasible at the project level, as new development is proposed over time in the Project Area. Potential impacts to sensitive receptors would be analyzed at the project level, depending on adjacent land uses and the proposed uses for a given site. All development anticipated under the Redevelopment Plan

Fifth Amendment must be consistent with the City's General Plan. Therefore, air quality impacts associated with development occurring as a result of redevelopment activities have already been considered in the SGPU EIR. At the time of General Plan adoption, the EIR identified a regional unavoidable significant adverse impact, and the City Council adopted Findings of Fact and Statement of Overriding Considerations for the Adoption of the Sacramento General Plan Update. *The Redevelopment Plan Fifth Amendment would not encourage development beyond that considered in the SGPU EIR.*

- c) Due to the small scale of proposed and typical redevelopment activities, changes in local or regional climate conditions are not expected as a result of the Redevelopment Plan Fifth Amendment.
- d) Development encouraged by redevelopment activities is expected to be commercial, residential or light manufacturing development typical of the area and is not expected to create objectionable odors. SMAQMD requires site-specific potential air quality impacts be assessed and mitigated to the extent feasible at the project level, as new development is proposed over time in the Project Area

#### **Section VI: Transportation/Circulation**

Major public streets within the Project Area include Marysville Boulevard, Rio Linda Boulevard, Los Robles Boulevard, Norwood Avenue, South Avenue, North Avenue, Grand Avenue, Taylor Street and Altos Avenue. Over the life of the Redevelopment Plan Fifth Amendment, additional public streets, alleys and easements may be created in the Project Area as needed for proper use and/or development. It is anticipated that Project development may entail abandonment and/or realignment of certain streets, alleys, and other rights-of-way. Any changes in the existing street layout would be in accord with the General Plan, the objectives of the Redevelopment Plan, and the City's design standards. At this time, street improvements on Marysville Boulevard are the only major improvement being proposed, in addition to the assistance for those improvements planned for the Del Paso Nuevo area.

- a) Redevelopment activities within the Project Area will encourage a general intensification of commercial, residential and other development. This additional development will generate additional vehicular movements throughout the Project Area and the City/County over existing conditions. However, the Redevelopment Plan Fifth Amendment will support the Del Paso Nuevo Project, which will result in lower densities than anticipated in the SGPU, thus build-out of the Project Area is anticipated to generate fewer average daily trips than the average daily trips anticipated with the General Plan.

Traffic service is generally characterized by examining peak period operations. Operations are described in terms of the peak hour Volume to Capacity (V/C) ratio, as well as Level of Service (LOS). The V/C ratio indicates the amount of capacity utilized, with 1.0 representing 100 percent utilization. The LOS provides a letter grade that describes the quality of flow, ranging from the best conditions (LOS A) through extreme congestion associated with at or over-capacity conditions (LOS F).

Traffic conditions are best characterized by the peak hour LOS at signalized intersections, since signalized intersections generally have more limited capacity than midblock roadway sections. Intersection LOS is usually computed using the "Planning Methodology" from Transportation Board Circular 212, which is commonly used in EIRs and is the method currently preferred by the City. This method provides generally conservative estimates of intersection capacity.

The City of Sacramento has a current policy to maintain LOS C conditions where possible. This policy is more conservative than other jurisdictions, which may accept LOS D conditions (or LOS E at intersections affected by regional traffic such as freeway ramps). At General Plan buildout all Project Area intersections and roadway segments are anticipated to maintain LOS of C or better except for Norwood Avenue, Silver Eagle Road and Marysville Boulevard (SGPU page Y-81). The SGPU estimated that Norwood would carry 25,800 vehicle trips per day at buildout, Silver Eagle Road would carry 22,800, Rio Linda Boulevard would carry 18,900, and Marysville Boulevard would carry 24,300 vehicle trips per day. Without roadway improvements, the SGPU anticipated LOS D on Norwood and LOS F on Silver Eagle. Rio Linda Boulevard would maintain LOS B and Marysville Boulevard would maintain LOS D. Proposed mitigation measures in the SGPU have been completed on Norwood and Rio Linda Boulevard, and will be completed on Silver Eagle by 1998. These improvements provide enough capacity on these roadways within the Project Area to accommodate General Plan buildout while maintaining LOS of C or better.

Most of the future cumulative traffic increases identified in the SGPU EIR would result from the development of industrial land uses north of the Project Area and I-80. I-80, located along the northern boundary of the Project Area, is projected to experience significant congestion, while SR 160 to the east would operate at satisfactory levels. The City of Sacramento has adopted a Findings of Fact and Statement of Overriding Considerations for the Adoption of the Sacramento General Plan Update for cumulative impacts to roadways outside of the Project Area and I-80 (page 56-59). The Redevelopment Plan Fifth Amendment will eliminate barriers to General Plan growth in the Project Area, as anticipated in the SGPU DEIR. *The Fifth Amendment will not generate any impacts not previously considered in the SGPU EIR.*

b-f) Additional development encouraged by redevelopment activities will result in an increased demand in parking. Parking in some areas is already constrained, and additional development may exacerbate this situation. The Marysville Boulevard Corridor has inadequate parking facilities that contribute to the stagnation of the area's development and, more specifically, limit the use and reuse of the Project Area (*Preliminary Report*, pg. 13). Lack of parking can also interfere with pedestrian and vehicular circulation, creating disruptions in traffic flow as drivers are forced to circle blocks in search of a space and block traffic entering and exiting inadequately sized and poorly designed parking lots. Additional parking facilities is an express intent of the amended Redevelopment Plan, and there are several vacant lots on Marysville Boulevard which could function as public parking places serving nearby businesses. The Agency intends to assist in the provision of adequate parking in the Project Area. In addition, landscaping improvements and the installation of street lights are planned in order to upgrade the appearance and safety of Marysville Boulevard. Additional street improvements include widening, curb, sidewalk, gutter, streetlights and bike lanes in the Del Paso Nuevo area.

The Project Area is well served by alternative transportation modes. Light Rail Transit runs about a mile south of the Project Area along Del Paso Boulevard. Bus routes serving the Project Area include routes 14, 15, 19 and 87. There are existing bikeways along Carroll Avenue and Grand Avenue, and the 2010 Bikeway Master Plan identifies proposed bikeways along Hayes, Norwood, and Marysville Boulevard. The Del Paso Nuevo project will provide a Class II bike lane on either side of the Silver Eagle Road extension providing direct connections to a proposed new transit stop at Robertson Center on Norwood Avenue. This bikeway will connect to the rest of the Project Area via New Road "A". The future development of Silver Eagle Road west of Norwood should provide similar bikeway connections. DPN will also a) provide a Class III on-street bikeway on Ford Road; b) provide a Class III bikeway on South Avenue; and c) provide a bus stop with route sign, bench and shelter at the northeast corner of the intersection of Silver Eagle Road and Norwood Avenue.

As development occurs in the Project Area, site design, including parking and driveway locations, and alternative transportation modes will be subject to review by the City's Public Works Department. All city departments, including fire and police, review the site design to ensure safe and adequate access. *The Redevelopment Plan Fifth Amendment is expected to have a beneficial impact on Project Area parking, circulation, alternative transportation modes, and pedestrian and cyclist safety.*

g) The proposed Redevelopment Plan Fifth Amendment does not affect rail, waterborne or air traffic.

## Section VII: Biological Resources

a-e) Except for riparian areas along Arcade Creek, the majority of the Project Area has been previously graded for residential or commercial development. The only jurisdictional waters of the United States is Arcade Creek, which forms the southern boundary of the Project Area.

The Project Area is currently developed with existing structures, and vacant areas of large lot residential or where buildings have been previously demolished. Undeveloped portions of the Project Area support non-native ruderal vegetation and planted trees. Landscaped vegetation is associated with residential units and commercial buildings. Remnant valley oaks in ruderal lots and riparian vegetation associated with Arcade Creek are the main native vegetation types.

No special-status species have been observed in the Project Area during the field survey completed for the Del Paso Nuevo project, or identified in the California Natural Diversity Data Base (CNDDB). However, the Project Area provides potential nesting or foraging habitat for raptors including Swainson's hawk and burrowing owl. Swainson's hawk is a state-listed species while the burrowing owl is a California Species of Special Concern.

The dominant vegetation consists of artificially irrigated ornamental plantings. Most of the vacant parcels in the Project Area support non-native annual grassland habitat. Most of the developed parcels support a variety of non-native ornamental species including street trees, shrubs, herbaceous flower beds, and lawns. Native trees and shrubs are occasionally interspersed in native landscapes. Riparian vegetation associated with Arcade Creek is dominated by various species of willow,

Fremont's cottonwood, and box-elder. This habitat type also supports shrubs and vines such as California buttonwillow and Himalayan blackberry, as well as herbaceous species that include common knotweed, yellow water primrose, common tule, stinging nettle, and mugwort. No records of special state plant species in the Project Area are included in the California Natural Diversity Data Base (CNDDB, 1997).

Six special-status plants are considered to have the potential to occur onsite. These include: Sanford's arrowhead, which occurs in freshwater marshes, sloughs and large ditches; stinkbells, which occurs in grasslands on clay or serpentinite soils; Bogg's lake hedge-hyssop, which occurs in marshes and vernal pools; legenere and dwarf downingia, which occur in vernal pools; and California hibiscus, which occurs in marshes. Based on the biological survey, stinkbells, Bogg's lake hedge-hyssop, legenere, and dwarf downingia are not likely to occur onsite because suitable habitats are not present. Although the potential for occurrence is low, California hibiscus and Sanford's arrowhead could occur in the marsh fringes along Arcade Creek.

Development that may be encouraged through redevelopment activities would be required to assess any potential project specific construction impacts to trees, in coordination with the City Arborist. Heritage trees in the Project Area would be protected by the City of Sacramento Heritage Tree Ordinance. Heritage trees are defined by the Ordinance as trees of any species having a trunk circumference of 100 inches or more measured 4.5 feet above ground level, which are of good quality in terms of health, vigor of growth, and conformity to generally accepted horticultural standards of shape for its species.

The proposed Redevelopment Plan Fifth Amendment will encourage new landscaping in the Project Area. As a result, new species of plants could be introduced to the area. City policies encourage revegetation and landscaping with native plant species, avoidance of non-indigenous species and protection of native trees and oaks. Landscaping plans are subject to review and approval by the Design Review Board.

A variety of trees and shrubs used for landscaping of urban areas provides nest sites and cover for wildlife. In general, the density and diversity of urban wildlife depends on the extent and type of landscaping and open space, as well as the proximity to natural habitats. Special-status wildlife species evaluated for this assessment include: valley elderberry longhorn beetle, vernal pool tadpole shrimp, vernal pool fairy shrimp, western pond turtle, tricolored blackbird, Swainson's hawk, bank swallow, western yellow-billed cuckoo, burrowing owl, and some species of raptors.

Based on an evaluation of the suitability of onsite habitats to support special-status wildlife species, Swainson's hawk and other special-status species of raptors, including Cooper's hawk, sharp-shinned hawk, white-tailed kite, and northern harrier were determined to potentially occur on the project site as periodic foragers. White-tailed kites may nest in the riparian habitats associated with Arcade Creek, while other raptor species, which include red-tailed hawks, great horned owls, and red-shouldered hawks may nest in upland trees on the property. Although not observed and regular discing likely precludes presence, burrowing owls could nest in the ruderal areas on the site.

The owl is a California Department of Fish and Game species of special concern, and is a year-round resident in the Central Valley. This species prefers open annual or perennial grasslands, including heavily disturbed areas with existing burrows, elevated perches, large areas of bare ground or low vegetation, and few visual obstructions. Burrows are typically located near water where large numbers of prey species, primarily insects, are found. Redevelopment activities may encourage development that could impact burrowing owls. All such development must go through the City of Sacramento entitlement process prior to construction, which includes site-specific environmental review and mitigation of potential burrowing owl impacts in this area. Therefore, the potential for the Redevelopment Plan Fifth Amendment and subsequent activities to have an adverse impact on burrowing owls, or any other special status species or habitat is considered low.

Pond turtles may occur in the open water habitats in Arcade Creek. However, they are not expected to be adversely affected by the proposed project. Tadpole shrimp and fairy shrimp are associated with vernal pools, which do not occur on the site. Cuckoos, bank swallows, and elderberry beetles require specific microhabitats within riparian areas, which are not present.

Tricolored blackbirds require emergent marsh habitats for nesting, which only occur in a narrow fringe along Arcade Creek. Therefore, these areas are not sufficiently extensive to support nesting birds. Swainson's hawks winter in South America and migrate to North America to breed during the summer. In California, Swainson's hawks are mainly found in riparian habitats along the Sacramento Valley, with additional populations found in northeastern California. Swainson's hawks typically nest in large trees (e.g. oak, cottonwood) and forage in grasslands. They are commonly seen foraging behind farm machinery, capturing rodents dislodged by farming operations. Swainson's hawks are known to nest along the Sacramento River, which is approximately five miles west of the site within the estimated 10-mile foraging range for this species.

Although the project site's open areas represent potential Swainson's hawk foraging habitat, and hawks could forage periodically, the urban nature of the project site and its discontinuous patches of open ruderal parcels likely limit this species' use of the site.

*The Redevelopment Plan Fifth Amendment and subsequent activities would have a less than significant impact on biological resources.*

## **Section VIII: Energy and Mineral Resources**

a) The proposed Redevelopment Plan Fifth Amendment would not require the expansion of energy-supply infrastructure. Both PG&E and SMUD have adequate infrastructure in place to serve the Project Area. In addition, the proposed Redevelopment Plan Fifth Amendment would not conflict with applicable energy conservation plans or exceed the maximum energy consumption threshold set by Title 24, State Building energy Efficiency Standards. *No impacts to energy conservation plans would occur.*

b) As development occurs within the Project Area, non-renewable energy, water, and materials resources will be consumed by increased vehicle travel, heating and cooling of living and working

spaces, and electrical power generation. New construction will involve the use of additional building material and natural resources. In a regional and statewide context, this level of consumption of materials and energy resources is not considered significant.

The proposed Redevelopment Plan Fifth Amendment would result in the loss of those natural resources associated with the construction activities. New development in the Project Area is not anticipated to significantly accelerate the use of natural resources or deplete non-renewable resources. *Therefore, this impact is considered to be less-than-significant.*

c) The proposed Redevelopment Plan Fifth Amendment would not result in the loss of availability of a known mineral resource in the Project Area. Please refer to the discussion under "III. Geology", item "e,h,i".

### **Section IX: Hazards**

a) Some designated uses within the Project Area may use, store, or transport hazardous substances to a limited degree. The Redevelopment Plan Fifth Amendment itself would not result in an increase in unusual or unique risks of explosion or release of hazardous substances beyond that risk typical of commercial or business land uses that may be assisted with redevelopment. State law requires detailed planning to ensure that hazardous substances are properly handled, used, stored, and disposed of, and to prevent or minimize injury to human health or the environment in the event such substances are accidentally released. Federal laws, such as the Emergency Planning and Community-Right-to-Know Act of 1986 (also known as Title IH of the Superfund Amendments and Reauthorization Act, or SARA Title III) impose similar requirements.

The Hazardous Materials Release Response Plans and Inventory Law of 1985 (or the Business Plan Act) requires that a business that uses, handles, or stores hazardous substances prepare a plan, which must include: 1) details, including floor plans, of the facility; 2) an inventory of hazardous substances handled or stored; 3) an emergency response plan; and 4) a training program in safety procedures and emergency response for new employees, including annual refresher courses.

In addition, under the terms of State legislation passed in 1989, AB 3777-LaFollette, the responsible local agency is to be provided with a Risk Management and Prevention Plan (RMPP). A RMPP is the sum total of programs aimed at minimizing acutely hazardous substance incident risks. This can include, but is not limited to: 1) systems safety review of design for new and existing equipment; 2) safety evaluation of standard operating procedures; 3) system review for reliability, both human and equipment/facility; 4) preventive maintenance procedures; 5) risk assessment for failure of specific pieces of equipment or operating alternatives; 6) emergency response planning; and 7) internal or external auditing procedures to ensure that safety programs and safety engineering controls are being executed as planned.

In general, this law requires that users of hazardous chemicals include in their RMPPs a hazards operations analysis (HAZOP) to be performed if specified quantities of approximately 30 acutely hazardous chemicals are used. In particular, the HAZOP must consider the off-site consequence of the release of any acutely hazardous substance, as defined. Should any toxic and/or flammable

materials be proposed for any new commercial uses in the Project Area, a disclosure statement must be filed with the Sacramento County Environmental Management Department (SCEMD) which includes a list of these materials, the maximum amounts anticipated and how and where these materials are stored and used. *The Fire Department prepares an emergency plan which contains this information, thereby minimizing the release of hazardous substances in the event of an explosion or fire, and reducing potential impacts to a less than significant level.*

b) Future development in the Project Area and/or redevelopment activities would not interfere with either an adopted emergency response plan or an emergency evacuation plan. *No routes used for emergency access and response would be adversely affected by redevelopment activities.*

c,d) Implementation of the Redevelopment Plan Fifth Amendment does not involve unique or unusual human health concerns. Redevelopment activities are not expected to result in the exposure of people to additional health hazards such as disease or exposure to hazardous materials.

Development in the Project Area may involve the recycling of properties, thus future development may be subject to hazards created by contamination resulting from existing or past land uses on a development site or adjacent site. Prior to development on any project sites that have the potential to be contaminated, applicants must coordinate with and obtain approval from the SCEMD. This procedure is required to assure that a proposed development does not interfere with the cleanup of potential groundwater or soil contaminants.

The Redevelopment Agency thoroughly investigates any proposed acquisition sites for the possible presence of hazardous substances in soil or groundwater. In the event contamination is discovered, a site remediation plan is prepared and implemented prior to any property transfer and construction. *Existing federal, state and local laws and requirements would mitigate any potential impacts in the Project Area to a less than significant level.*

The demolition of older buildings could expose construction workers and the public to carcinogenic asbestos fibers. Asbestos may be present in a variety of forms in the existing structures. If "friable," it could become loose and airborne where it can be inhaled. Loose insulation, ceiling panels, and brittle plaster could be sources of friable asbestos. Non-friable asbestos is generally bound to other substances such that it does not become airborne under normal conditions. In most cases, asbestos in older structures is contained in linoleum, insulation, and similar building materials. These non-friable materials do not present an intrinsic health hazard by their mere presence, because the asbestos is encapsulated in another material. However, any activity that involves manipulation of these materials (i.e., cutting, grinding, or drilling) could release hazardous airborne asbestos fibers.

The City requires that if asbestos fibers are suspected or identified in soils or existing building materials, then additional sampling must be performed prior to any demolition activities to identify asbestos-containing materials that may be contained in building materials or obscured behind walls, above ceilings, and beneath floors. Demolition activities affecting asbestos-containing material shall be performed by a licensed asbestos abatement contractor with properly trained personnel in accordance with all applicable federal, state and local regulations. *Existing federal, state and local regulations would mitigate any potential impacts in the Project Area to a less than significant level.*



e) The proposed Redevelopment Plan Fifth Amendment would not create an increased fire hazard in areas with flammable brush, grass or trees.

#### Section X: Noise

a, b) Increased vehicular traffic resulting from roadway improvements and development encouraged by redevelopment activities may incrementally increase ambient noise levels on arterial streets and freeways. Construction related noise impacts may exceed acceptable levels and will have potentially significant short-term impacts on adjacent residential development. Construction noise represents a temporary impact on ambient noise which will terminate upon completion of an individual project.

A change in noise levels of less than three dBA is not discernible to the general population. An increase in average noise levels from three to five dBA is clearly discernible to most people, and an increase greater than 5 dBA is considered subjectively substantial and constitutes a significant noise impact.

The City of Sacramento Noise Control Ordinance sets limits for exterior noise levels on designated agricultural and residential property. The ordinance states that noise shall not exceed 55 dBA during any cumulative 30-minute period in any hour during the day (7:00 a.m. to 10:00 p.m.), and 50 dBA during any cumulative 30 minute period in any hour during the night (10:00 p.m. to 7:00 a.m.). The ordinance sets somewhat higher noise limits for noise of shorter duration; however, noise shall never exceed 75 dBA in the day and 70 dBA at night.

Construction activities, including the erection, excavation, demolition, alteration or repair of any building or structure, are conditionally exempt from the Noise Ordinance. Construction activities are exempt from the noise standard from 7:00 a.m. to 6:00 p.m. Monday through Saturday, and from 9:00 a.m. to 6:00 p.m. on Sunday. Internal combustion engines that are not equipped with suitable exhaust and intake silencers that are in good working order are not exempt.

The City of Sacramento monitored existing ambient noise for Del Paso Heights surface streets at a normalized distance of 75 feet from the center of the roadway (SGPU Exhibit AA-47). The existing noise levels monitored were identified as 67 dBA on both Norwood Avenue and Marysville Boulevard. The City's land use noise compatibility guidelines identifies a "normally acceptable" range up to 65 dBA for commercial buildings and up to 60 dBA for residential. A "conditionally acceptable" range for commercial is up to 80 dBA. The SGPU estimates that at General Plan buildout, anticipated noise levels along major roadways in the Project Area would increase to 70 - 71 dBA. With conventional construction, such an increase would still be within acceptable levels for commercial areas. However, ambient noise levels in the Project Area would require mitigation (i.e. soundwalls) to protect residential uses along major streets.

The northeast portion of the Project Area is currently shown within the 60 to 70 CNEL noise exposure contours of McClellan Air Force Base. This base is scheduled for closure, and aircraft activities are being phased out. Noise impacts from aircraft overflights is anticipated to lessen from current levels over the life of the Redevelopment Plan Fifth Amendment.

Noise generated by the redevelopment activities and development encouraged by redevelopment will include temporary noise from construction activities and long term operational noise from vehicles accessing and exiting Project Area land uses. The Project Area is located in an urbanized environment which is subject to noise from traffic corridors, trucks, and other noise sources typical of a location near major arterials and commercial activities such as auto repair. Surface traffic noise is the dominant noise source in the City. The Redevelopment Plan Fifth Amendment would eliminate barriers to and encourage development in the Project Area consistent with the City's General Plan. However, the Fifth Amendment would support the Del Paso Nuevo project, which will result in lower buildout levels and potentially less traffic, thus smaller increases in noise levels on Norwood than those anticipated in the SGPU. In addition, proposed rehabilitation activities would decrease interior noise levels for many existing Project Area homes and commercial structures. *No increases in noise levels beyond those anticipated in the General Plan and already considered in the SGPU EIR would occur as a result of the Redevelopment Plan Fifth Amendment.*

b) Proposed redevelopment activities are not expected to expose people to severe noise levels greater than incremental increases in traffic noise that were previously considered in the SGPU EIR.

## Section XI: Public Services

a-e) The City's General Fund and other special collections such as Measure G, state school funds and developer fees provide the financial support to achieve basic safety, school, library and park services. The City does not recognize the level of provision of these services as physical environmental impacts. The City views police, fire, school, maintenance of public facilities, library and park services as basic social services to be provided by the City. The level of service is based in part on the economic health of the service provider, in this case, the City of Sacramento.

Police/fire personnel, schools, libraries and parks provide a wide range of services that are affected by population increases. These services, however, are not impacted by physical environmental effects created by the proposed Redevelopment Plan Fifth Amendment. Section 15382 of the California Environmental Quality Act Guidelines defines a significant effect on the environment as a substantial or a potentially substantial adverse change in any of flora, fauna, ambient noise, and/or objects of historic or aesthetic significance. An economic or social change is not by itself considered a significant effect on the environment.

Any proposed new development in the Project Area will be required to incorporate design features identified in the Uniform Building Code and the Uniform Fire Code. Both the Police Department and the Fire Department are given the opportunity to review and comment on the design of any proposed new development that could affect public or fire safety. The Redevelopment Plan Fifth Amendment would result in elimination of barriers to General Plan growth, thus potentially increasing Project Area population over existing conditions. It would also provide private and public improvements such as housing and commercial rehabilitation, street improvements, a job training/youth center, child care and job training programs. The need for fire and emergency services, however, should not be substantially increased because the Project would reduce existing fire hazards through the rehabilitation of substandard residential, commercial, and industrial buildings. In addition, efforts to

eliminate blight in the Project Area and public facilities and service programs may have a beneficial impact on police service levels. *The incorporation of fire safety measures required by the Uniform Building Code and the Uniform Fire Code and City permitting requirements and Crime Prevention through Environmental Design Program are expected to reduce any physical public safety impacts associated with the redevelopment activities to a less than significant level.*

By removing barriers to growth, the proposed Redevelopment Plan Fifth Amendment could result in an incremental increase in new housing construction in the Project Area. Such increases could result in an increase in student demand on local schools. Four different school districts serve the Project Area, including the Del Paso Heights School District, Grant Joint Union High School District, North Sacramento School District and Robla School District. All Sacramento area schools are considered to be currently at or over capacity. Any new students added to these districts as an indirect result of the Project would increase existing local school capacity problems. It is important to note, though, that new residential development must be consistent with the City General Plan, and could eventually develop in the Project Area in the absence of the Redevelopment Plan.

The policies and implementation measures outlined below are contained in the City's General Plan (1988). These policies are expected to be sufficient to provide adequate school facilities to accommodate General Plan growth within the Project Area.

Goal A: Continue to assist school districts in providing quality education facilities that will accommodate projected student enrollment growth.

Policy 1: Assist school districts with school financing plans and methods to provide permanent schools in existing and newly developing areas in the City.

Policy 2: Involve school districts in the early stages of the land use planning process for the future growth of the City.

Policy 3: Designate school sites on the General Plan and applicable specific plans of the City to accommodate school district needs.

Policy 5: Continue to assist in reserving school sites based on each district's criteria, and upon the City's additional locational criteria as follows:

- ▶ Locate elementary schools on sites that are safely and conveniently accessible, and free from heavy traffic, excessive noise and incompatible land uses.
- ▶ Locate schools beyond the elementary level adjacent to major streets. Streets that serve as existing or planned transit corridors should be considered priority locations.
- ▶ Locate all school sites centrally with respect to their planned attendance areas.

Goals and Policies adopted as mitigation measures for the City's General Plan Update (1988) were determined to mitigate impacts of growth on schools to less than significant levels. These policies and measures are the responsibility of the City to implement for the Project Area.

Under Assembly Bill 1290, which amended California Redevelopment Law, the State recognized the potential adverse impact on schools from redevelopment, and mitigated that effect by specifically providing a net increase in funding for school capital improvements. The impact of any new residential development on impacted schools in the Project Area would nevertheless be significant, since the districts lack sufficient funds to alleviate existing overcrowding. However, the legislature specifically found in Article 16.5, Section 31, amending Section 33607.5 (g)(2) of the Health and Safety Code, that "(n)otwithstanding any other provision of law, a redevelopment agency shall not be required, either directly or indirectly, as a measure to mitigate a significant environmental effect or as part of any settlement agreement or judgment brought in any action to contest the validity of a redevelopment plan pursuant to Section 33501, to make any other payments to affected taxing entities, or to pay for public facilities that will be owned or leased to an affected taxing entity."

## **Section XII: Utilities and Service Systems**

In the context of energy service, a significant impact is defined as capacity demand that cannot be met by existing or presently programmed supply, transmission and distribution facilities, and that requires the construction of significant amounts of additional facilities.

a) Natural Gas/Electrical. Increased demands on natural gas resources are met either by current PG&E infrastructure or upgraded/new facilities if the demand is increased beyond existing local infrastructure capacity. Project developers would be assessed the cost of upgraded/new facilities on a case-by-case basis if required because of the increased demand. New developments are required to coordinate through PG&E to assure that gas is efficiently supplied. The proposed Redevelopment Plan Fifth Amendment would not generate a demand that would require PG&E to secure a new gas source beyond their current suppliers.

As is the case with gas supply, increased electrical demands are met either by current infrastructure or upgraded/new facilities if the demand is increased beyond existing local infrastructure capacity. Project developers would be assessed the cost of upgraded/new facilities if required because of the increased demand. A significant environmental impact would result if a project resulted in the need for a new electrical source (e.g., hydroelectric and geothermal plants).

The proposed Redevelopment Plan Fifth Amendment will eliminate barriers to growth, and thus increase the electrical demand in the Project Area. SMUD has a standard set of measures it requires for approval of new developments:

1. Contact the SMUD Electric System Design Department and consult with SMUD through project planning, development, and completion. Early notification and consultation will be required, since there is a lead time of 12 to 18 months for acquisition of equipment and extension or modification of facilities.

2. Work closely with SMUD during the design stage of the project to ensure that energy conservation and load management measures recommended by SMUD are implemented to the maximum extent feasible.
3. Work with SMUD to locate a vault for electrical transformers with the project as required.
4. Pay to SMUD costs associated with any relocation of SMUD's electrical facilities due to project development.
5. Cooperate fully with SMUD in disclosing information concerning existing and proposed electrical facilities in the Project Area to those parties involved on acquisition of property within the area or the development, maintenance, or regular use of facilities located within the area.

The design of adequate electrical facilities is part of the normal development process and is not considered a physical environmental impact. Implementation of the proposed Redevelopment Plan Fifth Amendment will require compliance with SMUD standards. The proposed Redevelopment Plan Fifth Amendment would not generate a demand that would require SMUD to secure a new electrical source beyond their current suppliers. *Therefore, the physical environmental impact of increased electrical and natural gas demand by the proposed Redevelopment Plan Fifth Amendment is considered less-than-significant.*

Besides the direct consumption of energy mentioned above, construction projects also consume indirect energy. For example, indirect energy is consumed through construction related services that use raw materials/natural resources to manufacture the construction materials. A steel beam used in construction indirectly represents energy consumed through mining and extraction of raw materials, the manufacturing process, and the transportation of the material. This indirect energy typically represents about three-quarters of the total construction energy consumption. There is no threshold established by which the impact of indirect energy consumption can be evaluated since it is so widespread throughout the national economic structure.

The City of Sacramento has adopted an energy conservation review checklist and development guidelines for all projects and site plan reviews. The intent of the guidelines is to encourage consideration of energy conservation measures in the preliminary development stages so that project-related energy consumption is minimized. In addition to the checklist, Plan Review of the energy facilities for development occurs during the design review stage of the planning process. *Energy consumption anticipated by the proposed Redevelopment Plan Fifth Amendment would be less-than-significant.*

b) Communication systems. Many federal, state, and local government agencies, as well as private entities, use radio and microwave repeaters mounted on building rooftops. Radar dishes are also mounted on regional mountaintops. Most radar energy is receivable within a certain arc, or range, from the sending point to the receiving point. Obstacles such as tall buildings sometimes block communications within this range. Some systems require a clear line of sight for dependable communications, and any obstacle located between the sending point and the receiving point, including buildings, could block communications or create a "blind spot" in the communications system.

The Project Area is a suburban, mostly residential area where buildings are rarely over two stories. It is not anticipated that any buildings over four stories or with floors below ground level would be assisted by redevelopment activities. If the City were to approve land use and zoning changes that would allow more intensive development that may be assisted by redevelopment activities, mitigation measures are easily available and would be required by the City as part of any discretionary approval process, thus *interference with communication systems would be a less than significant impact.*

c,f) The City of Sacramento provides water service to areas within the City limits from both surface and ground water sources. The City has water rights to 326,800 acre feet of water per year (AFY). Of this, Sacramento Municipal Utility District (SMUD) has rights to 15,000 AFY. About 100,000 acre-feet or 32 percent of available supplies were consumed by the city water users during 1990.

The City's Department of Utilities, Division of Water has a policy of serving all planned developments within the City boundary that are part of the City's General Plan, thereby allowing the City to plan future treatment facilities in advance of the required demand. Eventually, the City's water rights to the Sacramento and American Rivers may be the limiting factor of future development beyond the year 2035; however, treatment capacity is currently the deciding factor in determining a level of significant impact on the City's Water System. The City has adequate water rights to supply anticipated demand within the Project Area at buildout. New water supply system infrastructure would be coordinated with development as it occurs throughout the City, and all necessary infrastructure would be put in place to serve projects on a case by case basis. *All development within the proposed Redevelopment Plan Fifth Amendment Project Area would be required to contribute towards its share of expanding the water treatment facility to accommodate increases in flow through the system, thus water supply impacts would be less-than-significant.*

d,e) Sewage treatment for the City of Sacramento is provided by the Sacramento Regional County Sanitation District (SRCSD). The SRCSD is responsible for the operation of all regional interceptors and wastewater treatment plants, while local collection districts maintain the systems that transport sewage to the regional interceptors. From the collection system and regional interceptors, sewage flows ultimately reach the Sacramento Regional Wastewater Treatment Plant (SRWTP), which is located south of the City of Sacramento east of Freeport Boulevard. The SRWTP has an existing treatment capacity of approximately 181 million gallons per day (mgd) of seasonal dry-weather flow and 392 mgd of peak wet-weather flow (SRWTP Master Plan Draft Update, 1995). This expanded capacity is anticipated to serve a projected year 2005 service area population of approximately 1.6 million people.

Existing sewer infrastructure serving the Project Area includes local gravity sewers that collect wastewater from various sources in the Project Area, and connect to larger gravity feed sewer mains which join the trunk outfall line. Local sewer lines are generally located within right of ways of the Project Area's street system. There are some capacity problems in the Del Paso Nuevo area, which will be resolved with that project by the construction of a new interceptor in the vicinity of Carroll and Altos avenues, a new lift station and a new force main and gravity main. *Redevelopment activities in the Project Area will not adversely affect the SRWTP's ability to serve the Project Area and the County.*

g) The City of Sacramento, Department of Public Works, Solid Waste Division currently collects most of the solid waste in the project vicinity. Most commercial establishments, however, hire private collectors to dispose of their dry solid waste. Waste generated within the City is disposed of in the County of Sacramento landfill located near the Cosumnes River at 12071 Keifer Boulevard, southeast of the intersection of Keifer and Grant Line Road.

The annual capacity of the County's Keifer Boulevard Facility (landfill) is 1,000,000 tons per year. Recently, the discovery of wetlands and endangered species at the County landfill site has impacted estimates of remaining capacity and life span. The County landfill had an estimated life span of 25 to 30 years before wetlands were discovered. The estimated life span is now 5-7 years due to approximately 350 acres having been removed from the total landfill size to avoid destroying wetlands. This projected life span is based upon the generation of 1,000,000 tons of solid waste per year, and does consider the addition of the City's solid waste production. The County of Sacramento Public Works Department is proceeding with acquiring another 430-acre site next to the County landfill. Use of this acreage would result in a total of 730 acres and would prolong the landfill life span of the landfill to 25 to 30 years. Before any additional acreage can be used as landfill, a new operating permit must be submitted and approved by the Regional Water Quality Control Board and the State Integrated Waste Management Board. This permit process is estimated to take more than one year. It is anticipated that interim recycling efforts will reduce the amount of waste disposed of at the County's landfill.

State Assembly Bill 939 (AB 939) requires all cities to develop a source reduction and recycling program to achieve a 25 percent reduction of solid waste by 1995 and a 50 percent reduction by the year 2000. To comply with the AB 939 requirements, the City of Sacramento amended its comprehensive Zoning Ordinance to include a Recycling and Solid Waste Disposal Regulations section. The Recycling and Solid Waste Disposal Regulations call for all commercial, office, industrial, public/quasi-public, and 5-unit or more multiple family residential developments to create a recycling program which includes a flow chart depicting the routing of recycled materials and a site plan specifying the designing components and storage locations associated with recycling efforts.

The County Landfill is regulated to assure that environmental impacts to groundwater, soil, and air are minimized. The landfill has adequate capacity for future growth and is completing expansion plans, and recycling programs in the City are reducing demand. No disposal of hazardous wastes are anticipated with this project. *The proposed Redevelopment Plan Fifth Amendment would result in less than significant solid waste impacts.*

### **Section XIII: Aesthetics/Urban Design**

a,b) There are no designated scenic highways located within the Project Area that could be affected by redevelopment activities. A major objective of the Amended Redevelopment Plan is to eliminate blight and blighting influences within the Project Area that contribute to the disjointed and degraded visual quality of the Project Area. *This is considered a beneficial impact of the Project.*

b) The Project Area has been identified in the SGPU and Del Paso Heights Redevelopment Plan as an appropriate location for urban development. The proposed Amended Plan would assist in the upgrading of existing properties and new development, as well as landscape and lighting improvements along Marysville Boulevard.

All redevelopment actions must also comply with the Art in Public Places Program. In 1979, SHRA adopted Resolutions 1750 and 2863, pledging itself "to promote the aesthetic improvement of the City of Sacramento to the fullest extent possible." The Art in Public Places Program requires that development projects with SHRA assistance expend a minimum of two percent of the total project construction costs on aesthetic improvements. Such improvements may be decorative or functional, landscape items, or architectural features. The SHRA currently has an existing memorandum of understanding with the City of Sacramento that designates the Sacramento City Department of Community Services, Metropolitan Arts Division to administer the Art in Public Places Program (Bloom, 1996). *Therefore, the Redevelopment Plan Fifth Amendment would result in a beneficial impact on aesthetics in the Project Area.*

c) Development encouraged by redevelopment activities will result in some increases in light and glare from domestic, commercial, and public lighting. Because the area is already urbanized, the incremental increase in lighting associated with new development will be less-than-significant.

Solar glare created by the reflection of light off building surfaces has the potential to create impacts if it causes distracting glare for drivers on city streets or on nearby freeways. As the sun travels from east to west, areas of glare may be produced as the sun hits the surface of a building and reflects from that surface. The height and width of a structure affects the area of glare. All new lighting in the Project Area must be installed in compliance with the City's Comprehensive Zoning Ordinance (Section 6-D-8) standards. These standards ensure that all new lighting reduces light and glare in the project vicinity and that all exterior lighting would be directed away from properly shielded to eliminate glare on existing land uses and roadways. *Light and glare impacts are therefore not considered to have an impact with adherence to City requirements.*

#### **Section XIV: Cultural Resources**

a) The physical environment of the Project Area has been greatly altered by human modification over the past 150 years. Specifically, the urbanization of the City of Sacramento has greatly altered the pre-1850 environment. On a larger scale, the deposition of deep alluvial soils over the past 10,000 years has buried any early archaeological resources.

The Project Area is located in an existing urbanized area, which was previously developed with both commercial and residential uses. The Project Area is not located in a Primary Impact Area as defined by the SGPU EIR (Page V-5). There are no recorded pre-historic sites in the Project Area. The City has a standard construction requirement that should any cultural resources, such as structural features, unusual amounts of bone or shell, artifacts, human remains, or architectural remains be encountered during any development activities, work shall be suspended and a qualified archaeologist shall be consulted to develop, if necessary, further mitigation measures to reduce any archaeological



impact to a less than significant level before construction continues. Such measures could include, but are not limited to, researching and identifying the history of the resource(s), mapping the locations, and photographing the resource. In addition, Section 5097.98 of the State Public Resources Code, and Section 7050.5 of the State Health and Safety Code requires that in the event of the discovery of any human remains, all work is to stop and the County Coroner shall be immediately notified. If the remains are determined to be Native American, guidelines of the Native American Heritage Commission shall be adhered to in the treatment and disposition of the remains. *The proposed Redevelopment Plan Fifth Amendment is therefore not anticipated to have an impact on prehistoric resources.*

c) The history of Del Paso Heights can be traced back to the Spanish land grants of the 1840's. The area surrounding the present community was once a large ranch known as Rancho Del Paso, which was subsequently acquired by James Haggin and Lloyd Tevis during the Civil War. The 1,000 acre size of Del Paso Heights is consistent with early Californian ranching operations. Just prior to World War II, the ranch was sold to the North Sacramento Land Company and subdivided into smaller parcels, beginning the area's urbanization.

During World War II the community grew substantially due both to its proximity to McClellan Air Force Base and the need for worker's housing. For many years, Del Paso Heights remained semi-rural in character and had little infrastructure development typical of an unincorporated community. During the 1950's and 1960's, as the wartime economy wore down and the workers left McClellan, Del Paso Heights began to suffer economic decline.

Since most of the Project Area developed during World War II, few of the residential structures in the Project Area are considered historically significant. There are no structures currently identified on the City's Register of Historic Structures or listed with the State Office of Historic Preservation. The Del Paso Nuevo project area is currently being assessed by a qualified architectural historian to identify any structures that may require special consideration. Such structures may be subsequently added to the City's Historic Inventory and protected under local zoning code requirements. Redevelopment activities include rehabilitation of existing structures, and the Agency has a strong history of historic preservation in the Project Area. *The proposed Redevelopment Plan Fifth Amendment is therefore not anticipated to have an adverse impact on historic resources.*

d) The Redevelopment Plan Fifth Amendment would not result in any physical changes in the Project Area that may have an impact on unique ethnic cultural values.

e) The Project Area is not known to have been used for religious or sacred purposes.

## **Section XV: Recreation**

a,b) The City's General Fund and other special collections provide the financial support to achieve basic park and recreational services. The City does not recognize the level of provision of these services as physical environmental impacts. The City views park services as basic social services to

be provided by the City. The level of service is based in part on the economic health of the service provider, in this case, the City of Sacramento.

Parks provide a wide range of services that are affected by population increases. These services, however, are not impacted by physical environmental effects created by the proposed Redevelopment Plan Fifth Amendment. Section 15382 of the California Environmental Quality Act Guidelines defines a significant effect on the environment as a substantial or a potentially substantial adverse change in any flora, fauna, ambient noise, and/or objects of historic or aesthetic significance. An economic or social change is not by itself considered a significant effect on the environment.

The proposed Redevelopment Plan Fifth Amendment would assist in development of a new Nuevo Park/Civic Center, providing for central public space within the community and an active area with an amphitheater, playgrounds, picnic areas, and field sports. This would be a beneficial impact of the project. *The proposed Redevelopment Plan Fifth Amendment would not result in any adverse impacts upon the quality or quantity of recreational facilities. Any population growth resulting from redevelopment activities would be consistent with that anticipated in the City's General Plan and previously considered in the SGPU EIR.*

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25. *2010 Sacramento City/County Bikeway Master Plan*, Environmental Impact Report, County of Sacramento, September 1992.

**PART X.       REPORT OF COUNTY FISCAL OFFICER**

The CRL provides that when a project area which proposes to use tax increment revenue is initially adopted or when it is being amended to add territory to the project, the county officials charged with the responsibility of allocating taxes to redevelopment agencies shall prepare and deliver a report containing information on the allocation of tax revenue in the project area (or amendment area) to taxing agencies and the redevelopment agency. The proposed Fifth Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project does not include adding territory to the existing project area. Therefore, a report by the Sacramento County Auditor-Controller ("County Fiscal Officer's Report") was not required as part of the amendment process.

## **PART XI. NEIGHBORHOOD IMPACT REPORT**

Section 33352(m) of the CRL requires the preparation of a neighborhood impact report if a redevelopment project contains low or moderate income housing. The purpose of the report is to describe in detail the impact of the proposed plan or plan amendments upon the residents of the project area and surrounding areas in terms of relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on school population and quality of education, property assessments and taxes, and other matters affecting the physical and social quality of the neighborhood. The neighborhood impact report is also to include: (a) the number of dwelling units housing persons and families of low or moderate income expected to be destroyed or removed from the low- and moderate-income housing market as part of the Redevelopment Project Area; (b) the number of persons and families [households] of low or moderate income expected to be displaced by the project; (c) the general location of housing to be rehabilitated, developed, or constructed pursuant to Section 33413 of the CRL; (d) the number of dwelling units housing persons and families of low- and moderate-income planned for construction or rehabilitation, other than replacement housing; (e) the projected means of financing the proposed dwelling units for housing persons and families of low- and moderate-income planned for construction or rehabilitation; and (f) a projected timetable for meeting the plan's relocation, rehabilitation and replacement housing objectives.

The proposed Fifth Amendment consists of administrative changes to the Redevelopment Plan. No additional physical changes over those that would have occurred are anticipated as a result of the implementation of the proposed Fifth Amendment since no additional projects and/or public improvements are proposed in connection with adoption of the proposed Fifth Amendment.

Because the Project Area contains persons and families with low or moderate incomes, a neighborhood impact report is included herein. Due to overlapping among the data required in the Initial Study/Negative Declaration, the Method or Plan for Relocation and the Neighborhood Impact Report -- all of which are contained in this Report -- cross-referencing is employed in order to reflect the most comprehensive data source and to avoid repetition where possible.

### **A. IMPACT ON RESIDENTS IN PROJECT AREA AND SURROUNDING AREAS**

#### **1. Relocation, Traffic Circulation, Environmental Quality, and Availability of Community Facilities and Services (Other than Education)**

The Initial Study/ Negative Declaration prepared for the Fifth Amendment, referenced in Part IX of this Report, presents information and analysis on the potential environmental impacts of the Fifth Amendment. Fifteen issues were identified for analysis, including: land use and planning; population housing; geology; water; air quality; transportation/circulation; biological resources; energy and mineral resources; hazards; noise; public services; utilities and service systems; aesthetics/urban design; cultural resources, and recreation. None of the fifteen issues analyzed was determined to be potentially significant.

##### **a. Relocation**

The proposed Fifth Amendment will facilitate continued redevelopment activities as permitted by the Redevelopment Plan for the Del Paso Heights Redevelopment Project Area. While the Agency currently has the authority to acquire property through eminent domain and seeks to extend this authority by the Fifth Amendment, the Agency will make every effort to purchase property through negotiation with property owners and will provide for the relocation of households and/or businesses necessary to implement the Redevelopment Plan. When the Agency becomes directly involved in the relocation of residents or businesses, this relocation will be conducted in strict accordance with state requirements for relocation payments and assistance. The intent is to make individuals or

businesses "whole" after relocation by compensating for any losses and assisting in finding an alternative location in Project Area, if possible.

b. Traffic Circulation

The Initial Study/Negative Declaration indicates that redevelopment activities within the Project Area will encourage a general intensification of commercial, residential and other development. This additional development will generate additional vehicular movements throughout the Project Area and the City/County over existing conditions. However, the Fifth Amendment will support the Del Paso Nuevo Project, which will result in lower densities than anticipated in the General Plan, thus build-out of the Project Area is anticipated to generate fewer average daily trips than anticipated with the General Plan.

Furthermore, the Agency intends to assist in the provision of adequate parking and assist in the construction of medians, traffic circulation improvements, and street lights to upgrade the appearance and safety of the Marysville Boulevard Corridor. Therefore, the Fifth Amendment is not expected to generate any unanticipated impacts and is expected to have a beneficial impact on Project Area parking, circulation, alternative transportation modes, and pedestrian and cyclist safety.

c. Environmental Quality

Based on the information set forth in the Initial Study/Negative Declaration, the Fifth Amendment will not result in significant impacts to land use and planning, population and housing; geology; water; air quality; biological resources; energy and mineral resources; hazards; noise; utilities; aesthetics; cultural resources; and recreation.

d. Availability of Community Facilities and Services (Other than Education)

Based on information presented in the Initial Study/Negative Declaration, the Fifth Amendment would result in elimination of barriers to General Plan growth, thus increasing Project Area population over existing conditions. However, the need for fire and emergency services should not be substantially increased because the Fifth Amendment would reduce existing fire hazards through the rehabilitation of substandard residential, commercial and industrial buildings. Furthermore, incorporation of fire safety measures required by the Uniform Building Code and the Uniform Fire Code and City permitting requirements and Crime Prevention through Environmental Design Program are expected to reduce any physical public safety impacts associated with the redevelopment activities to a less than significant level.

## **2. School Population and Quality of Education**

By removing barriers to growth, the Fifth Amendment could result in an incremental increase in new housing construction in the Project and such increase could result in an increase in student demand on local schools. Four school districts serve the Project Area, including the Del Paso Heights School District, the Grant Joint Union High School District, the North Sacramento School District, and the Robla School District. All Sacramento area schools are considered to be currently at or over capacity, and any new students added to these districts as an indirect result of the Fifth Amendment would increase existing local school capacity problems. It is important to note, however, that new residential development must be and is consistent with the City General Plan, and could eventually develop in the Project Area even in the absence of the Redevelopment Plan. The City General Plan contains policies and implementation measures to provide adequate school facilities to accommodate General Plan growth within the Project Area. These policies are expected to be sufficient to provide adequate school facilities to accommodate General Plan growth and therefore mitigate impacts of growth to less than significant levels.

The Legislature has provided for statutory pass-through payments to school districts and other taxing agencies, as added to the Community Redevelopment Law by Assembly Bill 1290 (Chapter 942, Statutes of 1993). This statutory pass-through is intended to alleviate any adverse impacts school districts may encounter as a result of redevelopment activities. Pursuant to the CRL, mandatory tax sharing payments will commence in 2000-01, after the existing Plan limits have been reached.

### **3. Property Assessment and Taxes**

In general, the taxable valuations of property within the Project Area and adjoining area should increase as development to be facilitated in the Project Area occurs. New development within the Project Area will be assessed at market value, as determined by the County assessor. Within and outside the Project Area, the Assessor may increase property valuations for existing properties at the maximum rate of two percent per year allowed under Proposition 13, regardless of amended Project-related actions. And, in cases where property changes hands, the Assessor will likely assess the property at the newly recorded market value. Additionally, the Assessor will reassess the added value to property and improvements due to any new development or rehabilitation that occurs.

The only other matters potentially affecting property taxes in the Project Area and surrounding area would be the possibility of additional levies resulting from formation of special assessment districts. There are no specific proposals for formation of special assessment districts at this time. A parcel evaluation would be undertaken at a later date should it be desired to create a special assessment district within the Project Area. If any such district were created, it would likely be in connection with public improvements developed within the Project Area. Special assessment districts for various legally permitted purposes may be established by the City in the manner provided by the law where feasible irrespective of whether a redevelopment project area has been adopted or not.

## **B. RESIDENTIAL DISPLACEMENT AND LOW- AND MODERATE-INCOME HOUSING**

### **1. Low- and moderate-income Housing Units to be Destroyed or Removed from the Market**

The proposed Fifth Amendment will extend eminent domain authority over property within the Project Area. Although the Agency has no specific plans for the use of such authority at the present time, based upon past Agency activities, it is reasonable to conclude that approximately 30 low- and moderate-income residential housing units could be destroyed or removed as part of its implementation activities over the remaining duration of the Redevelopment Plan, most likely as a result of the Del Paso Nuevo project. As a result, this analysis includes the potential of low- and moderate-income housing units being removed from the Project Area.

### **2. Projected Low- and Moderate-income Persons and Families Displacement**

As stated above, the proposed Fourth Amendment will extend the Agency's authority of eminent domain within the Project Area. Therefore, the displacement of low- and moderate-income residents could occur as a result of the Agency's continuing implementation activities, such as rehabilitation or new construction. As stated, the Agency anticipates potentially removing up to 30 units from the Project Area. To the extent that the Agency pursues the acquisition of these housing units, it will lead to the displacement of low- and moderate-income households. Given a 1990 census estimate of 3.1 persons per household, a theoretical total of approximately 93 low- and moderate-income residents could be displaced over the extended duration of the Project Area.

As residential displacement is contemplated, the Agency will conduct individual household surveys to determine the exact number, type and location of comparable replacement

housing units and the required number of referrals thereto prior to displacement of any persons of low or moderate income. See Part V of this Report for an overview of the steps in the relocation process that must be undertaken by the Agency prior to displacing any person(s) or family(ies).

### **3. Replacement Housing Plan**

Not less than 30 days prior to the execution of an agreement for acquisition of real property, or the execution of an agreement for the disposition and development of property, or the execution of an owner participation agreement, which agreement would lead to the destruction or removal of dwelling units from the low- and moderate-income housing market, the Agency will adopt by resolution a replacement housing plan pursuant to CRL Section 33413.5. For a reasonable time prior to adopting a replacement housing plan by resolution, the Agency will make available a draft of the proposed replacement housing plan for review by other public agencies and the general public.

The replacement housing plan will include those elements required by the CRL. A dwelling unit housing persons of low or moderate income whose replacement is required by the Agency, but for which no replacement housing plan has been prepared, will not be destroyed or removed from the low- and moderate-income housing market until the Agency has by resolution adopted a replacement housing plan.

Nothing, however, shall prevent the Agency from destroying or removing from the low- and moderate-income housing market a dwelling unit that the Agency owns and which is an immediate danger to health and safety. The Agency will, as soon as practicable, adopt by resolution a replacement housing plan with respect to such dwelling unit.

### **4. Replacement Housing to be Rehabilitated, Developed, or Constructed Pursuant to CRL Section 33413**

When the Agency acquires property, enters into a disposition and development agreement, participation agreement or other agreement, or undertakes any other activities requiring or causing the destruction or removal of housing units from the low- and moderate-income housing market, the Agency will provide replacement housing required pursuant to Section 33413 of the CRL. As stated earlier, it is estimated that the Agency may need to replace up to 30 low and moderate income residential units. Such replacement housing will be provided by the Agency within four years of the destruction or removal of said housing units.

The Agency's housing implementation plan identifies Agency-projected future development of housing units within the Project Area, which could be used to satisfy the Agency's replacement housing obligation. Through programs such as the Boarded Home Program, the Agency expects to assist in the rehabilitation of approximately four homes per year throughout the duration of the Redevelopment Plan, for a total of approximately 48 rehabilitated units. Also, the Agency expects to assist with the development of approximately 25 new housing units per year, for a total of approximately 300 new housing units. Most of the new units will be constructed as a part of the Del Paso Nuevo project. These estimates are based on past housing and projected future development and rehabilitation activity as identified in the Agency's Five-Year Implementation Plan and Five-Year Investment Strategy for the Del Paso Heights Project.

### **5. Number and Location of Low- and Moderate-income Housing Units Other than Replacement Housing**

Of the approximately 348 rehabilitated and new housing units to be constructed with Agency assistance within the Project Area over the remaining duration of the redevelopment plan, most will be located in the Del Paso Nuevo project, which is located in the southwestern portion of the Project. Other smaller scale developments can also be expected on existing opportunity sites as identified in the Five-Year Investment Strategy.



These opportunity sites are composed of boarded units and vacant lots located throughout the Project Area. Therefore, it follows that the location of most of the rehabilitated and newly constructed in-fill units will be located throughout the Project Area.

These opportunity sites also are potential locations for non-Agency assisted rehabilitation and development. A field survey conducted in 1996 by SHRA staff identified 62 boarded residential units within the Project Area. The 1996-97 Sacramento County Assessor's Tax Roll identified 468 vacant parcels in the Project Area. Assuming conservatively that each vacant site has the capacity for a single family home, the Project Area has the minimum potential for 530 new or rehabilitated housing units. However, due to factors such as developer interest, market demand, financing ability, etc., it is doubtful that the Project Area will realize this level of housing construction over the remaining duration of the Redevelopment Plan.

At least 30 percent of all new or rehabilitated dwelling units developed directly by the Agency, if any, shall be available at affordable housing cost to persons and families of low- and moderate-income. Not less than 50 percent of these dwelling units required to be available at affordable housing cost to persons and families of low or moderate income shall be available at affordable housing cost to, and occupied by, very low income households. At least 15 percent of all new or rehabilitated dwelling units developed within the Project Area by public or private entities or persons other than the Agency shall be available at affordable housing cost to persons and families of low or moderate income. Not less than 40 percent of these dwelling units required to be available at affordable housing cost to persons and families of low or moderate income shall be available at affordable housing cost to very low income households.

These percentage requirements shall apply independently of the requirements for replacement housing discussed above and in the aggregate to housing made available by the Agency and by public or private entities or persons other than the Agency, respectively, and not to each individual case of rehabilitation, development or construction of dwelling units. The Agency shall require that the aggregate number of dwelling units rehabilitated, developed or constructed, or price-restricted pursuant to these requirements remain available at affordable housing cost to persons and families of low-income, moderate-income and very-low-income households, respectively, 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, unless otherwise permitted by law.

#### **6. Financing Methods for Low- and Moderate-Income Housing**

The Agency will meet replacement housing requirements and other obligations under the Redevelopment Plan and Community Redevelopment Law. Not less than 20 percent of all taxes which may be allocated to the Agency pursuant to Section 33670 of the CRL shall be used by the Agency for purposes of increasing and improving the supply of low- and moderate-income housing available at affordable housing cost to persons and families of low or moderate income and very low income households. This source of funding is expected to be utilized for replacement housing should the Agency be required to create such housing, and for the construction of low- and moderate-income housing as well as rehabilitation of low- and moderate-income housing.

#### **7. Timetable for Provision of Relocation, Rehabilitation and Replacement Housing Objectives**

The Relocation Plan(s) prepared by the Agency pursuant to Section 6038 of the State Relocation Guidelines for a particular development activity shall contain schedules to insure comparable replacement housing is available in accordance with the requirements of the CRL and the State Relocation Guidelines. The Agency's projected timeline for meeting housing rehabilitation objectives shall be in accordance with the plans of the Agency and the time limits as prescribed by law. If replacement housing is to be provided pursuant to Section 33413 of the CRL, the Agency shall take necessary steps to cause

the construction, rehabilitation or development of such housing in accordance with the time limits prescribed by law.

**C. OTHER MATTERS AFFECTING THE PHYSICAL AND SOCIAL QUALITY OF THE ENVIRONMENT**

The proposed Fifth Amendment will have a beneficial impact upon residents, property owners, and businesses within the area. Implementation of the Amended and Restated Redevelopment Plan will continue to bring about coordinated growth and development and improvements in the public infrastructure system, which in turn should stimulate reinvestment. More importantly, the Amended and Restated Redevelopment Plan will eliminate remaining blighting influences, which deter and negatively impact the Project Area. The Amended and Restated Redevelopment Plan will therefore help the City to continue to reverse decline without the need for more extensive and expensive measures in the future.

Through the Agency's involvement in facilitating the rehabilitation and new construction of low and moderate income housing, the redevelopment process will improve the quality of housing in the Project Area, and increase the quantity and quality of housing in the City for low and moderate households.

The Agency's Development Assistance Program encourages infill development that reinforces and invigorates existing commercial and industrial areas within the Project Area. Also, the program solicits businesses to locate within the boundaries of the Project Area and encourages the retention of existing businesses.

The Agency's Rehabilitation Program provides low interest loans to Project Area businesses to assist in funding physical improvements to such businesses, such as façade improvements. This program will help the Agency address certain types of physical blighting conditions within the Project Area.

The Agency's Public Improvements and Facilities Program improves the public infrastructure system which provides an environment to stimulate revitalization and growth in the Project Area. The proposed public improvements will improve the quality of the Project Area's physical environment, and improve the traffic circulation patterns and safety within the Project Area.

## **PART XII**

### **ANALYSIS OF THE REPORT OF THE COUNTY FISCAL OFFICER; SUMMARY OF CONSULTATIONS WITH AFFECTED TAXING AGENCIES; AND RESPONSE TO WRITTEN OBJECTIONS AND CONCERNS OF AFFECTED TAXING AGENCIES**

#### **A. INTRODUCTION**

In 1993, the California Legislature enacted the Community Redevelopment Law Reform Act (Chapter 942, 1993 Statutes). Among other things, that Act, in recognition of the failure of the fiscal review process that had been a part of the CRL since 1976, abolished the fiscal review committee option and pass-through agreement authority that had been available to affected taxing agencies. Such taxing agencies ostensibly used this process as a mechanism to mitigate any fiscal detriment to such agencies as a result of adoption of redevelopment plans and certain types of plan amendments. Many taxing agencies had used this mechanism to induce redevelopment agencies to make pass-through payments that greatly exceeded any detriment caused by the proposed projects. And school districts typically shielded such payments from state oversight in order to avoid loss of state education funds. Because school districts often comprise a significant portion of local tax rates, the effect of this practice, in the view of the state, was to pass a large portion of the cost of redevelopment on to the state.

On the other hand, the state recognized that most redevelopment projects, regardless of how worthy they are, do result in some fiscal detriment to affected taxing agencies. Accordingly, in lieu of the fiscal review/pass-through agreement provisions deleted by the reform act, the act substituted mandatory pass-through payments of specified percentages of net tax increment revenues to all affected taxing agencies for new project adoptions, and to any taxing agency that had no previous pass-through agreement for project amendments. Such payments, which escalate over time, commence immediately for all new projects, and, for project amendments such payments begin when one or more of the plan limits being amended would have taken effect. In addition, to permit school district taxing agencies to actually benefit from such payments, the reform act specified that 56.1 percent of all funds received could be used for education facilities and would not result in an offsetting loss of state educational funds.

At the same time that the reform act deleted the CRL's fiscal review committee/pass-through agreement provisions, it left intact: 1) the existing CRL Section 33328 requirement that redevelopment agencies must consult with each taxing agency with respect to a proposed redevelopment plan or plan amendment and "...to the allocation of taxes pursuant to Section 33670" (tax increment); and 2) the CRL Section 33352(n) requirement that a report to council must include a summary of such consultations by the agency. In leaving these provisions in the CRL, the Legislature recognized that taxing agencies should be apprised of proposed redevelopment projects and amendments before they are adopted so that they may properly plan for them. The provisions were not left in the law, however, as a means to permit taxing agencies to continue the previous practice of negotiating pass-through agreements with redevelopment agencies.

Pursuant to Section 33352(n) of the CRL, a report to City Council must include: 1) an analysis of the county fiscal officer's report; 2) a summary of the consultations of the agency, or such attempt to consult, with each of the affected taxing agencies; and 3) a response to any of the affected taxing entities' written objections or concerns with the proposed project (or amendment) area as part of the consultations. This Part XII of the Report to City Council addresses the requirements of Section 33352(n).

#### **B. ANALYSIS OF THE REPORT OF THE COUNTY FISCAL OFFICER**

The CRL provides that when a project area which proposes to use tax increment revenue is initially adopted or when it is being amended to add territory to the project, the county

officials charged with the responsibility of allocating taxes to redevelopment agencies shall prepare and deliver a report containing information on the allocation of tax revenue in the project area (or amendment area) to taxing agencies and the redevelopment agency. The proposed Fifth Amendment to the Redevelopment Plan does not include adding territory to the Project Area. Therefore, a report by the Sacramento County Auditor-Controller ("County Fiscal Officer's Report") was not required as part of the amendment process.

#### **C. SUMMARY OF CONSULTATIONS WITH AFFECTED TAXING AGENCIES**

Section 33328 of the CRL requires the Agency, prior to the publication of a notice of the joint public hearing on the proposed Redevelopment Plan (or amendments thereto), to consult with each affected taxing agency with respect to the proposed redevelopment plan (or plan amendment) and the allocation of tax increment revenues. A letter notifying each affected taxing agency of the Agency's intent to proceed with the preparation of the Fifth Amendment was transmitted to each affected taxing agency on April 15, 1998. On June 2, 1998, the Agency again notified each affected taxing agency, transmitting copies of the proposed Fifth Amendment and the Preliminary Report.

A summary of all consultations with affected taxing agencies to date, and any correspondence therewith, is included in Exhibit XII-1.

#### **D. RESPONSE TO WRITTEN OBJECTIONS OR CONCERNS OF THE AFFECTED TAXING ENTITIES**

At the time this Report was prepared, no written objections from affected taxing entities have been received. Letters were received from the Los Rios Community College District, Public Economics, Inc. (on behalf of the Sacramento County Office of Education), and the Sacramento-Yolo Mosquito & Vector Control District and have been responded to in writing by the Agency as indicated in Exhibit XII-2. Additional responses to written objections or concerns of the affected taxing entities will be prepared and transmitted when (and if) such objections or concerns are received. A record of such responses will be included as part of the record of the joint public hearing on the Fifth Amendment.

To: File

From: Dan Moellenberndt, Associate Planner

Date: July 17, 1998

Subject: Chronology of telephone contacts with taxing agencies concerning the proposed amendment of the Oak Park and Del Paso Heights Redevelopment Plans

The contacts have been made over time, and they are listed by agency and contacts dates with each. This memo deals with those agencies that address both Redevelopment Areas or Del Paso Heights Redevelopment Area only.

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County of Sacramento  
Phone: 874-5833

**Both Areas**

July 16, 1998, 11:15 a.m., spoke to Peter Brundage, County Executive Office, and asked if he any questions on the proposed amendment of the Oak Park and Del Paso Heights Redevelopment Plans. He asked if there was a pass through agreement (with the County of Sacramento) at the present time, and I advised him that to my knowledge there are no pass through agreements with any of the affected taxing agencies. I also advised him that recent changes in redevelopment law now require pass through payments be established. I referred him to page 34 of the Preliminary Reports for a more in-depth discussion of pass through payments, and if he had any comments or questions to please give me a call. He indicated that he had no comments or questions at this time, and that he would review the materials and call if he had comments.

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Sacramento-Yolo Mosquito and Vector Control District  
Phone: 685-1022  
Dave Brown, Manager

**Both Areas**

May 15, 1998, Dave Brown called asking what was going on with the plan amendments. Said he had received a letter advising him of the proposed amendments. I advised him that he would soon be receiving an environmental document and the Preliminary Report for the proposed amendments and if after reviewing the materials he had questions to please call. I also advised him that the normal process was to have a big meeting with all the taxing entities if there were a lot of questions. I would keep him advised.

June 17, 1998, 2:30 p.m., Called Mr. Brown, who was not in, and left voice mail, please call

June 18<sup>th</sup>, 1998, 1:10 p.m. Dave called, I told him that it had been decided not to hold a meeting of the taxing entities since there were relatively few questions, and he said that was fine. He said he had a question on whether his District would be entitled to a pass through in view of the many changes in the Community Redevelopment Law. I advised him that he should send me a letter outlining his concerns or questions, and I would respond from there. He said he would do so. His mailing address is 8631 Bond Road, Elk Grove, and CA. 95624.

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Sacramento County Education  
Tammy Sanchez  
Phone: 228-2551

**Both Areas**

June 17<sup>th</sup>, 2:30 p.m. Called her and left a voice mail message asking if she had any questions on the materials mailed to her, and if so please call

June 18<sup>th</sup>, 4:15 p.m. Called Ms. Sanchez and asked if she had any questions on the proposed plan amendments. She said that she had little knowledge of redevelopment and that she had/will retained Dwight Berg, Public Economics, and that he would be in contact with me. She had no comments or questions at this time.

June 22<sup>nd</sup>, 3:20 p.m. Dwight Berg called and asked if I could provide the month and year of formation for a series of Sacramento County redevelopment areas. He said he was up dating some information for various school districts. He requested information on the Auburn Blvd., Stockton Blvd., Mather, Army Depot, North Sacramento, and Richards Boulevard Redevelopment Areas. He also asked if I had a legal opinion on what would trigger a pass through in view of the provisions of AB 1290. I told him that I had no knowledge of such a legal opinion, and if he had any specific questions or comments to please submit them by letter. He said that he would so.

June 23<sup>rd</sup>, 4:10 p.m. Called Mr. Berg and left a voice mail message with the formation dates and years for all of the redevelopment areas requested except Richards Boulevard.

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Los Rios Community College District  
Phone: 568-3021

**Both Areas**

Rob Diamond

Mr. Diamond had previously sent a letter on May 15<sup>th</sup>, 1998, requesting information on whether his district would receive a pass through as a result of the proposed amendment. His question was answered by letter.

---

Sacramento Regional Water Quality Control  
Phone: 875-7000

**Both**

July 1, 1998, I ended up with Pat Ottis, 874-8540, County Public Works Administration, who said that she was filling in for the regular person, and that she had no knowledge of the materials arriving. However, she would check for both the Metro Storm District and the Sacramento Regional Water Quality materials. She also stated that many of the administrative personnel were either out of the office or on vacation and that she may not have an immediate answer.

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Del Paso Heights School District  
Carl Mack, Superintendent  
Phone: 641-5310/641-5600

**Del Paso Heights only**

June 17<sup>th</sup>, 2:35 p.m., called left message, Mr. Mack was out of the office. Please call if he had any questions on the materials mailed to his district on the proposed amendment of the Del Paso Heights Redevelopment Plan.

June 26<sup>th</sup>, 2:15 p.m. called the district and spoke to Sharon, who said Dr. Mack was not available. Left a message asking if Mr. Mack had any comments or questions on the materials mailed to him on the proposed amendment of the Del Paso Heights Redevelopment Plan. If so please call.

July 1, 1998, 9:10 a.m., called Mr. Mack's office and left a voice mail asking that he or someone else call me if there are any questions or comments about the Preliminary Report on the Proposed Amendment of the Del Paso Heights Redevelopment Plan.

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Grant School District  
Phone: 263-6203

### **Del Paso Heights only**

Jun 17<sup>th</sup>, 2:40 p.m. called the District office, and was advised that Marvin Moran, 263-6219 was the person to speak to. I left a voice mail message for Mr. Moran to please call if he had any questions on the materials mailed to his school district.

June 18<sup>th</sup>, 1:05 p.m. Melissa Sandredge (sp?) called, and left a voice mail message saying that a Mr. Winfield of their legal service had the notifications and other materials and that I should call him at 263-6081 x183

1:30 p.m. I called Mr. Winfield. He asked if any thing was required from them to allow the process to continue. I responded no, and that I was interested if he had any comments or questions that he may have on the process or materials that had been sent to the district. He said no, and that otherwise that he felt that it (the amendment) was a "good thing". He also asked if this amendment was related to the welfare reform activities going on at the state level. I responded that it was not directly related since the redevelopment area was established by an action of the City Council in 1970, and this amendment was a continuation of the original action.

2:05 I called "Mary Jane" at the district office and asked for a mailing address for Mr. Winfield in case I needed to mail materials to him. 1333 Grand Avenue, Sac, 95838

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North Sacramento School District  
Phone: 263-8300

### **Del Paso Heights only**

Patty Smart, Business Manager

May 15<sup>th</sup>, 4:10 p.m., Ms. Small called and asked what was being proposed. She had received the letter of notification advising the District that the Agency was considering the amendment of the Del Paso Height Redevelopment Plan. I explained that her district received notification because the Redevelopment Area overlays part of her district. I advised her that she would be receiving a copy of the environmental document and the Preliminary Report, and if she had any questions after reviewing these documents that she should call me. Also, if there were a lot of questions, typically the Agency would arrange a meeting of taxing agencies to answer all of the questions at once.

17 June 1998 2:45 p.m. Left message, please call if you have any question on the proposed amendment and/or the materials mailed to you.



26 June 2:20 p.m. Left message, she was out of the office to a training session, to please call if she had any questions on the materials that had been mailed to her on the proposed amendment of the Del Paso Heights Redevelopment Plan.

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Robla School District  
Phone: 991-1728

**Del Paso Heights only**

Paul Rahe, Superintendent

June 17<sup>th</sup> 2:45 p.m. called the district office and left message for Mr. Rahe, please call if he had any questions on the materials that had been mailed to him on the proposed amendment of the Del Paso Heights Redevelopment Plan.

3:10 p.m. Lisa called said that she didn't remember receiving the materials. Said she would call back if she could not find the items.

June 18<sup>th</sup> 2:25 p.m. Called the District Office, Mr. Rahe was out of the office, and I left a message asking that if he had any questions on the materials that had been mailed to him on the Del Paso Heights Plan amendment, to please call.

\\dcm\agency.cal

**Exhibit XII-2**  
Responses to Written Objections  
and/or  
Concerns of Affected Taxing Entities

SACRAMENTO-YOLO  
MOSQUITO  
& VECTOR  
CONTROL  
DISTRICT



June 17, 1998

Mr. Dan Moellenberndt  
Associate Planner  
Sacramento Housing and Redevelopment Agency  
P.O. Box 1834  
Sacramento, CA 95812-1834

8631  
Bond Road  
Elk Grove,  
California  
95624  
Telephone  
916.685.1022  
Fax  
916.685.5464

RE: Proposed Amendments to Del Paso Heights and Oak Park Redevelopment Plans

*DAN*  
Dear Mr. Moellenberndt:

The District has received your letters dated April 15, 1998 notifying us of the Agency's proposals to amend the redevelopment plans for the Del Paso Heights and Oak Park Redevelopment Projects.

If approved, the amendments should trigger an obligation to pass-through a portion of tax increment revenue to the District. The proposed redevelopment plan amendments are covered by Health and Safety Code section 33607.7. Both amendments include elements described in subsection (a).

Consequently, because there is no existing pass-through agreement between the District and the Agency concerning these redevelopment plans, section 33607.7, subsection (b)(2) applies regarding the Agency's pass-through obligations. It requires the Agency to pay the District and other affected taxing entities a portion of the tax increment revenues from the plan area based on the statutory pass-through formula (set forth in section 33607.5, subsections (5) (b) - (e)) as calculated starting with an adjusted base year assessed value as described in section 33607.7, subsection (c).

The District would like to confirm the operation of this statutory obligation concerning the proposed redevelopment plan amendments. We anticipate and expect that the Agency will pay the pass-through tax increment amounts as required.

We do not have enough information to determine the adjusted base year under subsection (c). In order to determine your pass-through obligation, the Agency will need to determine the adjusted base year. When you do, please advise us.

If you believe section 33607.7 does not apply to either or both of the proposed plan amendments, or if you believe I have otherwise misstated the Agency's statutory obligation, please advise.

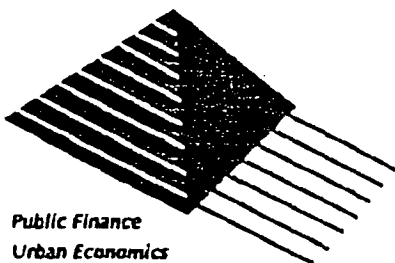
Sincerely,

*David Brown*  
David Brown  
Manager

MANAGER  
David Brown

1998  
BOARD OF TRUSTEES  
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**PUBLIC ECONOMICS, INC.**



Public Finance  
Urban Economics  
Development Services

June 22, 1998

Mr. Dan Mollenberndt  
Asst. Community Development Planner  
Sacramento Housing and Redevelopment Agency  
600 I Street  
Room 250 / R2  
Sacramento, CA 95814

Dear Mr. Mollenberndt:

Thank you very much for your assistance regarding adoption dates of existing redevelopment project areas. The Sacramento County Office of Education asked us to monitor pending redevelopment plans and amendments on behalf of their office and affected school districts. We understand that amendments to the financial limits of the Del Paso Heights Redevelopment Plan and Oak Park Redevelopment Plan are pending.

We would appreciate information regarding your plans to make payments to affected taxing entities pursuant to Health and Safety Code Section 33607.7 in amended project areas. Specifically, *what are the existing and proposed limits of each plan amendment which may trigger payments under Health and Safety Code Section 33607.7?*

Should you have any questions, please do not hesitate to phone me at (714) 647-6242 ext. 241 or e-mail me at dberg@pub-econ.com. Thanks in advance for your assistance.

Sincerely yours,

**Public Economics, Inc.**

By: Dwight E. Berg  
Dwight E. Berg, P.E.  
Consultant

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1970-D Old Tustin Avenue • Santa Ana, California 92701

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J. Dangberg



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May 14, 1998

Received in ED's Office

MAY 18 1998

Anne M. Moore, Acting Executive Director  
Sacramento Housing and Redevelopment Agency  
P.O. Box 1834  
Sacramento, CA 95812-1834

SACRAMENTO HOUSING AND  
REDEVELOPMENT AGENCY

Dear Anne:

We recently received your letters of intent to amend the Oak Park and Del Paso Heights RDA's. I am not familiar with the details of these proposals, but it appears that the amendments will expand the tax increment received from the RDA's. To my knowledge there are no current pass through agreements on either of these older projects. In light of legislation since adoption of these two RDA's, it would seem appropriate that the amendments be subject to such statutory provisions. I would appreciate hearing your thoughts on how these amendments may be subject to pass through provisions. We can correspond about these issues, or meet to discuss them. Please call me at 568-3058 to discuss how you would prefer to proceed.

Sincerely,


Rob Diamond  
Director, Accounting Services

rd980513

cc: Louise Davatz  
Tammy Sanchez

June 24, 1998

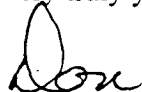
David Brown  
Manager  
Sacramento-Yolo Mosquito &  
Vector Control District  
8631 Bond Road  
Elk Grove, CA 95624

  
Dear Mr. Brown:

This letter is in response to your letter dated June 17, 1998, regarding the proposed amendments to the Oak Park and Del Paso Heights Redevelopment Plans, particularly, whether or not the amendments will be subject to the statutory pass through provisions of the Community Redevelopment Law (Health and Safety Code Section 33607.7). On June 5, 1998, two preliminary Reports were mailed to you describing the proposed amendments in detail. Part IV.B.3.d. and Table IV-4 in each Preliminary Report confirm, as you correctly stated in your letter, that no pass-through agreements currently exist with the Sacramento-Yolo Mosquito & Vector Control District (or any affected taxing entity) and that mandatory pass-through payments will be required beginning Fiscal Year 2003-2004 for the Oak Park Project and Fiscal Year 2000-2001 for the Del Paso Heights Project.

If you have any additional questions or if I can be of further assistance, please do not hesitate to call or write me.

Very truly yours,



P.O. Box 1834

Daniel C. Moellenberndt  
Associate Planner

Sacramento

Cc: Anne M. Moore  
Katz Hollis

CA 95812-1834

916-444-9210



June 25, 1998

Dwight E. Berg, P.E.  
Public Economics, Inc.  
1970-D Old Tustin Avenue  
Santa Ana, CA 92701

Dear Mr. Berg:

This letter is in response to your letter dated June 22, 1998, requesting information regarding the proposed amendments to the Oak Park and Del Paso Heights Redevelopment Plans, particularly, the Agency's plans to make payments to affected taxing entities and the proposed changes to limits that would trigger such payments. On June 5, 1998, the Preliminary Reports concerning each of the proposed Redevelopment Plan amendments were mailed to the affected taxing entities, including the Sacramento County Office of Education. Those Preliminary Reports describe in detail each of the proposed Redevelopment Plan amendments, including the existing and proposed financial/time limits. Part IV.B.3.d. and Table IV-4 in each Preliminary Report confirm that mandatory pass through payments will be required to be paid to all affected taxing entities beginning in Fiscal Year 2003-2004 for the Oak Park Project and Fiscal Year 2000-2001 for the Del Paso Heights Project.



If you have any additional questions or if I can be of further assistance, please do not hesitate to call or write me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Daniel C. Moellenberndt".

Daniel C. Moellenberndt  
Associate Planner

P.O. Box 1834

Sacramento

CA 95812-1834

Cc: Anne M. Moore  
Katz Hollis  
Niki Murphy

916-444-9210

June 23, 1998

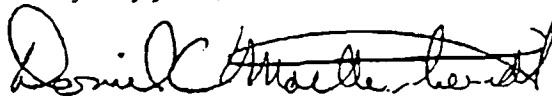
Rob Diamond  
Director, Accounting Services  
Los Rios Community College District  
1919 Spanos Court  
Sacramento, CA 95825-3981

Dear Mr. Diamond:

This letter is in response to your letter to Anne Moore, dated May 14, 1998 regarding the proposed amendments to the Oak Park and Del Paso Heights Redevelopment Plans, particularly, whether or not the amendments will be subject to the statutory pass-through provisions of the Community Redevelopment Law. Subsequent to the date of your letter, you should have received the Preliminary Reports describing in detail each of the proposed amendments. Part IV.B.3.d. and Table IV-4 in each Preliminary Report confirm that no pass-through agreements currently exist with the Los Rios Community College District (or any affected taxing entity) and that mandatory pass-through payments will be required beginning in Fiscal Year 2003-2004 for the Oak Park Project and Fiscal Year 2000-2001 for the Del Paso Heights Project.

If you have any additional questions or if I can be of further assistance, please do not hesitate to call or write me.

Very truly yours,



Daniel C. Moellenberndt  
Associate Planner

P.O. Box 1834

Sacramento

CA 95812-1834

916-444-9210



## **PART XIII. ANALYSIS OF IMPLEMENTATION PLAN**

### **A. INTRODUCTION**

Section 33352(c) of the Community Redevelopment Law ("CRL") requires the preparation of an implementation plan when adopting a new project area. The plan is to describe specific goals and objectives of the agency, specific projects then proposed by the agency, including a program of actions and expenditures proposed to be made within the first five years of the plan, and a description of how these projects will improve or alleviate the conditions described in Section 33031 of the Health and Safety Code (physical and economic conditions that cause blight).

On November 13, 1994, the Redevelopment Agency of the City of Sacramento adopted an Implementation Plan for the Del Paso Heights Redevelopment Project for the 1995-96 through 1999-2000 period (the "Implementation Plan"). This was done in accordance with Section 33490 of the CRL that requires that prior to January 1, 1995, an implementation plan(s) be adopted for existing redevelopment projects.

Section 33457.1 of the CRL provides that "to the extent warranted" by the proposed amendment to a redevelopment plan the reports and information required by Section 33352 shall be prepared. When these sections of the CRL are jointly considered, it may be assumed that when a redevelopment plan is being amended for a project for which an implementation plan has already been prepared and adopted, the implementation plan requirement of Section 33352(c) should be interpreted to mean that the effect or impact upon the existing implementation plan by the proposed amendment should be analyzed so that the existing implementation plan, if necessary and appropriate, could be modified by the agency as part of the amendment process. Accordingly, that is the approach taken in this Part XIII of the Report to City Council on the proposed Fifth Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project. The Implementation Plan adopted for the Del Paso Heights Project Area fulfills all of the requirements of an implementation plan required for a new project, and is incorporated herein by reference as the Implementation Plan for the amended Project.

As illustrated below, the proposed Fifth Amendment does not change the five-year Implementation Plan in terms of projects, programs, expenditures, or blight elimination. Also, the low-moderate income housing program will not be affected by the proposed Amendment. Subsequent implementation plans, however, will be required every five years and will address the long term changes engendered by the Fifth Amendment.

### **B. NEAR TERM GOALS AND OBJECTIVES**

The goals and objectives identified in this Report to Council are literally those identified in the Implementation Plan for the Del Paso Heights Redevelopment Project. The purpose of the Fifth Amendment is not to redefine the Agency's goals and objectives. It is rather to facilitate the achievement of the goals and objectives through the extension of the financial and time limits of the Amended Redevelopment Plan.

### **C. PROJECTS/PROGRAMS AND EXPENDITURES**

The projects and programs identified for implementation during the next two years (the term remaining from the original five years) in the Project Area will not change as a result of the Fifth Amendment, nor will the dollar amounts identified to fund these projects and programs change.

## **1. Projects and Programs**

The projects and programs identified in Part III of this Report to Council, which are proposed to be completed over the extended duration of the amended Project, were based on the projects and programs identified in the Implementation Plan. Because this Report considers the projects and programs that will be undertaken in the Project Area over the next 12 years, the types of projects and programs identified are more general in nature. Therefore, the projects and programs identified in the Implementation Plan are a subset of the larger projects and programs identified in this Report to Council.

## **2. Expenditures**

The proposed Fifth Amendment provides the Agency greater financial flexibility by extending, as permitted, the financial time limits of the Redevelopment Plan, providing the Agency more time to collect tax increment, issue bonds and repay debt. This financial flexibility does not change the dollar amounts identified in the Implementation Plan for Agency expenditures within the Project Area during the next two years. Rather, the Fifth Amendment will have the future benefit of allowing the Agency the ability to complete planned projects and programs in the Project Area.

## **D. BLIGHT ELIMINATION**

The blighting conditions identified in the Implementation Plan are essentially the same blighting conditions identified in the Preliminary Report and Report to City Council prepared for the Project at the time of adoption, the only difference being that the blighting conditions that have been eliminated were noted as such, and the focus of the Implementation Plan is on remaining blighting conditions. This same approach to identifying remaining blighting conditions was utilized in the preparation of this Report to Council. Therefore, there is consistency between the blight that the Agency proposes to alleviate or eliminate during the next two years, and the blighting conditions the Agency proposes to eliminate throughout the Project Area during the duration of the Amended Redevelopment Plan.

## **E. LOW AND MODERATE INCOME HOUSING**

The Agency prepared and adopted a single Housing Implementation Plan in conjunction with the nine separate redevelopment Implementation Plans prepared for the Sacramento Redevelopment Projects. Together these documents fulfilled the requirements of the Implementation Plan as defined by the CRL. The purpose of the housing component is to accomplish all the mandated activities for the provision of low- moderate income housing. As low-moderate housing preservation and production is strictly mandated by the CRL, the Agency will continue to fulfill these housing requirements.

As stated, the purpose of the Fifth Amendment is to provide financial flexibility, and because housing production requirements are specifically defined in the CRL, the Fifth Amendment will have no effect on housing production or the housing projects identified in the current Implementation Plan. Over the long term, the Fifth Amendment will provide additional housing dollars, the use and expenditure of which will be addressed in future implementation plans.

**APPENDIX**  
**INFORMATION SOURCES**

1. Survey of Existing Conditions, Katz Hollis, April, 1997.
2. Interviews with SHRA and City staff.
3. Sacramento General Plan.
4. City of Sacramento Zoning Code.
5. Sacramento County Assessor, 1995-96.
6. Implementation Plan (Prepared pursuant to Article 16.5 of the Community Redevelopment Law for calendar years 1995 through 1999), Sacramento Redevelopment Agency, 1994.
7. Del Paso Heights Revitalization Strategy Update, Sacramento Redevelopment Agency, March 1991
8. Del Paso Heights Five-Year Investment Strategy: 1996-2000, Del Paso Heights Redevelopment Advisory Committee & Sacramento Redevelopment Agency, March 1991