



**Sacramento
Housing &
Redevelopment
Agency**

September 4, 2002

5.1

Redevelopment Agency of the
City of Sacramento
Sacramento, California



Honorable Members in Session:

**SUBJECT: RESOLUTION OF NECESSITY FOR ACQUISITION OF PARCELS
LOCATED IN THE DEL PASO NUEVO PROJECT AREA**

LOCATION & COUNCIL DISTRICT

Del Paso Heights Redevelopment Project Area
District 2

RECOMMENDATION

Staff recommends adoption of the attached resolution, which authorizes the Executive Director or her designee to commence and prosecute an action in eminent domain to acquire the subject properties. A two-thirds vote is required for this action.

CONTACT PERSONS

Lisa Bates, Community Development Director – City, 440-1316

FOR COUNCIL MEETING OF October 8, 2002

SUMMARY

This report recommends granting the authority to use eminent domain, as a means of last resort, to acquire the properties listed in Attachment II for the Del Paso Nuevo project.

RAC ACTION

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On Thursday, July 11, 2002 the Del Paso Heights Redevelopment Advisory Committee (RAC) approved the action recommended in the report. The votes were as follows:

AYES: Block, Blue, Cole, Hollis, Mack, McKnight, Scoggins, Spillman, Wells, Vue

NOES: Loree

ABSTAIN: Armstrong

ABSENT: Dexter, Fletcher, Raudez

COMMISSION ACTION

At its meeting September 4, 2002 the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES: Amundson, Castello, Faust, Harland, McCarty, Simon, Cespedes
NOES: Hoag
ABSTAIN: Burruss, Piatkowski
ABSENT: Burns

BACKGROUND

In June of 1997, the Del Paso Heights community received an award of \$10.5 million in federal grants and loans for the development of a new homeownership community called Del Paso Nuevo. The Del Paso Heights Redevelopment Advisory Committee and Terrace Manor Neighborhood Association endorsed the project as it met the long-standing community goals to build new quality housing in the community. Both committees sponsored and participated in over 30 public meetings to formulate the current Del Paso Nuevo plan. Through this community process, the plan was modified to accommodate residents concerns about the acquisition of property and resulted in a reduction in the number of properties needed to meet the project's goals.

Project Status

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To date, all Phase I and II infrastructure improvements have been completed, two parks have been built and the first 54 homes are now occupied in Del Paso Nuevo. Additionally, the Agency has entered into a Disposition and Development Agreement for the construction of the infrastructure and homebuilding of the next subdivision of 23 homes.

Current Acquisition Efforts

In April of 2001, the Redevelopment Agency of the City of Sacramento (Agency) informed 57 property owners in Del Paso Nuevo by mail of the Agency's interest in purchasing their property and intent to bring a request for Authority to Purchase properties to the governing boards for approval. Additionally, prior to the governing board approval, the Agency scheduled two focus group meetings with property owners to provide information and answer owner questions.

On June 26, 2001, the Redevelopment Agency of the City of Sacramento approved a resolution which authorized the Agency to negotiate the purchase of properties needed for Phases IV and V of the Del Paso Nuevo project. (See Attachment I – Phase Map)

Substantial progress has been made in purchasing and assembling the properties needed for the infrastructure and homebuilding activities. The table below summarizes the status of property acquisitions:

	<u>TOTAL</u>
Properties originally identified	57
Properties removed from list	8
Properties purchased to date	23
Properties under negotiation/contract	12
Properties requiring RON	8

Land use of properties needed (See Attachment II – Property List and Attachment III A and B – Property Maps):

	Total	Owner Occupied	Renter Occupied
Unimproved Land	6	0	0
Improved Land	2	0	2
TOTAL	8	0	2

After more than 12 months of negotiations, we have reached a critical point where 8 remaining properties are still needed for the project to proceed forward. As can be seen by the map

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included as Attachment I and III A and B, the remaining 8 properties substantially impact the project's feasibility. The properties are needed for future roadway improvements and to provide for consistent lot development for Del Paso Nuevo plan.

Throughout the property acquisition phase the Agency has and continues to respond to all owner concerns. Agency staff has been diligently working with owners to reach fair and mutually acceptable resolutions. The Agency has provided fair market value offers as determined by an independent appraiser, met individually with owners on several occasions, has kept in continual contact, and has or is re-appraising properties to update the purchase offers.

At the request of the Del Paso Heights RAC and Terrace Manor Neighborhood Association, the Agency is also offering the owners the opportunity to use a third party mediator to assist in discussing the unresolved remaining issues. All of the remaining owners have been notified of the Agency's intent to request authorization for eminent domain and were invited to the RAC meeting where the issue was discussed. The owners will be called and sent notices about the other public hearings before the Agency Commission and City Council regarding the purchase of their property.

In general the issues that have caused the lack of resolution include disagreement on the property value; owner's reluctance to meet or discuss the Agency's purchase of the property; owner's holding of over-encumbered property; and unclear title issues. To address these issues the Agency has agreed to reappraise property if desired by the owner.

FINANCIAL CONSIDERATIONS

The funding for activities associated with acquiring parcels identified in this report were previously approved by Council as part of the Del Paso Nuevo Project earlier this year.

POLICY CONSIDERATIONS

The action recommended in this report authorize the Agency to use eminent domain powers to acquire properties listed in Attachment II.

ENVIRONMENTAL REVIEW

The proposed project is a furtherance of the Del Paso Nuevo Project, which was analyzed in accordance with the California Environmental Quality Act (CEAQ) and for which a Negative Declaration was adopted. National Environmental Policy Act (NEPA) does not apply. Per CEQA guidelines Sections 15162 and 15163, no further environmental documentation is required at this time.

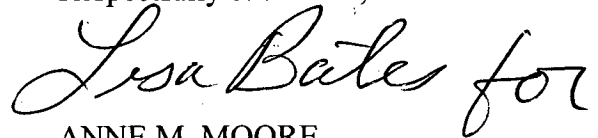
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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M/WBE CONSIDERATIONS

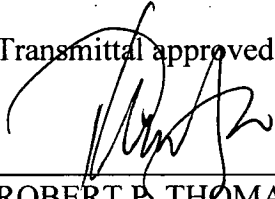
There are no M/WBE considerations associated with this action.

Respectfully submitted,



ANNE M. MOORE
Executive Director

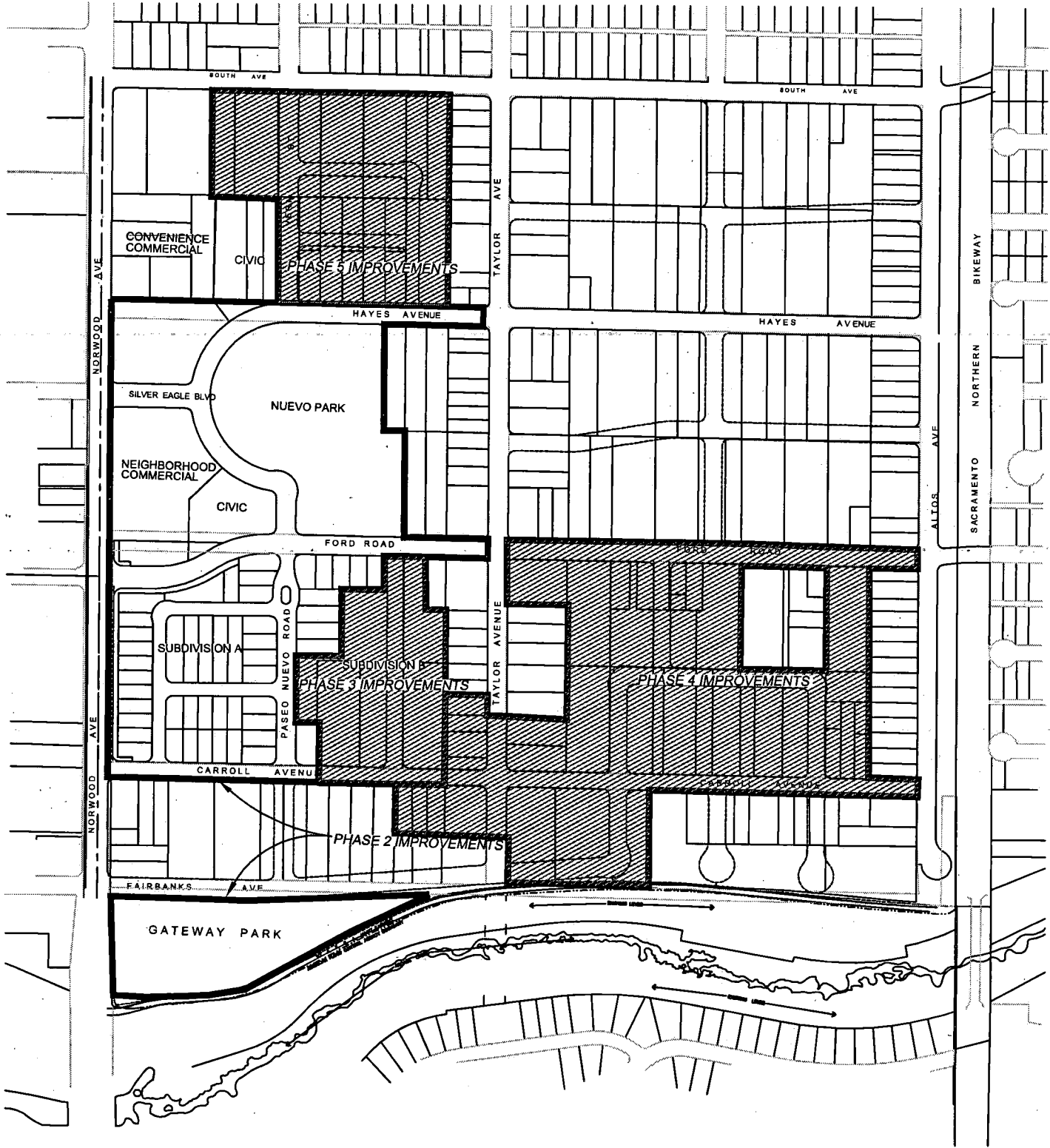
Transmittal approved,



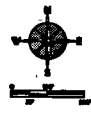
✓ ROBERT P. THOMAS
City Manager



SACRAMENTO, CALIFORNIA



PHASE 3, 4 & 5

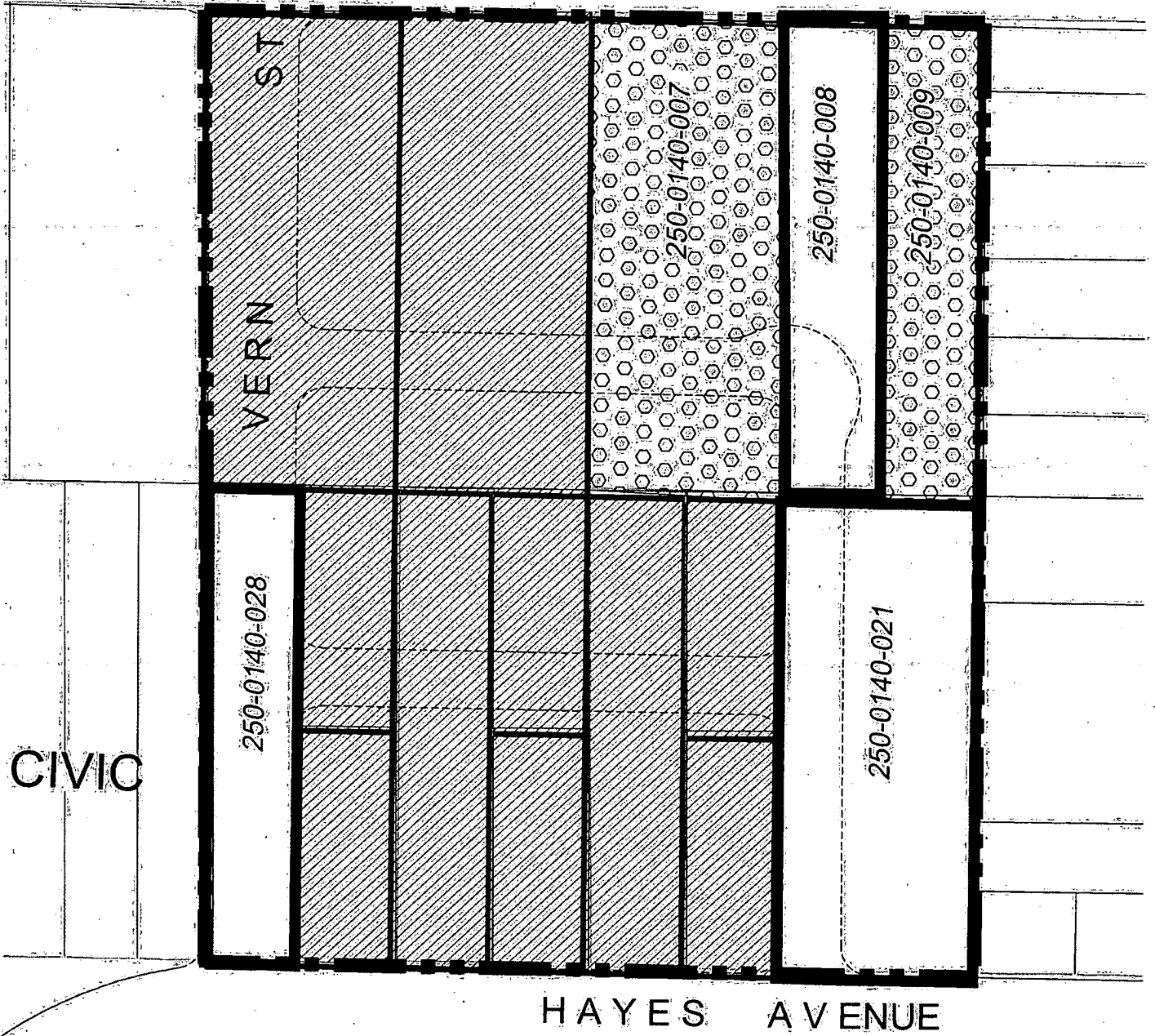


Carter Burgess
March, 2001

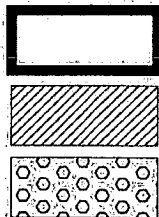


Sacramento, California

PHASE 5 IMPROVEMENTS



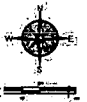
Phase 5
With Existing Parcels



Resolution of Necessity Needed

Agency Owned

Under Contract/Negotiations

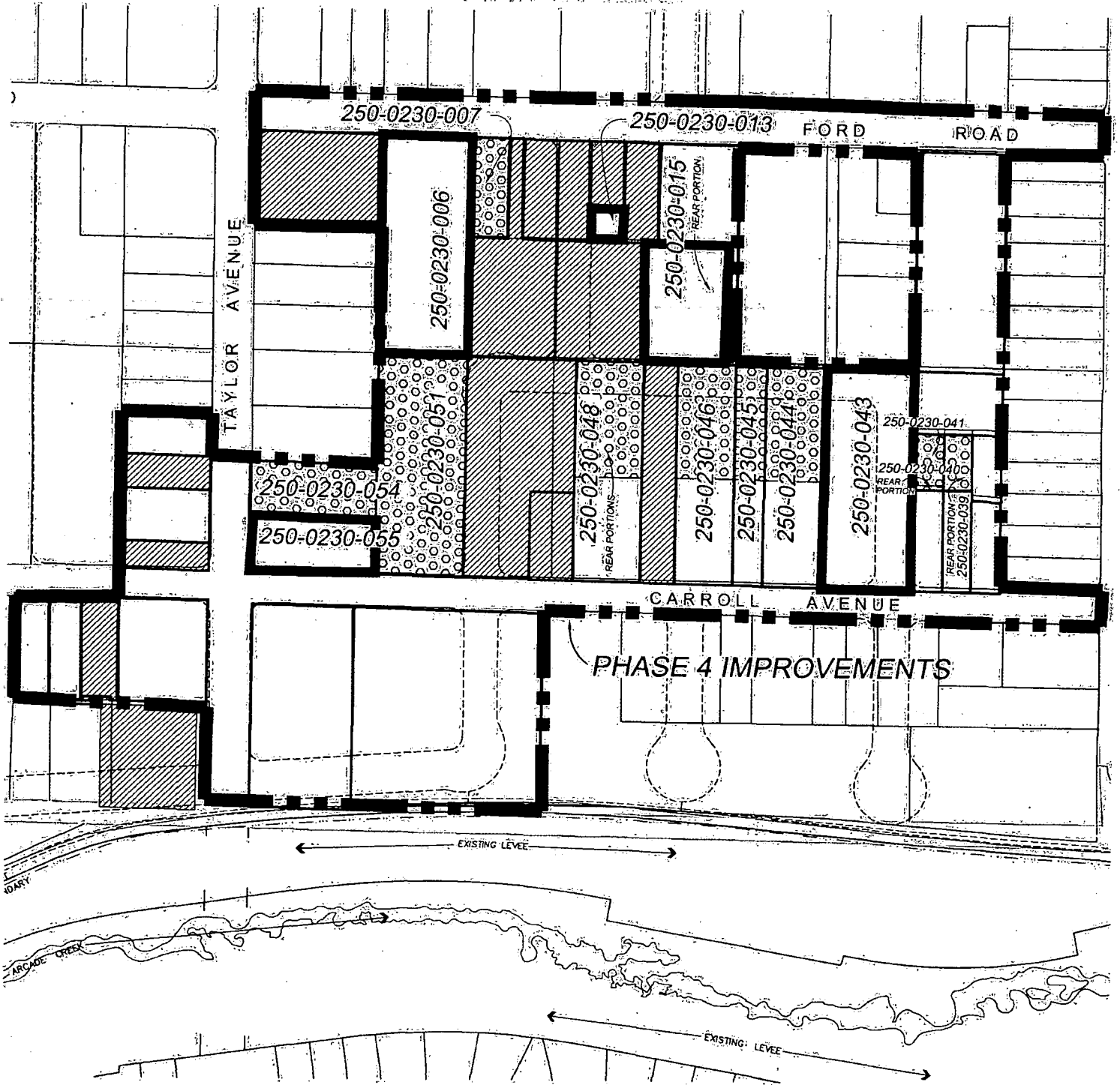


Carter Burgess

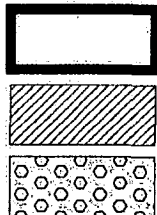
August, 2002



Sacramento, California



Phase 4
With Existing Parcels



Resolution of Necessity Needed

Agency Owned

Under Contract/Negotiations



Carter Burgess
August, 2002

**ATTACHMENT II
PROPERTY LIST**

Assessors Parcel Number	Address	Use
250-0140-008	556 South Avenue	Unimproved land
250-0140-021	571 Hayes Avenue	Unimproved land
250-0140-028	511 Hayes Avenue	Unimproved land
250-0230-006	620 Ford Road	Unimproved land
250-0230-013	Hayes Avenue	Unimproved land
250-0230-015	680 Ford Road	Vacant portion of improved property
250-0230-043	739 Carroll Avenue	Tenant occupied property
250-0230-055	3300 Taylor Street	Tenant occupied property



RESOLUTION NO. 2002-040

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

**DEL PASO NUEVO
RESOLUTION OF NECESSITY TO USE EMINENT DOMAIN TO ACQUIRE**

Assessors Parcel Number	Address
250-0140-008	556 South Avenue
250-0140-021	571 Hayes Avenue
250-0140-028	511 Hayes Avenue
250-0230-006	620 Ford Road
250-0230-013	Hayes Avenue
250-0230-015	680 Ford Road
250-0230-043	739 Carroll Avenue
250-0230-055	3300 Taylor Street

WHEREAS, the Redevelopment Agency of the City of Sacramento ("Agency") has adopted the Del Paso Heights Redevelopment Plan ("Redevelopment Plan") and a Five Year Implementation Plan for the Del Paso Heights Project Area ("Project Area");

WHEREAS, three goals of the Redevelopment Plan for the Project Area are:

- (a) To improve the neighborhood environment and image;
- (b) To eliminate blighted and blighting conditions; and
- (c) To increase and develop the supply of affordable housing;

WHEREAS, the Del Paso Heights five-year Implementation Plan identifies the Del Paso Nuevo Project area as a key housing development site, which site includes all of the real property which is the subject of this resolution

WHEREAS, the Del Paso Nuevo Project is a comprehensive land development project which eliminates the blighting influences of improper parcelization, underutilized land, and inadequate public facilities and provides new integrated public improvements and affordable housing;

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

WHEREAS, by its Resolution No. 2001-042 adopted on June 26, 2001, the Agency has authorized the purchase of, and determined the amount of just compensation for, that real property located at

Assessors Parcel Number	Address
250-0140-008	556 South Avenue
250-0140-021	571 Hayes Avenue
250-0140-028	511 Hayes Avenue
250-0230-006	620 Ford Road
250-0230-013	Hayes Avenue
250-0230-015	680 Ford Road
250-0230-043	739 Carroll Avenue
250-0230-055	3300 Taylor Street

and more specifically described in the property list attached to this resolution as Attachment II (the "Subject Parcels"), which purchase is for the express purpose of developing the Del Paso Nuevo Project;

WHEREAS, the Subject Parcels are necessary to the completion of the Del Paso Nuevo Project;

WHEREAS, the Agency has, through its counsel, engaged a qualified appraiser who has prepared an appraisal of the fair market value of the Subject Parcels;

WHEREAS, the Agency has engaged in serious negotiations with the owner of the Subject Parcels for the purpose of purchasing the Subject Parcels, which negotiations have not resulted in a negotiated purchase and sale of the Subject Parcels; and

WHEREAS, the Subject Parcels are properly zoned and situated for redevelopment, and there are no other sites in the Project Area which would be as compatible with the greatest public good and the least private injury as the Subject Parcels for the following reasons, among others:

- (a) The Del Paso Heights Redevelopment Project Area lacks an adequate supply of high quality affordable housing, parks and flood control facilities, and would benefit from improvement of its roads and other infrastructure and better utilization of underutilized property; and
- (b) The Del Paso Nuevo Project has been designed and thereafter redesigned in order to incorporate community concerns, as well as the highest principles of planning and redevelopment, to achieve the redevelopment and housing goals stated above and to address the conditions cited in the foregoing paragraph, while resulting in the least private injury;

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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

Section 1: The forgoing recitals are true and correct.

Section 2: The Redevelopment Agency is empowered to acquire the Subject Parcel by eminent domain pursuant to Health and Safety Code Section 33391.

Section 3: The public purpose for which the Subject Parcels are to be acquired is redevelopment, and more specifically the assembly of parcels for development of the Del Paso Nuevo Project within the Del Paso Heights Redevelopment Project Area to eliminate blight, to better utilize under utilized parcels and correct improper parcelization, to improve inadequate public facilities, and to provide a new affordable housing in a homeownership community.

Section 4: For the foregoing reasons the Redevelopment Agency of f the City of Sacramento finds and determines that:

- (a) The public interest and necessity requires the Del Paso Nuevo Project, which will include new and upgraded infrastructure, new homes and removal of the blighting influence of underutilized property and improper parcelization;
- (b) The Del Paso Nuevo Project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury;
- (c) The Subject Parcels are necessary for the proposed project; and
- (d) Just compensation has been established for the Subject Parcels by Resolution No. 2001-042; offers have been made to the owner of record of the Subject Parcels, as required by Section 7267.2 of the Government Code; and such owners of the Subject Parcels have been given reasonable opportunity to consider, reject or accept such offers.

Section 5: While continuing to make every reasonable effort to expeditiously acquire the Subject Parcels by negotiation, the Executive Director is authorized

- (a) to acquire in the name of the Agency, the Subject Parcels;
- (b) to institute and prosecute to conclusion one or more actions in eminent domain to acquire each of the Subject Parcels and to take any action necessary or desirable for such purpose in accordance with applicable law; and
- (c) to deposit the probable amount of just compensation, as fixed by the Executive Director in accordance with law, with the State Treasury, as the case may be, and to make application to the court for an order permitting the Agency to take immediate possession and use of the Subject Parcels.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 6: By this resolution, the Agency is authorized to acquire certain real property situated in the County of Sacramento, State of California, and described as follows:

CHAIR

ATTEST:

SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____
DATE ADOPTED: _____

**ATTACHMENT - II
LEGAL DESCRIPTION**

The land referred to in this Report is situated in the State of California City of Sacramento, County of Sacramento, and is described as follows:

The South 85 feet of Lot 25 in Block 37, as shown on the "Amended Plat of West Del Paso Heights", recorded in the office of the County Recorder of Sacramento County, December 5, 1911 in Book 12 of Maps. Map No.52.

APN: 250-0230-055

3300 Taylor St.

Lot 31 in Block 37, as shown on the Amended Plat of West Del Paso Heights, recorded in Book 12 of Maps, Map No. 52, records of said County.

APN: 250-0230-043

739 Carroll Ave.

The South 50 feet of the Easterly 50 feet of the Westerly 100 feet of the Northerly 150 feet of Lot 19 in Block 37, as shown on the "Amended Plat of West Del Paso Heights", recorded in Book 12 of Maps, Map No. 52, records of said County.

APN: 250-0230-013

Vacant Parcel on Hayes Ave.

Lot 21, Block 37 of Amended Map of West Del Paso Heights, according to the official plat thereof, recorded in the office of the Recorder of Sacramento County, California, December the 5th, 1911, in Book 12 of Maps. Map No. 52.

APN: 250-0230-006

620 Ford Rd.

The West one-half of Lot 14, in Block 34 of West Del Paso Heights, according to the Amended Plat thereof, filed in the Office of the Recorder of Sacramento County, California on December 5, 1911, in Book 12 of Maps. Map No. 52.

EXCEPTING THEREFROM the West 6 feet thereof.

APN: 250-0140-023

511 Hayes Ave.

Lot 17, in Block 34, as shown on the "Plat of West Del Paso Heights", recorded in Book 12 of Maps. Map No. 52, records of said County.

APN: 250-0140-021

571 South Ave.

The West one-half of Lot 2 in Block 34 of West Del Paso Heights, according to the official plat thereof, filed in the office of the Recorder of Sacramento County, California, on December 6, 1991, in Book 12 of Maps. Map No. 52.

APN: 250-0140-008

556 South Ave.

ATTACHMENT II

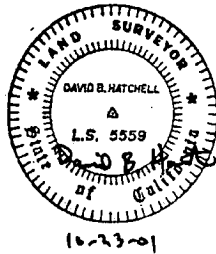
LEGAL DESCRIPTION OF ACQUISITION PARCEL

Being a portion of Lot 18 in Block 37 of the Amended Plat of Del Paso Heights, filed in Book 12, at Page 52 of Maps, in the Office of the County Recorder, County of Sacramento, State of California, described as follows:

The South 180 feet of Lot 18 of said amended plat of Del Paso Heights, containing an area of 23,760 square feet (0.545 Acres), more or less.

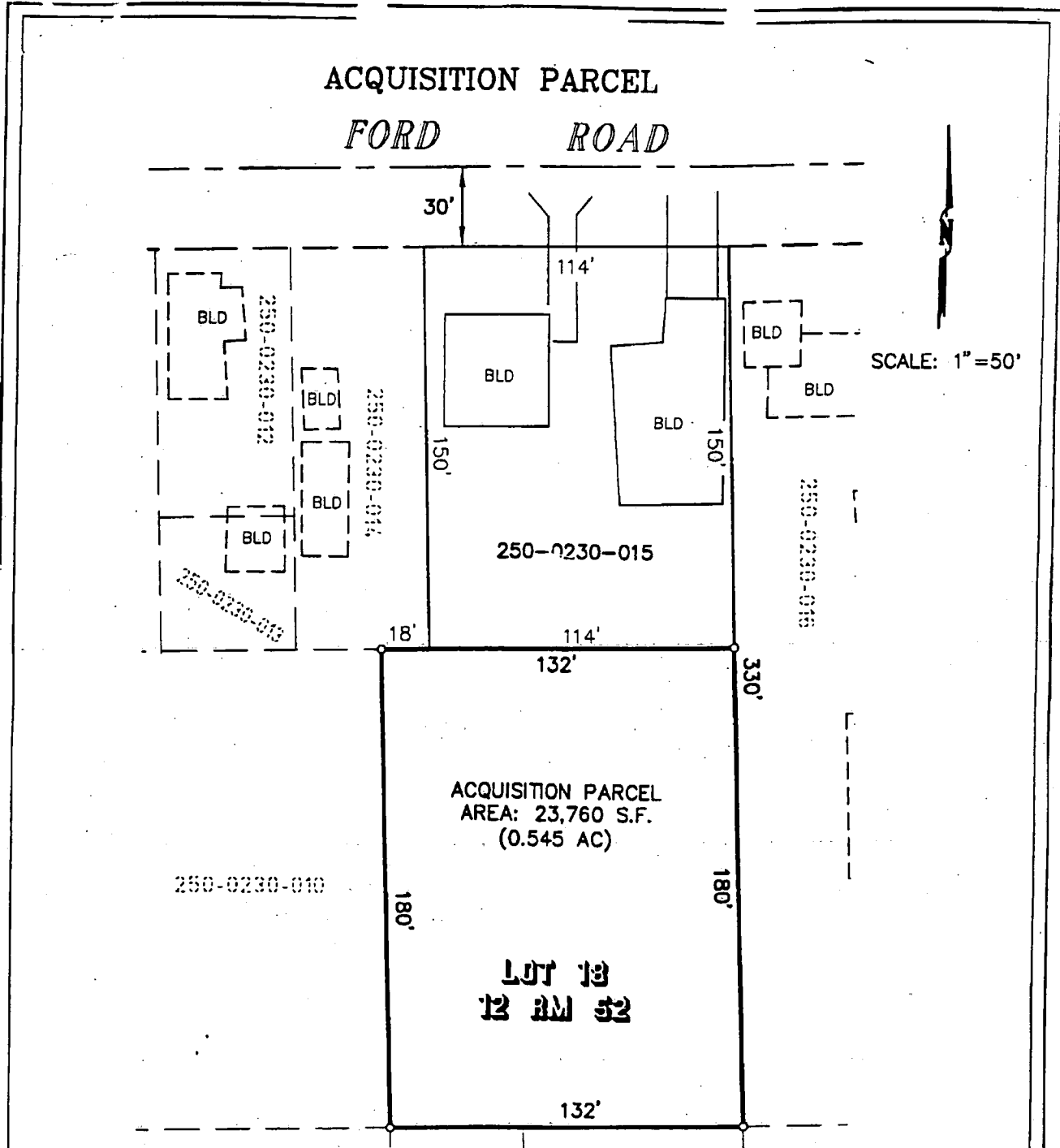
See Exhibit B attached hereto and made a part hereof.

Carter & Burgess, Inc
David B. Hatchell, LS 5559
License expires: 09-30-05
Date: 10-23-01



250 0230 015
Vacant Portion of 680 Ford Rd.

ATTACHMENT II



A PORTION OF LOT 18 IN BLOCK 37,
AMENDED PLAT OF WEST DEL PASO HEIGHTS
APN: 250-230-015

ADDRESS: 680 FORD ROAD
AREA 40,860 S.F. (0.938 AC)

DWG : P:\projects\333096\20x\zdrawings\s\phase_4\PHASE_4_EXHIBIT.dwg

DRAWN BY: JTS CHECKED BY: DBH DATE: 09/25/01 W.O. NO.: 333096

Carter-Burgess