

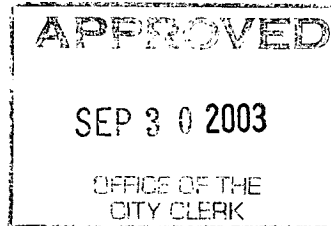


**Sacramento
Housing &
Redevelopment
Agency**

September 17, 2003

6.5

Redevelopment Agency of
the City of Sacramento
Sacramento, California



Honorable Members in Session:

**SUBJECT: DISPOSITION AND DEVELOPMENT OF LOTS IN DEL PASO HEIGHTS
AND AVONDALE/GLEN ELDER FOR PRE-APPRENTICESHIP
CONSTRUCTION TRAINING PROGRAM**

LOCATION & COUNCIL DISTRICT - Del Paso Heights, District 2, Avondale/Glen Elder,
District 6

RECOMMENDATION

Staff recommends adoption of the attached resolution on page 6 which authorizes the Executive Director or her designee to enter into a Disposition and Development Agreement and Regulatory Agreement to transfer two Agency-owned sites in the Del Paso Heights Redevelopment Area and one in the Avondale/Glen Elder area to Northern California Construction Training Inc. for use as a training site for constructing three single family homes.

CONTACT PERSONS

Jim Hare, Program Manager 440-1313
Eve Silverman, Development Services Analyst 440, 1399 x1411

FOR COUNCIL MEETING OF

September 30, 2003

SUMMARY

Staff requests the authority to transfer two Agency-owned lots in Del Paso Heights and one being purchased in Avondale/Glen Elder for on-site construction training as part of the Pre-Apprenticeship Construction Training program being implemented by the non-profit Northern California Construction Training Inc. The three homes constructed will be sold to low-income owner occupant families.

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PAC/RAC/TAC ACTION

At its meeting of July 1, 2003, the Del Paso Heights Redevelopment Advisory Committee approved a motion in support of the staff recommendation. The votes were as follows:

AYES: Annie Acevedo-Cole, Tom Armstrong, Rose Domingo, John Hollis, Ollie Mack, Abram "Jim" McKnight, George Spillman, Charles Wells

NOES: None

ABSENT: Harry Block

COMMISSION ACTION

At its meeting on September 17, 2003, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES: Burns, Burruss, Castello, Farley, Harland, Hoag, McCarty, Piatkowski

NOES: None

ABSENT: Simon, Stivers

BACKGROUND

In 2002, Congressperson Robert Matsui sponsored SHRA to receive \$800,000 in grant funds from the U.S. Department of Labor (DOL) Employment Training Administration, to operate a Pre-Apprenticeship Construction Training Program. These funds were allocated based upon the past successes of the Agency's partnership with the Northern California Construction Training (NCCT), a non-profit state accredited post-secondary training institution, to deliver affordable homeownership opportunities and job training through the Pre-Apprenticeship and Youthbuild programs. NCCT has worked with the Agency since 1994 to train individuals for entry into apprenticeship and employment in the construction field, graduating 238 students and constructed 36 homes in low-income neighborhoods.

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NCCT successfully competed last fall through an RFP process for the award of the DOL funds to continue their Pre-apprenticeship Program. Funding is for two six-month training sessions during which 72 students will participate in classroom and on site construction training and the construction of six homes on Agency owned vacant lots.

Phase I included 32 students and the construction of three homes in the Oak Park Redevelopment Area. These homes are nearly complete and the student graduation will take place in October 2003.

Phase II training, expected to begin in November 2003, will consist of another six-month training session and construction of three additional homes, two in the Del Paso Heights Redevelopment Area and one in the Avondale/Glen Elder area adjacent to the Army Depot Redevelopment Area. Two suitable lots in proximity to each other in Del Paso Heights are at 1128 Rivera Drive and 1317 Los Robles Boulevard (Attachment I). Funding to purchase a lot in Avondale Glen Elder was approved at the July 17, 2003 Council meeting and the Agency is purchasing 5780 Belleview Avenue (Attachment II). This staff report authorizes the Executive Director to enter into a Disposition Development Agreement and Regulatory Agreement (on file with the Agency Clerk at 630 I Street) to provide the three lot sites to NCCT. The Agency will contribute these lots, purchased with tax increment funds, as provided in the 33433 Report for this construction training program (Attachment III).

Each six-month training session was projected to graduate 36 low-income youth and adult participants. Participants receive an educational program in conjunction with construction curriculum, basic math and reading skills enhancement and GED preparation when applicable. Additional assistance includes helping participants obtain a driver's license, providing chemical dependency counseling and assisting in conflict resolution/leadership development. After training, the students will be prepared to complete construction trades entrance requirements or receive assistance for other employment opportunities. Case management will be provided to help participants be successful. Participants rotate between classroom instruction at NCCT's training site within Depot Park and on site home construction training.

This program provides two benefits to the Sacramento community by training low-income and underemployed individuals with skills in a profession that pays above average wages and adds three single-family homes to the affordable housing stock in low-income neighborhoods. Staff expects these second phase homes to be completed in May 2004.

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FINANCIAL CONSIDERATIONS

In 1994, the Agency purchased two vacant lots in Del Paso Heights using \$75,623 in Downtown tax increment set aside funds for the purpose of increasing the stock of affordable housing. Funding not to exceed \$60,000 for the third lot acquisition was approved on July 17, 2003 with Army Depot tax increment funds for use in the residential area adjacent to the Army Depot Redevelopment Area. After construction, NCCT will offer these three homes for sale to low-income owner occupant families.

POLICY CONSIDERATIONS

The action recommended in this report is consistent with the City of Sacramento's 2001-2004 Strategic Plan and incorporates two goals which relate to neighborhoods and employment:

- enhancement and preservation of neighborhoods; and
- developing a highly qualified and diverse City workforce

The action recommended in this report is also consistent with the Del Paso Heights and Army Depot Redevelopment Plans and meets the Agency's 2000-04 Housing Goals set forth in the Five Year Implementation Plan which include giving priority to increasing homeownership and reducing the number of vacant in-fill lots. It is also consistent with Agency policy to provide affordable housing, to remove blight and encourage self-sufficiency. The activity is being carried out by NCCT, a non-profit community based organization, which is also a state-accredited post-secondary training institution.

ENVIRONMENTAL REVIEW

The proposed actions for disposition of land are in furtherance of the Del Paso Heights Redevelopment Project. Actions to provide for single family, owner-occupant, low-income housing were analyzed at the time of adoption of the Environmental Impact Report ("EIR") for the Del Paso Heights Redevelopment Plan pursuant to California Environmental Quality Act ("CEQA") Guidelines §15180, §15162 and §15163. There are no change in environmental conditions or circumstances that would require a supplement to the EIR. In addition, the proposed actions for development of three single family, owner-occupant, low-income houses on separate parcels in residential areas are exempt from further environmental review pursuant to CEQA Guidelines §15303(a).. Furthermore, the proposed actions for development of the three parcels are exempt from further environmental review per CEQA Guidelines §15332 in that they are infill development projects that are consistent with the general plan and zoning; they will occur within the city limits, are no more than 5 acres, and are substantially surrounded by urban uses; the land has no value as habitat for endangered, rare or threatened species; development of the parcels will not have a significant effect on traffic, noise, air quality, or water quality; and the

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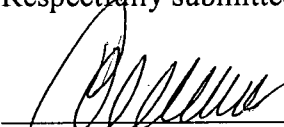
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sites can be adequately served by all required utilities and public services. The National Environmental Policy Act does not apply.

M/WBE CONSIDERATIONS

The items discussed in this report have no M/WBE impact; therefore M/WBE considerations do not apply. However every effort is made to recruit women and minority individuals into the training program.

Respectfully submitted,



ANNE M. MOORE
Executive Director

Transmittal approved,



ROBERT P. THOMAS
City Manager

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RESOLUTION NO. 2003-056

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF 9/30/03

DISPOSITION OF THREE AGENCY OWNED PARCELS IN DEL PASO HEIGHTS AND AVONDALE GLEN ELDER TO NORTHERN CALIFORNIA CONSTRUCTION AND TRAINING, INC. TO USE AS CONSTRUCTION TRAINING SITE

WHEREAS, the Agency has been designated to receive funding from the Department of Labor ("DOL") to administer and fund a Pre-Apprenticeship Construction Training Program;

WHEREAS, the Agency issued a Request for Proposals ("RFP") to identify a contractor to design and implement a program providing both classroom training and an on site neighborhood revitalization construction training activity;

WHEREAS, Northern California Construction and Training Inc. ("NCCT") was the selected contractor;

WHEREAS, NCCT proposed to construct three homes on three Agency owned lots as the on site neighborhood revitalization construction training activity; and

WHEREAS, the Agency owns two vacant parcels at 1317 Los Robles Boulevard and 1128 Rivera Drive in the Del Paso Heights Redevelopment Area and one located at 5780 Bellevue Avenue in Avondale Glen Elder, which are suitable for home construction.

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

Section 1. The above recitals are true and correct and are hereby incorporated by this reference.

Section 2. The proposed actions for disposition of land are in furtherance of the Del Paso Heights Redevelopment Project. Actions to provide for single family, owner-occupant, low-income housing were analyzed at the time of adoption of the Environmental Impact Report ("EIR") for the Del Paso Heights Redevelopment Plan pursuant to California Environmental Quality Act ("CEQA") Guidelines §15180, §15162 and §15163. There is no change in environmental conditions or circumstances that would require a supplement to the EIR. In addition, the proposed actions for development of three single family, owner-occupant, low-income houses on separate parcels in residential areas are exempt from further environmental review pursuant to CEQA Guidelines §15303(a). Furthermore, the proposed actions for development of the three parcels are exempt from further environmental review per CEQA Guidelines §15332 in that they are Infill development projects that are consistent with the

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____ (6)

DATE ADOPTED: _____

general plan and zoning; they will occur within the city limits, are no more than 5 acres, and are substantially surrounded by urban uses; the land has no value as habitat for endangered, rare or threatened species; development of the parcels will not have a significant effect on traffic, noise, air quality, or water quality; and the sites can be adequately served by all required utilities and public services. The National Environmental Policy Act does not apply.

Section 3. The Executive Director, or her designee, is hereby authorized to execute a Development and Disposition Agreement ("DDA"), Regulatory Agreement, and related documents necessary to dispose of the aforementioned lots to NCCT to be used as a training site for the construction of three homes pursuant to the terms and conditions stated in the DDA and the Regulatory Agreement as described in the attached staff report which is incorporated herein by this reference.

Section 4. The Executive Director, or her designee, shall insure through the DDA and the Regulatory Agreement that the NCCT classroom and on-site training of participants shall result in the construction of three-single-family homes sold to low-income, owner-occupant households.

CHAIR

ATTEST:

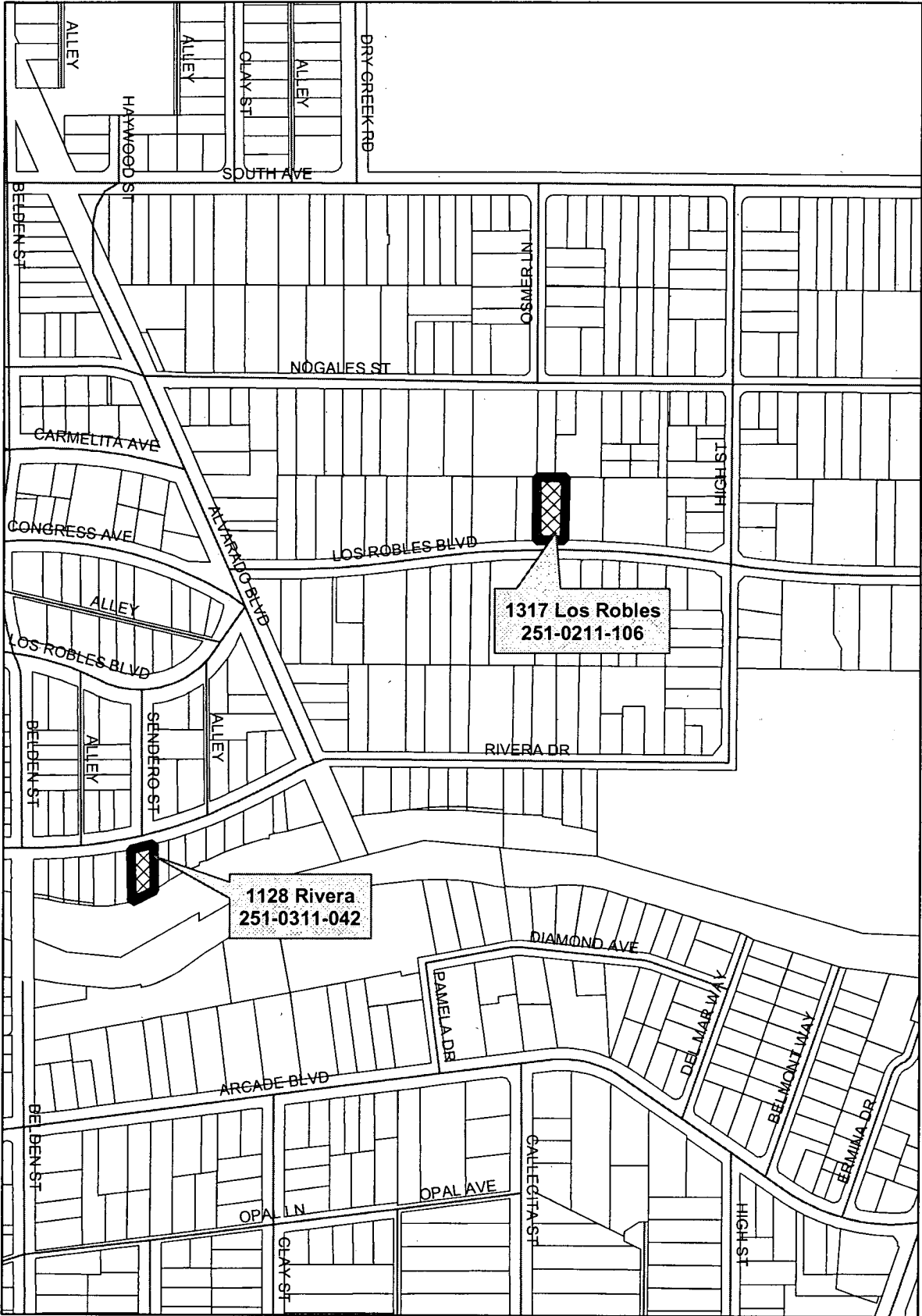
SECRETARY

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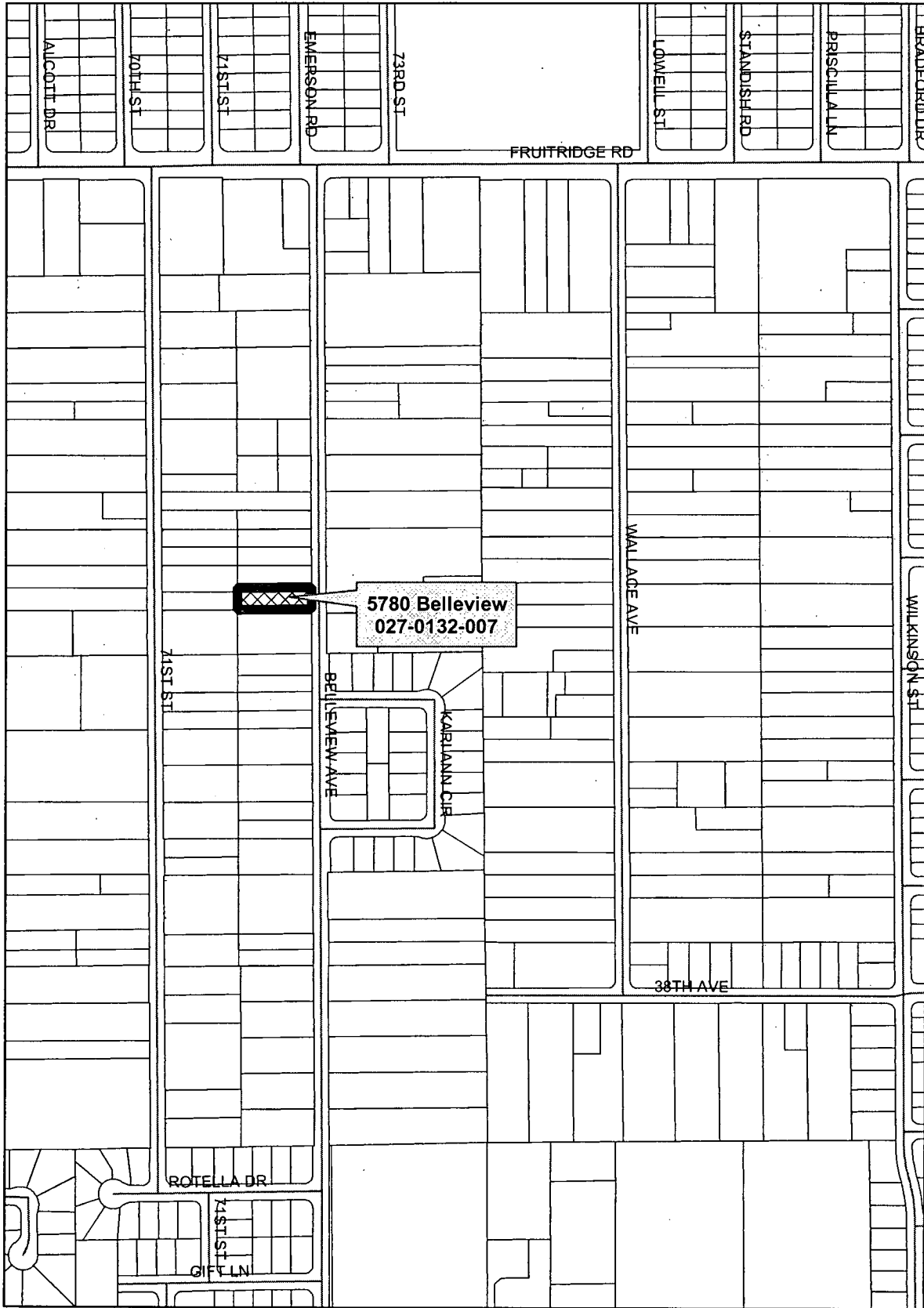
RESOLUTION NO.: _____ (7)

DATE ADOPTED: _____

Del Paso Heights Lots



Avondale - Glen Elder Area Lot



Attachment III

**Report Regarding the Disposition of Property Acquired Directly or Indirectly
with Tax Increment Funds (Health & Safety Code Section 33433)**

I. Agreement

A copy of the Purchase and Sale or Lease Agreement ("Agreement") disposing of an interest in Agency real property is on file with the Agency Clerk.

II. Summary of Terms of Disposition

1128 Rivera Drive, 1317 Los Robles Boulevard, 5780 Belleview Avenue

AGENCY'S COST OF ACQUIRING THE LAND	
Purchase Price (or Lease Payments Payable During Agreement)	\$120,623 for 3 lots
Commissions	
Closing Costs	
Relocation Costs	
Land Clearance Costs	
Financing Costs	
Improvement Costs (e.g. utilities or foundations added)	
Other Costs (survey)	\$1,800
TOTAL	\$122,423

ESTIMATED VALUE OF INTEREST CONVEYED	
Value of the property determined at its highest and best use under the redevelopment plan	\$125,000

ESTIMATED REUSE VALUE OF INTEREST CONVEYED	
Value of property determined with consideration of the restrictions and development costs imposed by the Agreement	\$0

VALUE RECEIVED ON DISPOSITION	
The purchase price or the total of the lease payments due to the Agency under the Agreement	\$0

33433 Report

III. Explanation of Disposition for Less than Full Value

The Agency is providing these lots to a non-profit organization, Northern California Construction and Training Inc. (NCCT) to construct three new homes to be sold to low-income homebuyers. The project will allow NCCT to provide construction training under the Pre-Apprenticeship Construction Training Program to low-income individuals to increase their employability and enhance their opportunity for employment in a growth industry that pays above average wages.

The six-month training program, which includes classroom instruction and on site construction while developing these lots, will exceed the fair-market value of the improved lots. The Agency is requiring documentation of the training program via monthly progress reports. The Agency is imposing covenants and affordability restrictions on the properties, further reducing the fair market value. Therefore estimated property values considering development costs and affordability restrictions are zero.

IV. Elimination of Blight

The program eliminates blight by:

1. Construction new single family homes on the vacant lots, in the Del Paso Heights Redevelopment Project area and Avondale/Glen Elder area, that cause a physical blight and are a haven for ancillary activities which lead to blight;
2. Providing affordable home ownership opportunities to low-income families wishing to buy their own home and invest in their community; and
3. Increasing the economic opportunity and potential for employment of local low-income individuals in a high growth job field by providing vocational and construction training, thereby mitigating deteriorating social conditions.