



**Sacramento
Housing &
Redevelopment
Agency**

April 6, 2005

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

**SUBJECT: ALLOCATION OF FUNDS AND AUTHORIZATION TO PURCHASE
PROPERTIES AND BUSINESSES LOCATED AT 3536 20th AVENUE
AND 3700 2nd AVENUE**

LOCATION & COUNCIL DISTRICT

Oak Park Redevelopment Project Area – District 5

RECOMMENDATION

Staff recommends approval of the attached resolution on page 7, which authorizes the Executive Director or her designee to:

- Set just compensation for the properties and businesses located at 3536 20th Avenue and 3700 2nd Avenue as the prices that the owners have agreed to sell the properties to the Agency or the fair market values as established by appraisal;
- Purchase the properties for not substantially more than just compensation;
- Allow the Executive Director to take all other actions necessary to purchase the properties on a voluntary basis; and,
- Transfer \$1,100,000 to the acquisition project from Oak Park tax increment funds and take all actions necessary to purchase the properties and relocate the tenants.

CONTACT PERSONS

Lisa Bates, Community Development Director, 440-1316
Tricia Stewart, Redevelopment Planner, 440-1399 x 1441

FOR COUNCIL MEETING OF - April 19, 2005

SUMMARY

This report recommends actions necessary for the purchase of two nuisance properties located at 3536 20th Avenue (Day's Market Liquor Store) and 3700 2nd Avenue (Washington Market Liquor Store) in the Oak Park Redevelopment Area.

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RAC ACTION

On March 9, 2005, the Oak Park Redevelopment Advisory Committee was presented with information regarding the acquisition of the properties and businesses known as Day's Market (3536 20th Avenue) and Washington Market (3700 2nd Avenue). The votes were as follows:

AYES: Aungst, Curry-Evans, Davis, Ganson, Hilbert, Lackey, Lor, McDonald, Redmond, Straub, Taylor and Thomas

NOES: None

ABSENT: None

COMMISSION ACTION

At its meeting on April 6, 2005, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Burns, Gale, Harland, Hoag, Piatkowski, Stivers

NOES: None

ABSENT: Burruss, Coriano, Gore, Simon

BACKGROUND

Many neighborhood liquor stores in the Oak Park Redevelopment Area have long been the source of social nuisances. Two of these stores, Day's Market and the Washington Market (see map), have had, over the years, ongoing complaints and calls for service regarding crime, drug dealing, loitering, trash and other blighting problems. As both of these properties are non-conforming uses in primarily single-family neighborhoods and in light of many complaints, there has been widespread community support for the redevelopment and reuse of these properties. Staff recommends acquiring these two properties and working with the community on a reuse strategy.

Day's Market

In late 2003, the Redevelopment Agency (Agency) was approached by the Oak Park Neighborhood Association (OPNA) and the Drug Free Zones with letters submitted to the District 5 Council Office describing the negative impact the Day's Market Liquor Store was having, since the late 1980s, on the surrounding residential neighborhood in South Oak Park. The organizations requested that the Agency buy the problem property to deal with the pervasive loitering, drug dealing and trash on the premises.

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Following discussions with representatives of the OPNA and the Drug Free Zone, Agency staff has considered the problem and determined that acquisition and redevelopment of the property would be the best solution to the current problems. Agency staff proceeded to order the necessary appraisals to determine a cost estimate for the acquisition and reuse of the property. Staff also notified the property and business owners of the Agency's intentions to possibly acquire the property and business.

The acquisition of Day's Market is expected to play a large role in the ongoing revitalization and increase in the quality of life in the South Oak Park neighborhood. Staff is currently working with the District 5 Council Office and City staff to focus additional initiatives in the South Oak Park neighborhood and is working with Rebuilding Together to rehabilitate 20 owner-occupied homes in October 2005.

Washington Market

The Washington Market has also been a source of community complaints for years. Surrounding neighbors have complained of the same problems, loitering, drug dealing, trash and overall unsafe and undesirable environment. The Washington Market is strategically located at the intersection of 2nd Avenue/37th Street near Sacramento High School and the Housing Authority's Glennhaven Apartment complex, and is also located in the North Broadway Action Plan area. This area is bounded by 34th Street, Y Street, 37th Street and Broadway.

In 2003, the residents of the North Broadway area collaborated with the Drug Free Zones, the Sacramento Police Department, and City and Agency staff to develop a strategy to reduce drug dealing and prostitution and to ensure that commercial establishments were 'good neighbors.' The Washington Market was identified by the community as a nuisance property that attracted a negative element to the community.

In early 2005, Agency staff learned that Washington Market was for sale. Agency staff has since contacted the listing agent and has developed a cost estimate for the purchase of the property and for the relocation of the tenant. This unique opportunity will allow the Agency to successfully deal with this problem property that has inundated its surrounding community with problems for years.

Agency staff has recently coordinated with numerous City departments including the Police Department, City Attorney and Neighborhood Services, to determine if there were any options, other than acquisition, to deal with these types of problem properties.

The group determined that options were limited and acquiring these types of properties may prove to have the most significant impact to the surrounding neighbors.

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Sacramento Police Department Statistics

The Sacramento Police Department supports the acquisition of the Day's Market and Washington Market properties. Officers consistently are called on to respond to calls for service at and near Day's and Washington Markets. In comparison, a local market (Serv-Rite at 3994 2nd Avenue) only two blocks east of Washington Market, which sells similar products to the Washington Market has much fewer entries at the market and at the property's main intersection.

The following statistics were made available by the Sacramento Police Department and they cover the period of time from approximately October 2004 to the present (please note that the statistics include citizen generated calls for service, officer initiated on-view calls, reports taken, and arrests made):

<i>POLICE ENTRIES (OCTOBER 2004 – MARCH 2005)</i>		
<i>MARKET</i>	<i>ON-SITE</i>	<i>INTERSECTION</i>
Day's Market	40	144
Washington Market	96	457
Serv-Rite Market	0	17

Next Steps

Staff believes that at this critical juncture in the revitalization of Oak Park, the best option is to acquire these properties. Upon approval, staff will proceed to establish purchase prices and acquire the sites. It is estimated to take 90 to 120 days. The Agency has the support of community organizations, the Police Department and the many neighbors of the liquor stores. With site control, the Agency can work with the Oak Park RAC and neighborhood leaders to determine the best reuse plan for each site.

FINANCIAL CONSIDERATIONS

This report recommends that authority be given to the Agency to take all steps necessary to purchase the business and properties known as Day's Market (3536 20th Avenue) and the Washington Market (3700 2nd Avenue) in the Oak Park Redevelopment Area. Staff estimates that total costs for the acquisition and related activities, including appraisals, relocation and closing costs to be approximately \$1,100,000. The costs will be paid for by an appropriation from the Oak Park Capitol Improvement Project Development Assistance fund.

POLICY CONSIDERATIONS

The actions contained in the attached resolutions meet the Agency's goals of eliminating blight as well as promoting the City of Sacramento's goal of preserving and enhancing neighborhoods.

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ENVIRONMENTAL REVIEW

Acquisition of the properties as described herein is in furtherance of the Oak Park Redevelopment Plan. Pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15180, actions to eliminate blight in a redevelopment area were deemed approved at the time of adoption of the Redevelopment Plan and the Program EIR. Once the scope of development of these properties has been defined, environmental review of the proposed projects will be conducted. Acquisition of properties does not commit the Agency to proceed with a project. Subsequent environmental review once the project for each property has been defined is authorized under CEQA pursuant to *Stand Tall on Principles vs. Shasta Union* (235 Cal App 3rd 772). Therefore, this action is exempt from environmental review. NEPA does not apply.

M/WBE CONSIDERATIONS

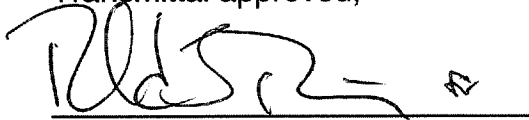
The items discussed in this report have no M/WBE impact; therefore M/WBE considerations do not apply.

Respectfully submitted,



ANNE M. MOORE
Executive Director

Transmittal approved,



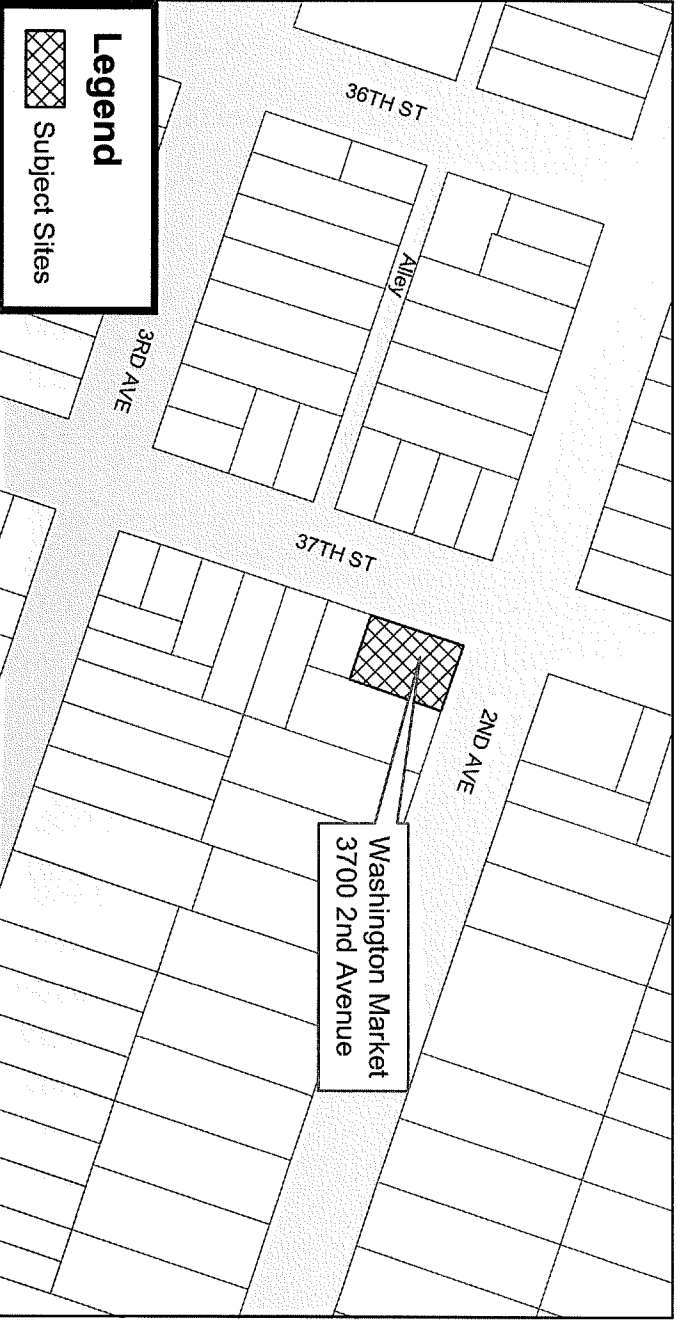
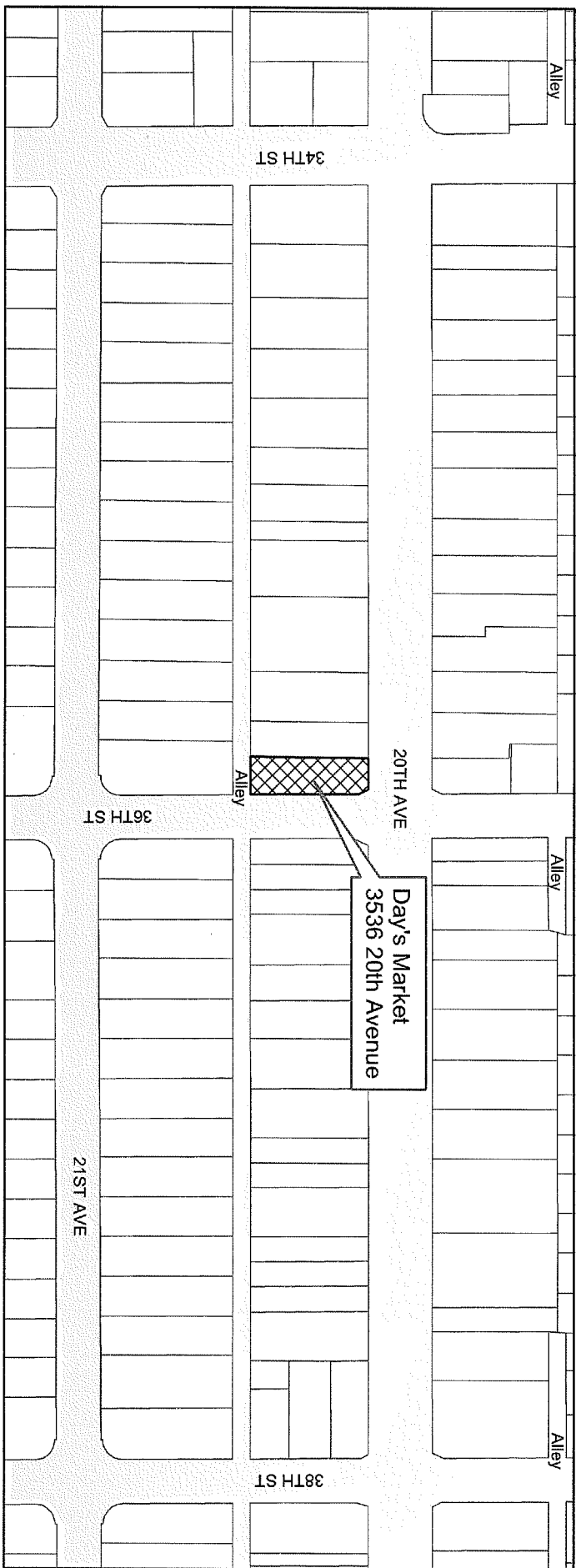
ROBERT P. THOMAS

City Manager


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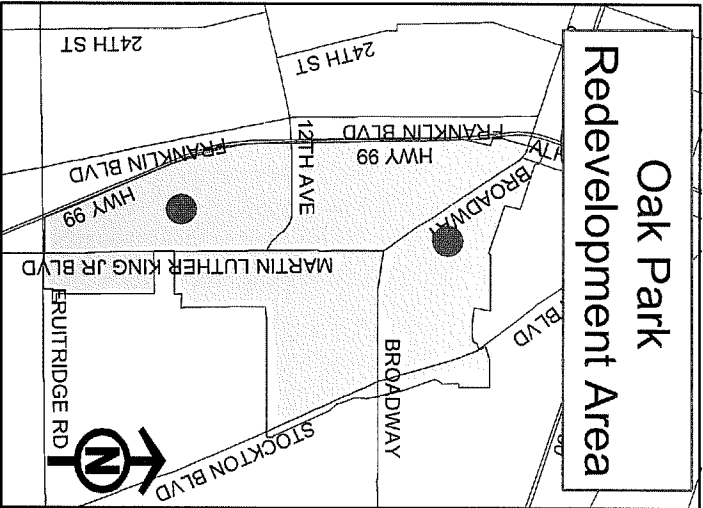
Attachment I: Location Map – Page 6
Redevelopment Agency Resolution - Page 7

Day's Market and Washington Market Location Map



Legend

 Subject Sites



RESOLUTION NO. _____

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

**ALLOCATION OF FUNDS AND AUTHORIZATION TO PURCHASE
PROPERTIES LOCATED AT 3536 20th AVENUE (APN 020-0212-010-0000)
AND 3700 2nd AVENUE (APN 014-0091-001-0000)**

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

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

Section 2. The Executive Director is authorized to take all actions (excepting actions in eminent domain) necessary to purchase and maintain the properties and businesses located at 3536 20th Avenue and 3700 2nd Avenue (APN 020-0212-010-0000 and APN 014-0091-001-0000, respectively) for not substantially more than fair market value as determined by appraisal or owner's offering price, which is established as the just compensation for the acquisitions.

Section 3. The Executive Director is authorized to amend the Agency budget by reducing the Oak Park Commercial Fund by \$1,100,000 and to allocate the same amount to the Oak Park Liquor Store Property Acquisition project.

CHAIR

ATTEST:

SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____
DATE ADOPTED: _____