



**Sacramento
Housing &
Redevelopment
Agency**

REPORT TO REDEVELOPMENT AGENCY
City of Sacramento
 915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Consent
 March 25, 2008

Honorable Chair and Members of the Redevelopment Agency

Title: Oak Park Exterior Rebate Program Expansion

Location/Council District: Oak Park Redevelopment Project Area; Council District 5

Recommendation: Adopt a **Redevelopment Agency Resolution** authorizing the Interim Executive Director or her designee to a) amend the 2008 Sacramento Housing and Redevelopment Agency budget to allocate \$600,000 of Oak Park Tax Increment Funds to the Oak Park Exterior Rebate Program; and b) amend the Commercial Revitalization Program's Exterior Rebate Guidelines to increase the maximum rebate amount for properties located within Oak Park Historic District and located in the Oak Park Redevelopment Project Area from \$75,000 to \$200,000 per parcel.

Contact: Lisa Bates, Deputy Executive Director, 440-1316; Chris Pahule, Assistant Director, Housing and Community Development, 440-1350; Christine Weichert, Assistant Director, Housing and Community Development, 440-1353

Presenters: None

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The Sacramento Housing and Redevelopment Agency administers the Commercial Revitalization Program (Program) throughout the City and County, providing assistance to property and business owners to make improvements to facades of buildings (see Attachment 1-Commercial Revitalization Program). In December 2007, the City Council approved the Historic Oak Park District, the area bound by 1st Avenue to the north, 4th Avenue to the south, 33rd Street to the west, and 36th Street to the east, (see Attachment 2-location map) and as such was included in the Sacramento Register of Historic and Cultural Resources. The Historic Oak Park District has twenty-six commercial structures many of which are in disrepair. Restoring and protecting these historic buildings is instrumental in achieving the redevelopment goals of Historic Oak Park and to restore the once vibrant commercial district. Currently the maximum rebate amount a historic property can receive under the program is \$75,000. This report is recommending increasing that maximum rebate to \$200,000 to encourage restoration of these properties.

Oak Park Exterior Rebate Program Expansion

Policy Considerations: The actions proposed in the staff report are consistent with the Oak Park 2005-2009 Implementation Plan which identifies the restoration of the Historic Oak Park District as a project under the proposed work program.

Committee/Commission Action: *Oak Park Redevelopment Advisory Committee Action (RAC):* At its meeting of January 9, 2008, the RAC adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Johnson, Kivel, Lackey, Meng, Mercado, Taylor

NOES: None

ABSTAIN: None

ABSENT: Davis, Hilbert, Redmond, Thomas

Sacramento Housing and Redevelopment Commission: At its meeting of March 5, 2008, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burruss, Chan, Coriano, Fowler, Gore, Morgan, Shah, Stivers.

NOES: None.

ABSTAIN: None,

ABSENT: Dean, Otto.

Environmental Considerations: The proposed action does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378 (b) (4), which exempts government financing mechanisms that do not involve a commitment to any specific project from environmental review. The exterior rebate projects that are eligible for funding under the Program are exempt from environmental review as rehabilitation of existing structures under CEQA Guidelines Section 15301 (d) and (e). The National Environmental Policy Act (NEPA) does not apply.

Rationale for Recommendation: The Historic Oak Park District is the remaining framework of the once vital business core which evokes a sense of the original business district's character. The Historic Oak Park District will benefit greatly by increasing the maximum Exterior Rebate Program amount for historic properties from \$75,000 to \$200,000 per parcel, but not to exceed \$300,000 total for projects with multiple parcels. This increase should provide enough incentive for property owners to make improvements to their properties. The upgraded appearance of area properties will improve their character and historic integrity

Oak Park Exterior Rebate Program Expansion

as contributing resources in the Oak Park Historic District. Protecting and preserving these community assets will stimulate economic activity, encourage the use and reuse of historic buildings, and protect buildings and neighborhoods from deterioration and inappropriate alterations, all of which enhance Historic Oak Park's economic, cultural, and aesthetic standing.

Financial Considerations: Staff is recommending the allocation of \$600,000 in Oak Park Tax Increment Funds to the Exterior Rebate Program in the Oak Park Redevelopment Project Area. Allocating this funding will allow four, at a minimum, eligible structures to receive a rebate.

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

Respectfully Submitted by: 
LA SHELLE DOZIER
Interim Executive Director

Recommendation Approved:


RAY KERRIDGE
City Manager

Table of Contents

Report	pg. 1
Attachments	
1 Background	pg. 4
2 Location Map	pg. 5
3 Resolution	pg. 6
4 Exhibit A – Exterior Rebate Guidelines	pg. 8

Background

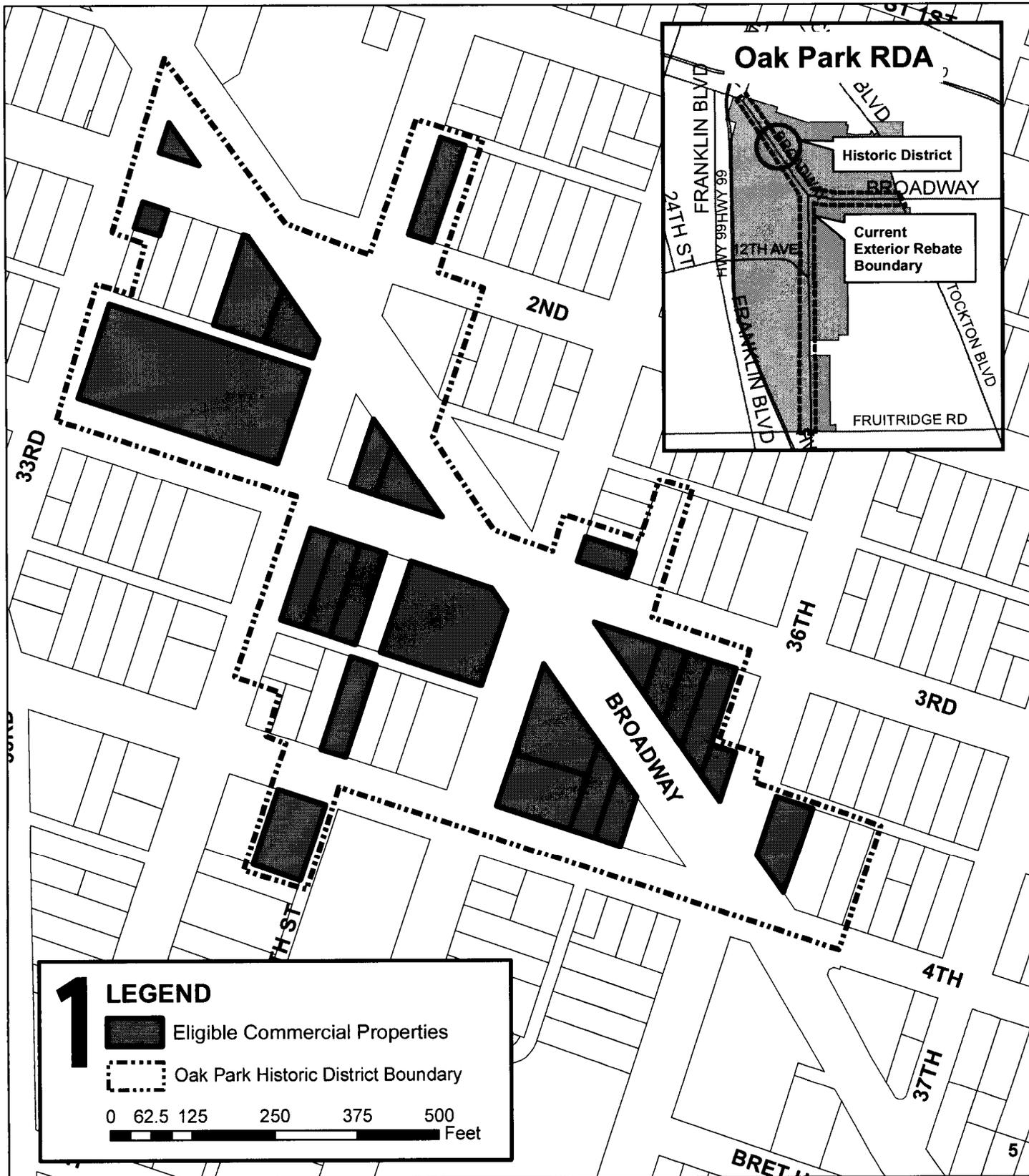
Commercial Revitalization Program

Since 1985, the Redevelopment Agency's Commercial Revitalization Program (Program) has provided matching funds for hundreds of commercial exterior improvement projects in designated target and redevelopment areas. The Program is funded primarily with tax increment revenues, and provides each project with up to \$50,000 or \$75,000 for registered historic structures in matching funds for exterior improvements and code corrections. The Program has been effective in stimulating the redevelopment and reuse of underutilized commercial buildings, as well as in updating the facades of existing buildings.

Properties that are considered "historic properties" are eligible for a rebate of not more than \$75,000 per parcel. Historic properties are defined as those buildings that are listed on the National Register of Historic Buildings, are located within a historic district or are listed on the state or local inventory of historic places. The rebate can apply to interior or exterior improvements, which are required to maintain the historic character of the structure.



Oak Park Exterior Rebate Program Expansion



RESOLUTION NO. 2008 – _____

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

ALLOCATION OF \$600,000 TO THE COMMERCIAL EXTERIOR REBATE PROGRAM IN THE OAK PARK REDEVELOPMENT PROJECT AREA AND AMENDING THE COMMERCIAL REVITALIZATION PROGRAM'S EXTERIOR REBATE GUIDELINES TO INCREASE MAXIMUM REBATE AMOUNT FOR HISTORIC PROPERTIES IN THE OAK PARK REDEVELOPMENT PROJECT AREA AND MINOR RELATED AMENDMENTS

BACKGROUND

- A. The Commercial Exterior Rebate Program (Program) offered by the Redevelopment Agency of the City of Sacramento (Agency) would benefit the Historic Properties within the Oak Park Redevelopment Project Area by providing funding for restoring and protecting historic commercial structures, thereby retaining the historic significance of these buildings and eliminating blighting conditions related to disrepair and underutilization.
- B. The Program is consistent with the Oak Park Redevelopment Plan and the 2005-2009 Implementation Plan.
- C. The Oak Park Tax Increment funding for the Program would be used for eligible commercial properties located in the Oak Park Redevelopment Project Area.
- D. The proposed action does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378 (b) (4), which exempts government financing mechanisms that do not involve a commitment to any specific project from environmental review. The exterior rebate projects that are eligible for funding under the Program are exempt from environmental review as rehabilitation of existing structures under CEQA Guidelines Section 15301 (d) and (e).

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

- Section 1. The forgoing findings, including without limitation the CEQA findings, are true and correct and are hereby approved and adopted.
- Section 2. The Interim Executive Director or her designee is authorized to amend the Agency Budget to transfer \$600,000 of Oak Park Tax Increment Funds to the Exterior Rebate Program for the Oak Park Redevelopment Project Area.

Section 3. The Interim Executive Director or her designee is authorized to amend the Commercial Revitalization Program's Exterior Guidelines, a copy of which is attached to this resolution as Exhibit 1, to increase the maximum rebate amount for "historic properties" located within the Oak Park Redevelopment Project Area to \$200,000 per parcel and to increase the total maximum rebate amount of a "historic property" to \$300,000, and to make additional changes as indicated therein.

Table of Contents

Exhibit A – Exterior Rebate Guidelines

COMMERCIAL REVITALIZATION PROGRAM EXTERIOR REBATE GUIDELINES

SHRA's Commercial Revitalization Program provides exterior rebates to applicants in designated target areas. The program improves the appearance and function of commercial buildings, and is intended to complement SHRA's overall community development goals. Rebates are offered only to the extent that the SHRA budget has allocated funds to the program. The program is funded with local redevelopment funds.

Eligible Applicants

Owners of commercial property located in eligible areas may apply for the program. Tenants may apply in conjunction with an owner-initiated and approved project for a maximum \$5,000 rebate to be matched dollar for dollar by private, non-Agency funds.

Eligible Areas

Eligible areas are located in specific address ranges within commercial revitalization target areas or redevelopment areas.

Exterior Rebate

Property owners who undertake eligible improvements costing at least \$10,000 may receive a rebate of not more than fifty percent of the costs up to a maximum per project rebate of \$50,000. All improvements must be approved by Agency staff in advance of the work. Applicants must provide matching funds to complete the project. Projects also require completion of a maintenance agreement and must include improvements necessary to meet applicable code requirements.

Eligible Expenditures:

The following types of improvements are examples eligible for the rebate:

- Storefront renovation
- Signs, graphics
- Doors
- Windows, shutters, awnings
- Exterior lighting
- Soft costs including professional, architectural and City/County permit fees.
- Roof repair or replacement
Rebates for roof repair/replacement are allowed if done in conjunction with storefront improvements. The rebate for roof work cannot exceed 10% of the total rebate amount.
- American with Disabilities Act (ADA) and Title 24 Energy Efficiency Compliance Ten percent (10%) of the rebate amount can be used for interior and exterior ADA Title 24 compliance.
- Site Improvements
Site improvements include parking lot resurfacing, landscaping, lighting, fencing or monument signs.

- Expansion of square footage which exceeds 50% of existing square footage or 2500 square feet, whichever is more, are not eligible

Special Consideration For Historic Properties

Properties that are considered “historic properties” are eligible for a rebate of not more than \$75,000 per parcel. Historic properties are defined as those buildings that are listed on the National Register of Historic Buildings, are located within a historic district or are listed on the state or local inventory of historic places. The rebate can apply to interior or exterior improvements, which are required to maintain the historic character of the structure.

Within the City Historic District of the Oak Park Redevelopment Project area, certain properties that are considered “historic properties” are eligible for a rebate of not more than \$200,000 per parcel or \$300,000 maximum rebate for those historic properties with more than one parcel. All rebates must be matched with private funds on a dollar for dollar basis. Historic properties are defined as those buildings that are listed on the National Register of Historic Buildings, are located within a historic district or are listed on the state or local inventory of historic places. The rebate can apply to interior or exterior improvements, which are required to maintain the historic character of the structure.

Design/Plan Review

All improvements must conform to the City and County of Sacramento Building codes, special planning requirements (if applicable) and the Design Guidelines adopted for the respective area. Participant's proposals may be subject to review by the applicable neighborhood's SHRA Advisory Group. Design review (staff level) by the City of Sacramento is necessary for projects in Oak Park, North Sacramento, Del Paso Heights, Alkali Flat, and Downtown. Historic buildings (over 50 years old) or projects located in designated historic areas are subject to review by the State Office of Historic Preservation. All projects are subject to funding availability.

Ineligible Rebate Applicants/Projects

- Big box retailers (larger than 50,000 square feet).
- Liquor stores (defined as a store that has more than half of the shelf inventory devoted to liquor/beer/wine).
- Adult entertainment enterprises.
- Auto dealerships larger than 1 acre in size.
- Updating of national corporate or franchise stores is not eligible unless the renovation is part of a larger project and the building is deteriorated. These businesses are eligible if the building is vacant.
- Uses which are incompatible with the Redevelopment Plan and the Implementation Plan.
- Eligibility determination will be made by Agency staff prior to accepting an application.