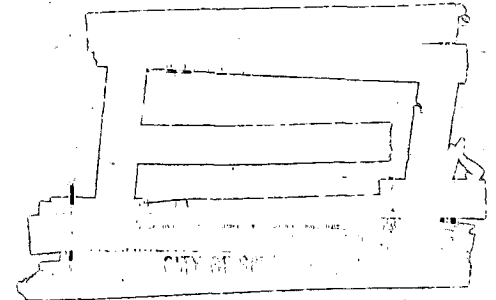
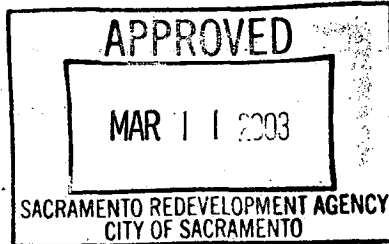


6.2



**Sacramento
Housing &
Redevelopment
Agency**

February 19, 2003



Redevelopment Agency of
the City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: DISPOSITION AND DEVELOPMENT OF LOTS IN OAK PARK FOR PRE-APPRENTICESHIP CONSTRUCTION TRAINING PROGRAM

LOCATION & COUNCIL DISTRICT – Oak Park, District 5

RECOMMENDATION

Staff recommends adoption of the attached resolution on page 9 which authorizes the Executive Director or her designee to enter into a Disposition and Development Agreement and Regulatory Agreement to transfer three Agency-owned parcels in the Oak Park Redevelopment 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 – March 11, 2003

SUMMARY

Staff requests the authority to transfer three Agency-owned lots in Oak Park for on-site construction training as part the Pre-Apprenticeship Construction Training program being implemented by the non-profit Northern California Construction & Training Inc. The three homes constructed will be affordable to owner occupant low-income families.

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PAC/RAC/TAC ACTION

At its meeting of January 8, 2003, the Oak Park Project Area Committee approved a motion in support of the staff recommendation. The votes were as follows:

AYES: Davis, Heame, Hoorazar, Marion, Moore, Sumpter, and White

NOES: None

ABSENT: Johnson, Parker and Williams

COMMISSION ACTION

At its meeting February 19, 2003, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES: Amundson, Burns, Burruss, Castello, Faust, Harland, Hoag, Piatkowski,
Simon

NOES: None

ABSENT: McCarty

BACKGROUND

Last year, 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, included in the Agency's 2003 budget, were allocated based upon our past successes with Pre-Apprenticeship and Youthbuild programs. These programs have trained low-income individuals for apprenticeship and employment in the construction trades. Construction continues to be a thriving regional industry that is experiencing enormous growth and faces a severe shortage of trained workers.

To meet DOL requirements for grant application submittal and procurement, the Agency released a request for proposals for \$720,000 to identify a contractor to develop a construction-training program and implement the program. Based upon DOL's criteria, the RFP requested a detailed work plan for operating a pre-apprenticeship construction-training program. The RFP also required proposers to identify a neighborhood revitalization construction project to be

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implemented in a redevelopment or other low-income area. Agency owned lots would be provided if the construction project was home building.

Northern California Construction & Training Inc. (NCCT), a non-profit state accredited private post-secondary training institution, and the contractor who operated several Youthbuild and pre-apprenticeship programs, was the selected contractor. NCCT has, since 1994, worked with the Agency to train individuals for entry into apprenticeship and employment in the construction field. NCCT has graduated 238 students and constructed 36 homes in low-income neighborhoods. Home construction was NCCT's identified revitalization project on Agency owned vacant lots.

NCCT proposes to conduct two six-month training sessions, constructing three homes per phase. Three Agency owned lots in proximity to each other within the Oak Park redevelopment area have been determined suitable for the first phase of this construction training program (Attachment I). 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 construction training lot sites at 3615 7th Avenue, 3781 7th Avenue and 3132 37th Street in Oak Park for on site construction training. The Agency will contribute these lots, previously purchased with tax increment funds, for this construction-training program as provided in the 33433 Report (Attachment II). The three lots for the second phase of the training program have not yet been identified but will be selected in areas where the Agency can utilize existing redevelopment funds.

Each six-month training session is projected to graduate 36 low-income youth and adult participants. Participants will 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 newly funded 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 Oak Park.

FINANCIAL CONSIDERATIONS

The Agency purchased three vacant lots in a residential area for the purpose of increasing the stock of affordable housing. After construction, NCCT will offer these three houses for sale to

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owner occupants at a price affordable to low-income families at 80 percent of median income (estimated not to exceed \$135,000).

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
- develop a highly qualified and diverse City workforce.

The action recommended in this report is also consistent with the Oak Park Redevelopment Plan and meets the Agency's 2000-04 Housing Goals set forth in the Five Year Implementation Plan by promoting homeownership and new construction on vacant 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.

The on-site training component of the Pre-Apprenticeship Construction Training program involves construction three new homes on vacant lots in the Oak Park Redevelopment Project Area. This development has the following direct benefit to the project area:

- Eliminates physical blight and reduce ancillary activities that lead to blight;
- Provides affordable home ownership opportunities in the redevelopment project area to low income families who want to buy their own home and invest in their community; and
- Increases economic opportunity and potential for employment of low income and at risk individuals in the community by providing vocational and construction training, thereby mitigating undesirable social conditions.

ENVIRONMENTAL REVIEW

The proposed actions for disposition of land are in furtherance of the Oak Park Redevelopment Project per California Environmental Quality Act ("CEQA") Guidelines §15180, §15162 and §15163. In addition, the proposed action for development of three parcels in a residential area are exempt from further environmental review per CEQA Guidelines §15303(a) as new construction of three single-family residences to be built in the residential area of Oak Park, which a heavily urbanized area within the meaning of this section. Furthermore, the proposed action for development of the three parcels is 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,

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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.

M/WBE CONSIDERATIONS

The Agency does not award construction contracts under this training program. 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,




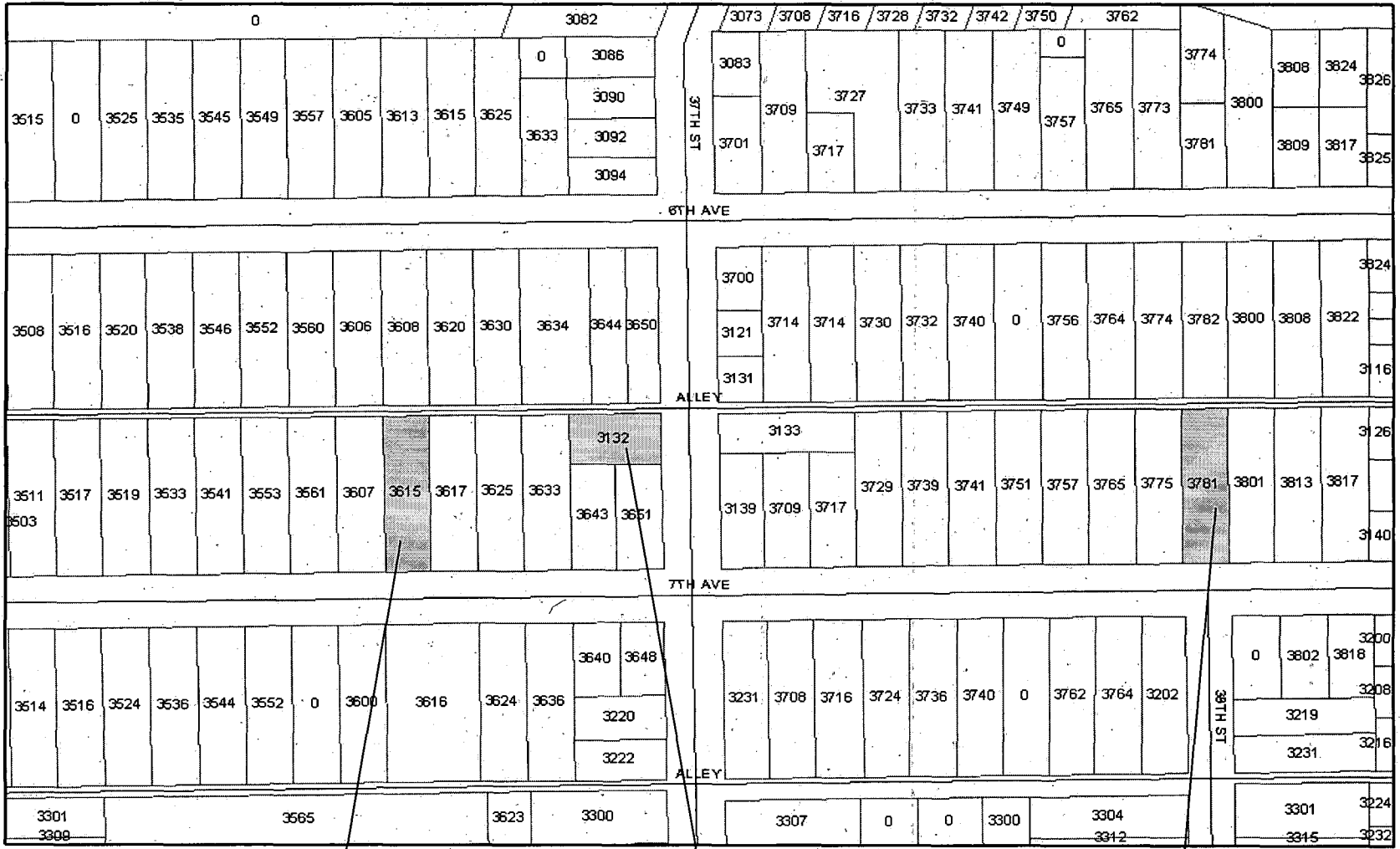
 ROBERT P. THOMAS
City Manager

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- 1) Map of Oak Park lots – pg. 6
- 2) Disposition of Property acquired with Tax Increment funds – pg. 7
- 1) Resolution – pg. 9



3615 7th Ave
 APN: 013-0292-035

3132 37th St
 APN: 013-0292-029

3781 7th Ave
 APN: 013-0302-028

Attachment I

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 attached to this Report.

II. Summary of Terms of Disposition

3615 7th Avenue, 3781 7th Avenue, 3132 37th Street, Oak Park (Three sites)

AGENCY'S COST OF ACQUIRING THE LAND	
Purchase Price (or Lease Payments Payable During Agreement)	\$71,063
Commissions	
Closing Costs	
Relocation Costs	
Land Clearance Costs	
Financing Costs	
Improvement Costs (e.g. utilities or foundations added)	
Other Costs	
TOTAL	\$71,063

ESTIMATED VALUE OF INTEREST CONVEYED	
Value of the property determined at its highest and best use under the redevelopment plan	\$75,000

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

III. Explanation of Disposition for Less than Full Value

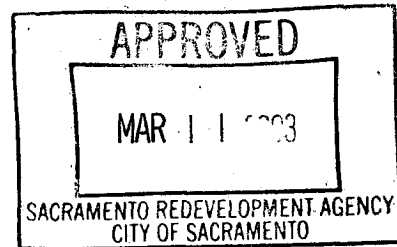
The Agency is providing these lots to a non-profit organization, Northern California Construction and Training Inc. (NCCT) to construct three new homes to be sold to first-time low-income homebuyers. The project will allow NCCT to provide construction training under the Pre-Apprenticeship Construction 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 Oak Park Redevelopment Project 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.



RESOLUTION NO. 2003-018

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

**DISPOSITION OF THREE AGENCY-OWNED PARCELS IN OAK PARK TO
NORTHERN CALIFORNIA CONSTRUCTION TRAINING, INC. FOR SINGLE-
FAMILY HOME DEVELOPMENT**

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

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

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

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 three vacant parcels at 3615 7th Avenue, 3781 7th Avenue and 3132 37th Street in the Oak Park redevelopment area, 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 Oak Park Redevelopment Project per California Environmental Quality Act ("CEQA") Guidelines §15180, §15162 and §15163. In addition, the proposed action for development of three parcels in a residential area are exempt from further environmental review per CEQA Guidelines §15303(a) as new construction of three single-family residences to be built in the residential area of Oak Park, which a heavily urbanized area within the meaning of this section. Furthermore, the proposed action for development of the three parcels is exempt from further environmental review per CEQA Guidelines §15332 in that they are infill development projects that are

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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 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 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.

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

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____