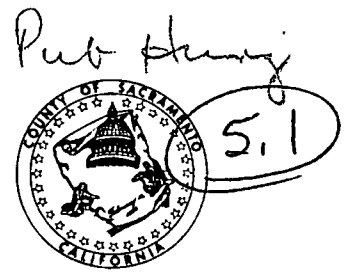




**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



August 20, 1991

Redevelopment Agency
of the City of Sacramento
and the City Council
Sacramento, California

APPROVED
BY THE CITY COUNCIL

JUL 23 1991



Honorable Members in Session:

OFFICE OF THE
CITY CLERK

**SUBJECT: PROPOSED NEIGHBORHOOD CONSERVATION PROGRAM IMPLEMENTATION
AND AMENDMENT TO THE 1991 CDBG PROGRAM**

SUMMARY

This report details the Neighborhood Conservation Program which the Agency proposes to implement in cooperation with various City departments. This report also authorizes amending the City's 1991 Community Development Block Grant (CDBG) Program to allocate funds (Exhibit A) to the Neighborhood Conservation Program. A similar Neighborhood Conservation Program was approved by the County Board of Supervisors in March 1991 and is being implemented in the County. The staff recommends adoption of the attached resolutions.

BACKGROUND

In November 1990, the Neighborhood Conservation Program, a pilot code compliance and housing rehabilitation program, was approved in concept by the Agency. This report outlines the Program in more detail, presents an implementation strategy, and recommends pilot areas in which to initiate the program. This report was developed after extensive discussion between Agency staff and other appropriate City departments.

The Neighborhood Conservation Program was initiated as a vehicle to meet the Agency's goal of utilizing and developing multi-faceted "tools" for neighborhood improvement. In general, staff's goal was to increase its effectiveness as an agent for positive change in troubled City neighborhoods.

Troubled neighborhoods suffer from a varied collection of problems which no one agency, department, or organization is equipped to handle alone. The staff believes the probability of turning around distressed neighborhoods can be greatly increased by developing comprehensive and coordinated solutions which address the full spectrum of problems facing a neighborhood, and by including all organizations which possess tools to address the problems.

7-23-91
All Districts (1)

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The staff also realizes that without active community participation, coordinated government efforts alone are unlikely to solve neighborhood problems. Thus, a key component of the Neighborhood Conservation Program involves organizing neighborhood groups to actively participate in directing program activities, providing the kind of neighborhood fabric which will bind the neighborhood together for continuing long term neighborhood stabilization and improvement.

Recently, various City and Agency departments have been developing a number of programs which involve community members in addressing serious neighborhood problems. The City Police Department has initiated the Problem Oriented Policing (POP) Program to increase neighborhood based policing. The City Neighborhood Services Division has initiated the Neighborhood Challenge Program to work more closely with neighborhoods and assist citizens to learn how to improve their neighborhoods. There also have been various task force efforts to address issues such as drug and gang activity, problem rental housing, and boarded and vacant housing units, all of which have significant negative physical and social impacts on our City neighborhoods.

All of these activities are examples of a growing awareness of the need for concerted and interdisciplinary efforts and community involvement in addressing neighborhood problems. The Neighborhood Conservation Program is also designed on this premise. The Program will act as a vehicle to organize the community, coordinate and target available Agency and City programs and other neighborhood activities in a defined geographical area. To be successful, close coordination and dedicated support will be essential from the Agency's Neighborhood Development and Housing Development and Preservation Divisions; the City's Neighborhood Services, Building Inspection, Parks and Community Services, Fire and Police Departments, the City Attorney's Office, and the County Environmental Health Department. Support from other departments as well as community organizations may be necessary depending on neighborhood needs.

In order to coordinate our efforts, staff propose that a task force or team approach be utilized with participation from representatives from each of the departments/organizations mentioned above. Team meetings would be held periodically to coordinate activity and to identify the level of involvement and support needed from each unit. It is conceivable that this task force/team could be helpful in the implementation of other

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neighborhood oriented programs such as the City's Problem Oriented Policing (POP) or the Neighborhood Challenge Program. However, the focus of our recommendation is to target available resources to the Neighborhood Conservation areas described in this report. Other organizations may also be consulted and requested to assist with specific issues (i.e. Sacramento Valley Apartment Owners Association, Human Rights Fair Housing Commission, Lutheran Social Services, etc.)

The intent of Neighborhood Conservation is to focus our coordinated resources for approximately two years in the selected area. After that time neighborhood residents will assume continuing responsibility for neighborhood conservation efforts and staff will move on to another neighborhood.

POTENTIAL TOOLS AND RESOURCES TO SUPPORT PROGRAM GOALS

A primary goal for the Program is to improve the housing conditions of the neighborhood. To achieve this, funds for rehabilitation of housing will be available to assist willing homeowners and landlords improve their properties. A further inducement for rental properties will come through inspections of rental units by the City Building Department and the County Environmental Health Department with the Building Department taking the lead.

The Program will utilize all building code enforcement "tools" developed by the City whenever necessary and appropriate. These tools include but are not limited to receivership, special inspection programs, and the newly created Rent Escrow Account Program. The Rent Escrow Account Program (REAP) will create a financial incentive to the rental property owner who fails to complete required repairs. For example, when a property owner fails to correct substandard conditions pursuant to an order by the Building Department, the Department will refer the building for inclusion in REAP. Once REAP is activated, the tenants may voluntarily place their rent in an escrow account held by the City instead of paying the property owner. A separate City report and ordinance authorizing REAP will be presented to you concurrent with this report.

All of these tools provide a continuum of remedies, punitive and preventative, to deal with a City wide problem of distressed properties. These properties are located throughout the City and not just in targeted Neighborhood Conservation areas. These properties go through a series of stages from initial minor

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disrepair, to code citations, to eventual boarding. Agency Housing Preservation and City Building Inspection staff will continue to address the distressed property problem; particularly the ability to restore boarded properties back into the stock as affordable housing.

Following is a list of potential housing programs and financial resources available in Neighborhood Conservation Areas. Not all of these funds or programs will be available to all areas at all times. This list is intended to provide an example of potential funding. These funds are not available for staff or administration expenses.

HOMEOWNER HOUSING REHAB LOANS AND GRANTS

- o Rehab loans from 0% - 8% interest
- o Emergency Repair Grant Program
- o Handicap Retrofitting Program
- o Programs may be tailored to meet the specific needs as identified by the neighborhood committee

RENTAL REHABILITATION LOAN PROGRAMS

- o 0% Rehab loans for one-half the cost of rehabilitation
- o Market Rate Community Reinvestment Act Loans from private lenders
- o Tax Credits

FIRST TIME HOME BUYER PROGRAMS

- o Below market rate mortgage for First Time Home Buyers
- o Mortgage Credit Certificates for First Time Home Buyers (MCCs)

PUBLIC HOUSING DEVELOPMENT

- o Acquisition/rehabilitation of troubled housing units.

STEPS FOR PROGRAM IMPLEMENTATION:

- o Select a 5-10 block area
- o Survey area to determine resident interest. With positive response, collect additional data on ownership, demographics, land use, social and housing conditions, incidence of crime, assessment of available resources, and; more extensive survey

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of resident opinions, wants, and needs.

- o Determine what tools the City, County, Agency, and residents can provide in addressing the area's problems.
- o Target complimentary resources and programs such as Neighborhood Watch, recreational programs, job programs, Problem Oriented Policing, and Neighborhood Services as needs dictate and resources allow.
- o Establish ongoing interagency task force/team of staff who will be supporting neighborhood conservation efforts in the specific neighborhood.
- o Prepare informational material, brochures etc.
- o Hold a neighborhood "kick-off" meeting to describe the general program concept and follow-up meetings to solicit resident involvement; form a committee or neighborhood organization to serve as a point of contact with the neighborhood.
- o Work with neighborhood committee to identify specific neighborhood issues/solutions and a two year timeline for action.
- o Hold regular task force/team meetings as necessary to assure interagency coordination.
- o Initiate and market special programs to address blighting conditions, such as rehabilitation loans or grants for owner occupants, neighborhood paint programs, rental rehabilitation loans, infill housing assistance, homebuyer assistance, boarded property program, and consolidated property management.
- o Initiate code compliance inspection on rental properties where no alternatives exist.
- o Recognize success in area, evaluate program, and move to new neighborhood(s).

These steps are very general; input from involved City and County departments as well as neighborhood residents will customize the program to individual neighborhoods as needs, concerns, and issues which will vary from area to area.

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CRITERIA FOR NEIGHBORHOODS SELECTION:

The primary concerns for the selection of a pilot program area is size. The area must be "manageable" in terms of resource allocation. In general terms, the area should be no larger than a 5 to 10 block area, depending on the number and type of housing units in the area. The most confining factors are the availability of staff and funding resources. For example, the rehabilitation needs of the area should not exceed rehabilitation funds available. The same caution is necessary when analyzing the availability of staff resources for police, code enforcement, recreational programs, and other related neighborhood activities and functions.

Just as important is the requirement that the community be willing to participate in the program, especially homeowners, landlords, and tenants in the area. Areas proposed have been surveyed to ascertain the level of resident interest in revitalizing the neighborhood. Since success depends on the neighborhood's support and assistance in addressing problems, this initiative and interest is imperative.

PROPOSED PILOT AREA:

The following areas are proposed for consideration as pilot Neighborhood Conservation Program areas (see attached maps - Exhibits B and C):

- △ Meadowview: The area selected in Meadowview is at the southeastern end of Meadowview in the Southgate subdivision (see Exhibit B). The area includes the streets of Deerhaven Way, Cedar Springs Way, Burlington Way and the southern-most end of Detroit Boulevard. The area is comprised of 84 single family homes constructed from 1970 through 1972. Fifty-nine of the properties are owner-occupied; 23 are rental properties; and 2 are owned by the Housing Authority.

This area was surveyed to determine interest and there was a positive response to the program as well as enthusiasm to work together.

- △ Young Street Area: The Young Street area includes both the City and County jurisdictions; the County portion has been approved by the Board of Supervisors (see attached map - Exhibit C). The combined City/County area includes

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portions of Young Street, 53rd Street, Fruitridge Road, Stockton Boulevard, Nina Way and Southwest Avenue. The City area includes portions of each of the above streets except Nina Way and Southwest Avenue. The area is comprised of properties with a variety of uses and zoning including: developed and vacant commercial property (Stockton and Fruitridge are also included in the commercial revitalization Program), multi-family residential, owner-occupied residential, a mobile home park, and several vacant residential lots. The Housing Authority owns and operates two housing developments on Nina Way, and has purchased two additional properties on Young Street (in the County) for rehabilitation and operation as public housing units.

This area was also surveyed to determine interest and there was a very positive response to the program.

TIMELINE:

The proposed timeline for initiating the Neighborhood Conservation Program is as follows:

- April/May 1991 - Develop/mail survey to proposed areas to determine interest. Prepare informational material
- June/July 1991 - Organize resources and plan initial neighborhood meeting
- August 1991 - Hold initial meeting
- Introduce resources
- August/Sept. 1991 - Timeline events to be coordinated with and recommended by neighborhood.

In conclusion, in order for this program to be successful, there must be a commitment from necessary City and Agency departments. It is anticipated that a basic level of assistance can be provided with existing program and staff resources. However on a long term basis, specific City departments may need to reanalyze resources and funding needs. Ongoing evaluation of pilot efforts of this program will be made to assess these needs.

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FINANCIAL DATA

Staff and administrative costs (including costs for informational brochures etc.) are included in the Agency's 1991 Budget. All organization, coordination, rehabilitation grant/loan packaging and inspection activities will be carried out by existing staff (with other duties). Community Development Block Grant (CDBG) funding of \$300,000 is proposed to fund Neighborhood Conservation Program housing rehabilitation loans and grants within the selected areas. Other rehabilitation funding sources, such as the Rental Rehabilitation Program and the California Housing Rehabilitation Program, will be made available, however these programs will not be limited to the Neighborhood Conservation area and are allocated on a first come first serve basis. Neighborhood Conservation rehabilitation will be funded from CDBG contingency funds as identified in Exhibit A.

POLICY

The action proposed in this staff report is consistent with previously approved policy and there are no policy changes being recommended.

ENVIRONMENTAL

The proposed action is a policy decision regarding utilization of existing programs. Environmental requirements do not apply to such actions per CEQA Guidelines Section 15378 (b)(3) and NEPA per 24 CFR Part 58.34 (a)(2).

MBE/WBE

MBE/WBE considerations are not required with this activity.

VOTE AND RECOMMENDATION OF COMMISSION

At its meeting of July 10, 1991 the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Cespedes, Moose, Simon, Strong, Wooley, Yew

NOES: None

NOT PRESENT TO VOTE: Diepenbrock

ABSENT: Amundson, Pernell, Simpson, Williams

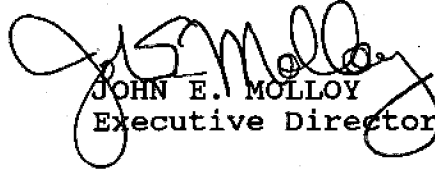
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RECOMMENDATION

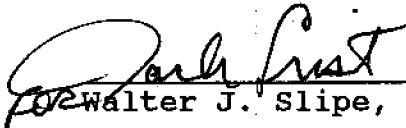
Staff recommends the adoption of the attached resolutions which authorize the basic model for the program, designates a portion of Meadowview and the City portion of the Young Street as pilot areas in which to implement the Neighborhood Conservation Program, formalizes the coordination of the Agency and key City departments, and authorizes the allocation of \$300,000 in 1991 CDBG funds for rehabilitation activities for exclusive use in the Neighborhood Conservation Area.

Respectfully submitted,


JOHN E. MOLLOY
Executive Director

TRANSMITTAL TO COUNCIL:

July 23, 1991
All Districts


Walter J. Slipe, City Manager

Contact Person: John Dangberg
440-1322

LGD\LD91-95

RESOLUTION NO. 91-573

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

APPROVED
BY THE CITY COUNCIL

JUL 23 1991

OFFICE OF THE
CITY CLERK

AUTHORIZATION TO IMPLEMENT THE NEIGHBORHOOD CONSERVATION PROGRAM; DESIGNATE PILOT AREAS IN WHICH TO IMPLEMENT THE PROGRAM; PROVIDE ASSISTANCE TO SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; AND AMEND THE 1991 CDBG PROGRAM TO ALLOCATE FUNDING FOR THE NEIGHBORHOOD CONSERVATION PROGRAM

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

Section 1: The City Council hereby approves the implementation of the Neighborhood Conservation Program in the pilot areas shown in the maps in Exhibits B and C attached hereto.

Section 2: The City Council hereby authorizes and directs the necessary City Departments to provide assistance to implement the Neighborhood Conservation Program, as may be requested by the Sacramento Housing and Redevelopment Agency.

Section 3: The 1991 Community Development Block Grant (CDBG) Program budgets shall be amended in accordance with Exhibit A attached hereto.

MAYOR

ATTEST:

CITY CLERK

P:\SHARE\RESO\LD91-104.CC

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO. 91-061

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

AUTHORIZATION TO IMPLEMENT THE NEIGHBORHOOD CONSERVATION PROGRAM; DESIGNATE PILOT AREAS IN WHICH TO IMPLEMENT THE PROGRAM; REQUEST ASSISTANCE FROM VARIOUS CITY DEPARTMENTS; AND AMEND THE 1991 CDBG PROGRAM TO ALLOCATE FUNDING FOR THE NEIGHBORHOOD CONSERVATION PROGRAM

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

Section 1: The Executive Director of the Sacramento Housing and Redevelopment Agency is hereby authorized to implement the Neighborhood Conservation Program in the pilot areas shown in the maps in Exhibits B and C attached hereto.

Section 2: The Executive Director is authorized to request assistance from the necessary City Departments to implement the Neighborhood Conservation Program.

Section 3: The Executive Director is authorized to amend the 1991 Community Development Block Grant (CDBG) Program budgets in accordance with Exhibit A attached hereto.

CHAIR

ATTEST:

SECRETARY

P:\SHARE\RESO\LD91-104.RA



FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

EXHIBIT A

**RECOMMENDED REPROGRAMMING ACTIONS
CITY OF SACRAMENTO - CDBG PROGRAM**

YEAR/ COST CENTER	PROJECT	CURRENT ALLOCATION	RECOMMENDED ALLOCATION	NET CHANGE TO CONTING.	COMMENTS
1991/NO4286	BEGINNING CONTINGENCY BALANCE			\$280,272.90	
1989/LO4200	CDBG Admin.	\$103,444.31	\$ -0-	+103,444.31	Surplus funds
1991/NO____	Neigh. Conservation	-0-	300,000.00	-300,000.00	New program
1991/NO4286	ENDING CONTINGENCY BALANCE			\$ 83,717.21	

\LGD\WPDOC\LD91-95E

County Neighborhood Conservation Area

PROPOSED CITY NEIGHBORHOOD CONSERVATION AREA

