



**Sacramento
Housing &
Redevelopment
Agency**

**REPORT TO COUNCIL AND HOUSING
AUTHORITY AND REDEVELOPMENT
AGENCY**

City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Public Hearing
March 11, 2008

**Honorable Mayor and Members of the City Council
Honorable Chair and Members of the Board**

Title: Disposition and Development Agreement (DDA) for the Transfer of Fifteen (15) Redevelopment Agency Owned Vacant Parcels to the Housing Authority for the Subsequent Sale and Development of Single Family Homes – Noticed on 2/15/08 and 2/25/08

Location/Council District: Del Paso Heights (District 2), Oak Park Redevelopment Area (District 5)

Recommendation: Conduct a public hearing and upon conclusion 1) adopt a **City Resolution** a) approving and adopting the Redevelopment Agency's CEQA findings; b) approving the transfer of five (5) Del Paso Heights and ten (10) Oak Park vacant residential parcels currently owned by the Redevelopment Agency (Agency) to the Housing Authority; and 2) adopt a **Redevelopment Agency Resolution** authorizing the Interim Executive Director or her designee to execute a DDA and related documents to transfer the fifteen (15) Del Paso Heights and Oak Park vacant residential parcels to the Housing Authority for the subsequent disposition and development of single family homes; and 3) adopt a **Housing Authority Resolution** authorizing the Interim Executive Director or her designee to a) execute a DDA and related documents to transfer the fifteen (15) Del Paso Heights and Oak Park vacant residential parcels to the Housing Authority, b) determine that the properties are not required for its foreseeable needs; c) release Requests for Proposals (RFP's) to solicit the sale of the vacant residential parcels to one or more capable and experienced developers or builders of single family homes and convene a selection committee to review the proposals, and d) select one or more developers to execute an agreement with for the disposition and development of the parcels.

Contact: Lisa Bates, Deputy Executive Director, 440-1316; Chris Pahule, Assistant Director, Housing and Community Development Department, 440-1350; Nick Chhotu, Assistant Director, Housing Authority, 440-1334

Presenters: Celia Yniguez, Redevelopment Manager

Department: Sacramento Housing and Redevelopment Agency

Vacant Parcel Transfer to Housing Authority

Description/Analysis

Issue: The Redevelopment Agency (Agency) owns fifteen (15) vacant residential parcels ready for development in the Oak Park and Del Paso Heights Redevelopment Project Areas. Five (5) of the parcels are located in Del Paso Heights and ten (10) of the parcels are located in Oak Park. In January 2007, the Agency released a Request for Proposals (RFP) for the development of these parcels with the intent of constructing single family homes and placing the sales proceeds in the Agency's Low/Moderate Housing Fund. Two development teams were invited to submit full proposals for the project; however, the proposals were rejected by the selection committee for various factors. Since that time, the Agency has worked to clarify the RFP process to solicit proposals more in line with the goals of the Agency and to reissue the RFP.

The Housing Authority of the City of Sacramento has experienced a significant reduction in federal funding to make necessary health and safety improvements to its existing public housing stock. To supplement these limited available resources, the Agency has utilized redevelopment tax increment funds to assist in the rehabilitation of 5H and Section 32 housing units in the Del Paso Heights and Oak Park Project Areas and the rehabilitation of the Fifth Avenue Duplexes in the Oak Park Project Area. Two parcels located in the Oak Park Redevelopment Area were purchased with tax exempt bond funds and will be disposed of in accordance with Bond and IRS regulations.

Policy Considerations: The actions contained in this report are consistent with the Del Paso Heights and Oak Park Redevelopment Strategies outlined in the 2005 – 2009 Oak Park Redevelopment Implementation Plan and the 2003 – 2007 Del Paso Heights Redevelopment Implementation Plan by providing funds to assist the Housing Authority in better utilizing and making improvements to their properties by way of the revenue generated from the sale of the fifteen (15) vacant parcels.

The actions are also consistent with the City's Strategic Plan goal to enhance and preserve the neighborhoods. The proposed actions support the Guiding Principle of that goal which states that programs and strategies should promote the maintenance and development of the fullest range of housing choices in every community in the City of Sacramento.

Environmental Considerations: The proposed action for disposition of land is in furtherance of the Del Paso Heights and Oak Park Redevelopment Projects. Per California Environmental Quality Act ("CEQA") Guidelines Section 15180 (Plan implementation), and Section 15162 (no new information or impacts that were not previously addressed in the Plan EIR), further environmental is not required. In addition, the proposed project to construct single family homes is exempt from environmental review per CEQA Guidelines Section 15303(a); the Project is also exempt under CEQA Guidelines Section 15332 as in-fill development. The National Environmental Policy Act does not apply.

Vacant Parcel Transfer to Housing Authority

Committee/Commission Action: *Oak Park Redevelopment Advisory Committee Action:* At its meeting of October 10, 2007, the Oak Park Redevelopment Advisory Committee approved the staff recommendation for this item. The votes were as follows:

AYES: Davis, Hilbert, Lackey, Meng, Taylor

NOES: Redmond, Thomas

ABSTAIN: None

ABSENT: Curry-Evans, Johnson, Kivel, Mercado

Del Paso Heights Redevelopment Advisory Committee Action: At its meeting of November 8, 2007, the Del Paso Heights Redevelopment Advisory Committee approved the staff recommendation for this item. The votes were as follows:

AYES: Painter, Perry, Sample Scoggins, Thao, Ward

NOES: None

ABSTAIN: None

ABSENT: Grigas, Joe, Robinson

Sacramento Housing and Redevelopment Commission: At its meeting of January 16, 2008, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burruss, Coriano, Dean, Fowler, Gore, Hoag, Morgan, Otto, Stivers

NOES: None

ABSTAIN: None

ABSENT: Chan, Shah

Rationale for Recommendation: The transfer of the fifteen (15) parcels to the Housing Authority and its subsequent disposition of the properties for residential development will provide much needed revenue for the improvement of existing public housing units in the Del Paso Heights and Oak Park Project Areas. Proceeds generated from the sale of the parcels will supplement current federal funding for the maintenance of aging Housing Authorities properties. Furthermore, the homes developed on the parcels will be sold to low- to moderate-income, owner-occupied households, increasing the supply of affordable housing in these communities.

Vacant Parcel Transfer to Housing Authority

Financial Considerations: The Agency will transfer the fifteen (15) vacant residential parcels to the Housing Authority at no cost. The revenue from the Housing Authority's sale of the parcels for private development of single family homes will go to the Housing Authority and will be used to make improvements to existing public housing units in the Del Paso Heights and Oak Park Redevelopment Areas. Two parcels located in the Oak Park Redevelopment Area—2708 and 2718 37th Street—were purchased with tax exempt bond funds; therefore these two parcels will be disposed of in accordance with Bond and IRS regulations. The sales price of the parcels will be based on bids received through a competitive RFP process.

M/WBE Considerations: Federal funds are not being used and, therefore, no M/WBE requirements apply.

Respectfully Submitted by: 
LA SHELLE DOZIER
Interim Executive Director

Recommendation Approved:


RAY KERRIDGE
City Manager

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Transfer of Vacant Residential Parcels Project Background

Throughout the 1980's and 1990's, numerous vacant homes and parcels were purchased by the Agency for the development of single family homes to increase the supply of affordable housing in the redevelopment areas and to eliminate blight caused by irregular and vacant lots. Many of these properties have since been transferred to various non-profit agencies including Youthbuild and Habitat for Humanity for the development of single family homes.

This report recommends the transfer of fifteen (15) of the remaining parcels to the Housing Authority through a Disposition and Development Agreement (DDA). Five (5) parcels are located in the Del Paso Heights Redevelopment Area and ten (10) parcels are located in the Oak Park Redevelopment Area as outlined in the tables below.

DEL PASO HEIGHTS			
APN	ZONING	ADDRESS	LOT SIZE
250-0072-012	R2A	3845 Altos Ave.	45 x 83
250-0073-013	RO	3841 Altos Ave.	42 x 148
250-0073-033	RO	741 Grand Ave.	37.5 x 148
250-0073-032	RO	3805 Altos Ave.	45 x 148
250-0230-080	R1B	649 Carroll Ave.	50 x 82

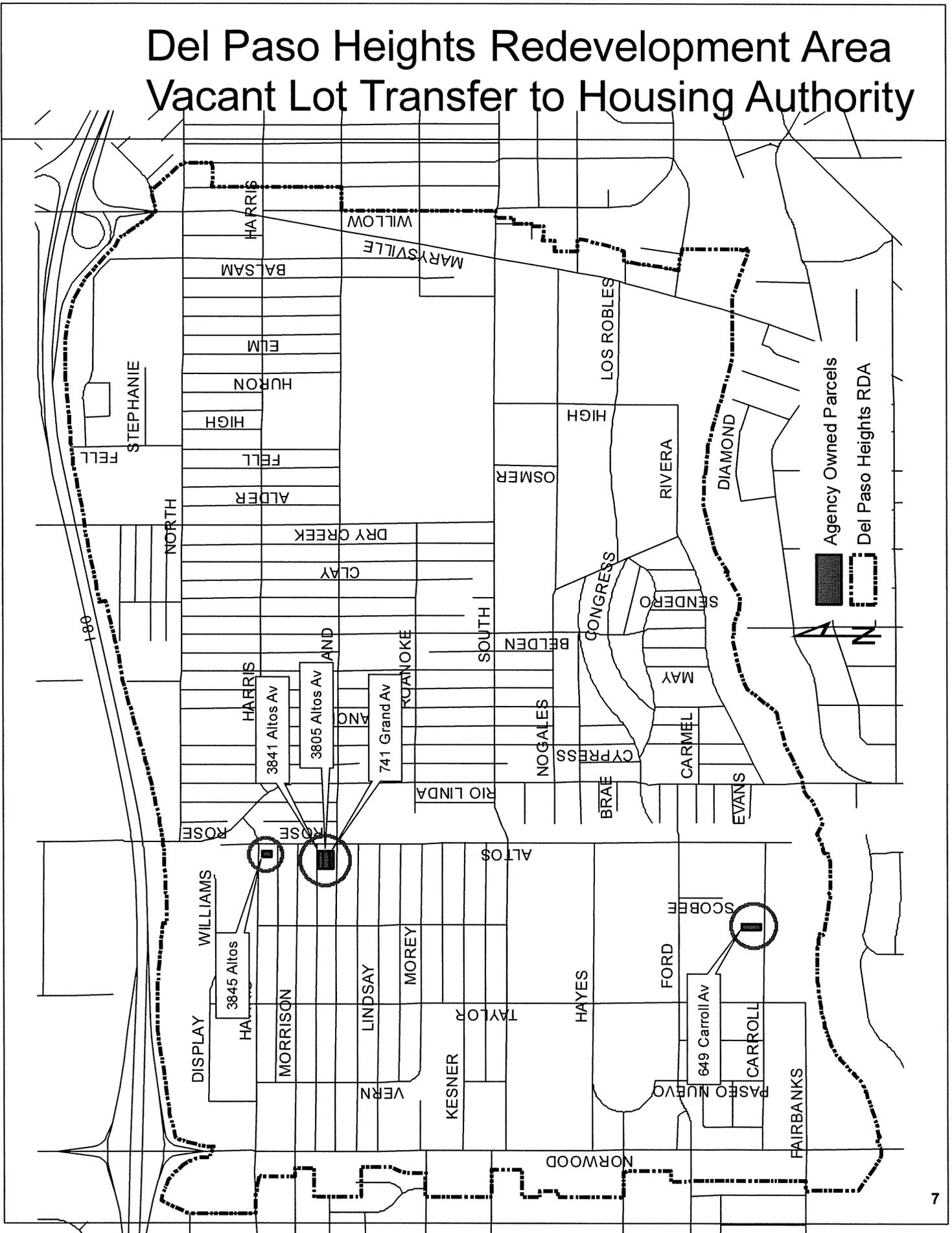
OAK PARK			
APN	ZONING	ADDRESS	LOT SIZE
013-0284-005	R1	3240 8 th Avenue	40 x 150
014-0091-001	R1	3700 2 nd Avenue	60 x 150
020-0212-010	R1	3536 20 th Avenue	40 x 120
010-0323-012	R2A	2536 37th Street	50 x 80
010-0384-009	R2A	2708 37th Street	37.5 x 80
010-0384-010	R2A	2718 37th Street	37.5 x 80
010-0324-002	R2A	2627 36 th Street	37.5 x 80

010-0324-001	R2A	2629 36 th Street	37.5 x 80
014-0141-050	R1	3900 4 th Avenue	33 x 100 71 x 24
014-0231-047	R1	3550 40 th Street	43 x 152

Due to a reduction in federal funds for operating and maintaining existing public housing units in the City, the Housing Authority is looking for alternative funding strategies. The transfer of these properties will allow the Housing Authority to collect the proceeds from the sale of the land. The sales price of the parcels will be based on bids received through a competitive RFP process. The proceeds will be used to make improvements to existing Housing Authority units in the Del Paso Heights and Oak Park Redevelopment Areas.

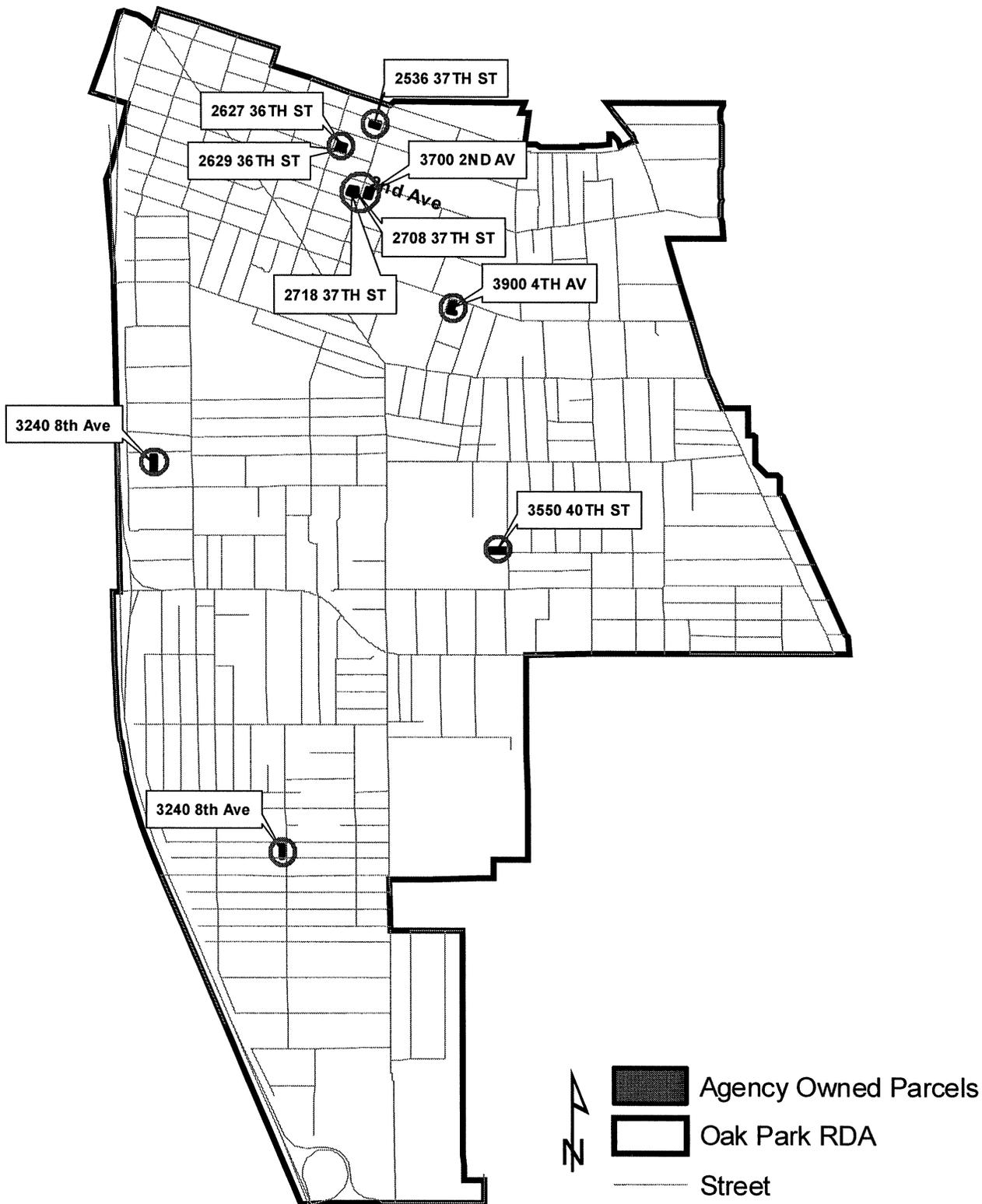
Upon execution of the DDA, the Housing Authority will issue two Requests for Proposals (RFP's) to solicit the sale of the vacant residential parcels to one or more capable and experienced developers or builders of single family homes. (One RFP will be released for the Del Paso Heights parcels and the other will include the Oak Park parcels.) As a requirement of the RFP and subsequent regulatory agreements, the homes will be sold to low to moderate-income, owner-occupied households, will be well designed, architecturally interesting, and will fit-in with the character of the surrounding neighborhoods. Because two parcels located in the Oak Park Redevelopment Area—2708 and 2718 37th Street—were purchased with tax exempt bond funds, these two parcels will be disposed of in accordance with Bond and IRS regulations.

Del Paso Heights Redevelopment Area Vacant Lot Transfer to Housing Authority





Oak Park Redevelopment Area Vacant Lot Transfer to Housing Authority



RESOLUTION NO. 2008 -

Adopted by the Sacramento City Council

ON DATE OF

APPROVAL OF REDEVELOPMENT AGENCY'S TRANSFER OF FIFTEEN VACANT RESIDENTIAL PARCELS IN THE DEL PASO HEIGHTS AND OAK PARK REDEVELOPMENT PROJECT AREAS TO THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

BACKGROUND

- A. The City of Sacramento approved by Ordinance the Del Paso Heights and Oak Park Redevelopment Plans ("Redevelopment Plans") for the Del Paso Heights and Oak Park Project Areas ("Project Areas").
- B. The Redevelopment Agency of the City of Sacramento ("Agency") owns the subject properties at 3805, 3841, and 3845 Altos Ave., 741 Grand Ave., and 649 Carroll Ave. in the Del Paso Heights Project Area, and the subject properties at 3700 2nd Ave., 3536 20th Ave., 3240 8th Ave., 3900 4th Ave., 3550 40th St., 2627 36th and 2629 36th St., and 2536, 2708, and 2718 37th St. in the Oak Park Project Area.
- C. Agency and Housing Authority of the City of Sacramento desire to enter into Disposition and Development Agreement ("DDA") to convey title of the fifteen (15) subject properties to Housing Authority for the subsequent disposition and development of for-sale single family homes to be sold to purchasers qualified as low or moderate income households at a sales price that does not exceed the amount that a moderate income household can afford to buy, as more specifically described in the DDA ("Project").
- D. In accordance with the California Environmental Quality Act ("CEQA") and its implementing regulations, the transfer of the Property and the Project are exempt under the CEQA Guidelines Sections 15303 and 15332.
- E. A report under Health and Safety Code Section 33433 ("Section 33433 Report") has been prepared, filed with the Agency Clerk, and made available for public review pursuant to Section 33433.
- F. Proper notice of this action has been given and a public hearing has been held in accordance with Health and Safety Code Sections 33431 and 33433.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The Agency is directed to prepare a Notice of Exemption for the sale of the Property for the Project based on the findings in the accompanying staff report in accordance with CEQA Guidelines Sections 15062 and 15332.
- Section 2. After public hearing, the transfer of the Property is approved and found to be consistent with the goals and objectives of the Redevelopment Plans to promote homeownership and new construction of housing on vacant lots, and is consistent with the Implementation Plans. The Project will assist in the elimination of blight as stated in the 33433 Report. The DDA shall be deemed an implementing document approved in furtherance of the Redevelopment Plans and Implementation Plan for the Project Areas, and all applicable land use plan, studies, and strategies.
- Section 3. The Report as required under Health and Safety Code Section 33433 is hereby approved.
- Section 4. The consideration for the Agency's conveyance of the parcels to the Housing Authority is the Housing Authority's obligation to redevelop the parcels as described, which obligation has a cost that is not less than the fair reuse value of the parcels at the use and with the covenants, conditions, restrictions required by the DDA and the related Regulatory Agreement and Grant Deed.

RESOLUTION NO. 2008 -

Adopted by the Redevelopment Agency of the City of Sacramento

ON DATE OF

DEL PASO HEIGHTS AND OAK PARK REDEVELOPMENT AREAS; APPROVE DISPOSITION AND DEVELOPMENT AGREEMENT WITH THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO FOR THE TRANSFER OF FIFTEEN VACANT RESIDENTIAL PARCELS FOR THE SUBSEQUENT DISPOSITION OF THE PARCELS FOR THE DEVELOPMENT OF FOR-SALE SINGLE FAMILY HOMES

BACKGROUND

- A. The Redevelopment Agency of the City of Sacramento (“Agency”) has adopted the Del Paso Heights and Oak Park Redevelopment Plans (“Redevelopment Plans”) and an Implementation Plans for Del Paso Heights and Oak Park Project Areas (“Project Areas”).
- B. Agency owns six (6) vacant residential parcels at 3240 8th Ave, 2536 37th Ave., 2627 36th Ave., 2629 36th St., 3900 4th Ave., 3550 40th St., which were acquired with tax increment funds targeted for low and moderate income housing.
- C. Agency owns seven (7) vacant residential parcels at 3805, 3841, and 3845 Altos Ave., 741 Grand Ave., 649 Carroll Ave, 3700 2nd Ave., and 3536 20th Ave., which were acquired with tax increment and taxable bond funds.
- D. Agency owns two (2) vacant residential parcels at 2708, and 2718 37th Ave, which were acquired with tax exempt bond funds and will be disposed of in accordance with bond and IRS regulations.
- E. Agency and Housing Authority of the City of Sacramento desire to enter into Disposition and Development Agreement (“DDA”) to convey title of the fifteen (15) vacant parcels to Housing Authority for the subsequent disposition of the parcels for the development of for-sale single family homes to be sold to purchasers qualified as a low or moderate income households at a sales price that does not exceed the amount that a moderate income household can afford to buy, as more specifically described in the DDA (“Project”).
- F. A copy of the DDA is on file with the Agency Clerk.
- G. In accordance with the California Environmental Quality Act (“CEQA”) and its implementing regulations, the sale of the Property and the Project are exempt under the CEQA Guidelines for single family homes and in-fill projects, Section 15303 and 15332, respectively.
- H. A report under Health and Safety Code Section 33433 (“Section 33433 Report”) has been prepared, filed with the Agency Clerk, and made available for public review pursuant to Section 33433.

- I. Proper notice of this action has been given and a public hearing has been held in accordance with Health and Safety Code Sections 33431 and 33433.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. The Interim Executive Director is directed to prepare a Notice of Exemption for the sale of the Property for the Project based on the findings in the accompanying staff report in accordance with CEQA Guidelines Sections 15303 and 15332.
- Section 2. The transfer of the Property is consistent with the goals and objectives of the Redevelopment Plans to promote homeownership and new construction of housing on vacant lots, and is consistent with the Implementation Plans. The Project will assist in the elimination of blight as stated in the 33433 Report. The DDA shall be deemed an implementing document approved in furtherance of the Redevelopment Plans and Implementation Plan for the Project Areas, and all applicable land use plan, studies, and strategies.
- Section 3. The Report as required under Health and Safety Code Section 33433 is hereby approved.
- Section 4. The consideration for the Agency's conveyance of the parcels to the Housing Authority is the Housing Authority's obligation to redevelop the parcels as described, which obligation has a cost that is not less than the fair reuse value of the parcels at the use and with the covenants, conditions, restrictions required by the DDA and the related Regulatory Agreement and Grant Deed.
- Section 5. The Disposition and Development Agreement is approved and the Interim Executive Director is authorized to execute the DDA, Grant Deed, Regulatory Agreement, Escrow Instructions and related conveyance documents, and to perform other actions as necessary to implement the terms of the DDA.

RESOLUTION NO. 2008 -

Adopted by the Housing Authority of the City of Sacramento

ON DATE OF

DEL PASO HEIGHTS AND OAK PARK REDEVELOPMENT AREAS; EXEMPTION FROM CEQA; APPROVE DISPOSITION AND DEVELOPMENT AGREEMENT WITH THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO FOR THE ACQUISITION OF FIFTEEN VACANT RESIDENTIAL PARCELS FOR THE SUBSEQUENT DISPOSITION OF THE PARCELS FOR THE DEVELOPMENT OF FOR-SALE SINGLE FAMILY HOMES AND DETERMINATION OF SURPLUS PROPERTY

- A. The Redevelopment Agency of the City of Sacramento ("Agency") owns six (6) vacant residential parcels at 3240 8th Ave, 2536 37th Ave., 2627 36th Ave., 2629 36th St., 3900 4th Ave., 3550 40th St., which were acquired with tax increment funds targeted for low and moderate income housing.
- B. Agency owns nine (9) vacant residential parcels at 3805, 3841, and 3845 Altos Ave., 741 Grand Ave., 649 Carroll Ave, 3700 2nd Ave., 3536 20th Ave., and 2708, and 2718 37th Ave. which were acquired with tax increment and bond funds and will be developed pursuant to the Disposition and Development Agreement and transferred in accordance with bond and IRS regulations.
- C. Agency and Housing Authority of the City of Sacramento desire to enter into Disposition and Development Agreement ("DDA") to convey title of the fifteen (15) vacant parcels to Housing Authority for the subsequent disposition of the parcels for the development of for-sale single family homes to be sold to purchasers qualified as a low or moderate income households at a sales price that does not exceed the amount that a moderate income household can afford to buy, as more specifically described in the DDA ("Project").
- D. A copy of the DDA is on file with the Agency Clerk.
- E. In accordance with the California Environmental Quality Act ("CEQA") and its implementing regulations, the sale of the Property and the Project are exempt under the CEQA Guidelines Section 15303 and 15332.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. The Interim Executive Director is directed to prepare a Notice of Exemption for the sale of the Property for the Project based on the findings in the accompanying staff report in accordance with CEQA Guidelines Sections 15303 and 15332.
- Section 2. It is found and determined that the subject properties in Background Sections B and C, above, are not required for the foreseeable needs of the Housing Authority and shall be developed in a manner consistent with the Disposition and Development Agreement and transferred in accordance with Section 34315.7 of the California Health and Safety Code.
- Section 3. The transfer of the Property is consistent with the goals and objectives of the Housing Authority to promote homeownership and affordable housing opportunities. The Project will assist in the elimination of blight.
- Section 4. The Disposition and Development Agreement between the Agency and the Housing Authority is approved and the Interim Executive Director is authorized to execute the DDA, Grant Deed, Regulatory Agreement, Escrow Instructions and related conveyance documents, and to perform other actions as necessary to implement the terms of the DDA.
- Section 5. The Interim Executive Director, or her designee, is authorized to release a Request for Proposals to solicit the disposition of the vacant residential parcels to one or more capable and experienced developers or builders of single family homes.
- Section 6. The Interim Executive Director, or her designee, is authorized to convene a selection committee to review the qualifications and proposals.
- Section 7. The Interim Executive Director, or her designee, is authorized to enter into a disposition and development agreement with one or more developers for the development of the parcels and for the subsequent sale of the parcels to qualified low-income homebuyers.