



**Sacramento
Housing &
Redevelopment
Agency**

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

**Consent
May 27, 2008**

Honorable Chair and Members of the Redevelopment Agency

Title: Acquisition of 3700/3714 Rio Linda Boulevard, 401/445 Ford Road, 3432 Norwood Avenue

Location/Council District: 3700/3714 Rio Linda Boulevard, 401/455 Ford Road, 3432 Norwood Avenue – Council District 2

Recommendation: Adopt a **Redevelopment Agency Resolution** 1) authorizing the purchase of the six parcels located at 3700/3714 Rio Linda Boulevard (APNs 251-0093-013, 251-0093-014, and 251-0093-024), 401/445 Ford Road (APNs 250-0200-041 and 250-0200-043), and 3432 Norwood Avenue (APN 250-0200-040) for just compensation, which is Fair Market Value as determined by an independent appraisal; and 2) amending the 2008 Sacramento Housing and Redevelopment Agency (SHRA) budget to transfer \$1,200,000 of Del Paso Heights Development Assistance taxable bond funds to the acquisition project to fund all actions necessary to purchase these properties.

Contact: Lisa Bates, Director, Community Development, 440-1316, Chris Pahule, Assistant Director, Community Development, 440-1350

Presenters: Not Applicable

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The Redevelopment Agency ("Agency") is focusing efforts on the redevelopment of two opportunity development sites that will provide a mix of housing opportunities and promote neighborhood-serving business in the community.

The Agency is evaluating opportunities for redevelopment of the seven acre block on the southeast corner of Grand Avenue and Rio Linda Boulevard to implement a comprehensive vision for the area, as well as create further synergy on the block and at this key intersection (refer to Attachment I). The vacant building and undeveloped parcels at 3700 and 3714 Rio Linda Boulevard, and the alley directly adjacent to these properties have become a haven for drug dealing and loitering. The Housing Authority currently owns and manages a two-

Del Paso Heights Property Acquisition

acre senior housing complex near this location, which has similarly been the recipient of loitering and illegal activity due to the adjacent alley. While the Housing Authority is addressing these issues, redevelopment planning has commenced to ensure strong visibility and increased safety throughout the block and will allow for the redevelopment of housing and/or commercial uses, consistent with the community's vision for the area.

To the east, the Agency will soon be releasing a Request for Proposals (RFP) for the development of the Del Paso Nuevo Town Center on Norwood Avenue between Ford and Hayes. The goal of the Town Center is to provide neighborhood serving retail and civic opportunities and facilitate future development that will serve residents living in and within a two-mile radius of the Del Paso Nuevo master planned community. The Agency currently owns four parcels at this location totaling 3.7 acres. Acquisition of the remaining three properties adjacent to the Agency parcels at this location will create a more viable site for future development.

Policy Considerations: The acquisition of these parcels is consistent with the goals and strategies of the Five-Year Implementation Plan to eliminate blight and blighting conditions, provide housing for all families, improve the neighborhood environment and image, and attract new investment. In addition, the project advances the Area's Redevelopment Strategy by building a "sense of place," facilitating public-private partnerships to encourage development, and increasing the affordable housing stock.

Environmental Considerations: Acquisition of the property as described herein is in furtherance of the Del Paso Heights Redevelopment Plan. Acquisition of the property does not commit the Agency to proceed with a development project. California Environmental Quality Act (CEQA) Guidelines Section 15004(b)(2)(A) allows for land acquisition where the Agency will conduct CEQA review once the proposed project has been defined when the acquisition does not limit the choice of alternatives or mitigation measures, and future development of the land is subject to CEQA compliance. Environmental review of any proposed project will be conducted once the scope of development of the property has been defined. Therefore, this action is exempt from environmental review. National Environmental Policy Act (NEPA) does not apply.

A Phase I Environmental Site Assessment has been ordered for all parcels and the results may impact the negotiated sale price of the property.

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Committee/Commission Action: *Del Paso Heights Redevelopment Advisory Committee (RAC Action):* At its meeting on March 27, 2008, the RAC unanimously adopted a motion in support of the acquisition of 3700/3714 Rio Linda Boulevard; and on April 24, 2008, the RAC unanimously adopted a motion in support of the acquisition of 3432 Norwood Avenue and 401/445 Ford Road.

Sacramento Housing and Redevelopment Commission Action: At its meeting on May 7, 2008, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burruss, Chan, Dean, Fowler, Gore, Morgan, Otto, Stivers

NOES: None

ABSENT: Coriano, Shah

Rationale for Recommendation: By focusing on property acquisitions and assemblages in these specific areas, the Agency will be in a better position to attract private investment opportunities and negotiate with property owners. Acquisition of select properties will also help strengthen the community's vision to establish mixed-use nodes and a variety of housing opportunities throughout Del Paso Heights.

The acquisition of 3700 and 3714 Rio Linda Boulevard will allow the Agency to demolish the existing vacant and dilapidated 7,200 square foot building on the corner of Rio Linda Blvd and Roanoke Avenue, which will eliminate a long-time eye-sore in this predominantly residential community and reduce the opportunities for drug dealing and loitering at this location.

The acquisition of 401 and 445 Ford Road, and 3432 Norwood Avenue will benefit the Del Paso Nuevo Town Center development site by providing additional frontage along Norwood Avenue, additional acreage for future development, and a more complete site for future build-out of the town center.

Financial Considerations: This report recommends a budget amendment to appropriate \$1,200,000 of Del Paso Heights Development Assistance taxable bond funds to acquire 3700/3714 Rio Linda Boulevard, 401/405 Ford Road, and 3432 Norwood Avenue.

May 27, 2008

Del Paso Heights Property Acquisition

M/WBE Considerations: The items 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:


for RAY KERRIDGE
City Manager

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**Acquisition of 3700/3714 Rio Linda Boulevard and
401/445 Ford Road and 3432 Norwood Avenue
Project Background**

The Del Paso Heights 2003-2007 Five-Year Implementation Plan identifies the need for a mix of quality housing types for all families in the community, as well as the need for neighborhood serving businesses and retail opportunities. In February 2008, the Redevelopment Advisory Committee held a visioning workshop in preparation of the new 2008-2012 Implementation Plan. At the workshop, community members expressed their continued desire for these uses as well as for the creation of smaller commercial nodes located throughout the community, apart from the larger “town center” planned for Marysville Boulevard. The proposed acquisitions are in furtherance of these goals by securing real estate for the redevelopment of residential and commercial mixed-use nodes at two key opportunity sites in the Del Paso Heights community.

Rio Linda and Grand

The Rio Linda and Grand “super block” is bound by Rio Linda Boulevard, Cypress Street and Grand and Roanoke Avenues. With no “eyes on the street,” 3700 and 3714 Rio Linda Boulevard and the alley directly adjacent to these properties have become a haven for drug dealing and loitering.

There have also been continued Code Enforcement issues and police-related incidents in the area surrounding the Sacramento Housing Authority’s property located in the center of this super block on Cypress Street between Grand and Roanoke Avenues. These issues similarly stem from the adjacent alley and vacant building. While the Housing Authority has been working with the City of Sacramento to resolve these re-occurring problems, illegal disruptions and activity have continued to plague the neighborhood. Purchase of these properties will ensure the short term clean up and removal of a long-time eyesore in the community, increasing visibility and security in the area, as the Agency moves toward comprehensive development of the block.

In addition, the Sacramento Public Library Authority has been considering expanding the Del Paso Heights (located in the same block) and North Sacramento Library branches by combining them into one larger library at another location.

With the larger vision of relocating the library branch and Housing Authority’s affordable housing project from this block, as well as acquiring the vacant lots at 3700 and 3714 Rio Linda Boulevard, the Agency can focus on revitalizing this key opportunity site.

To that end, the Agency has hired a consulting firm to develop different conceptual plans for the Rio Linda/Grand Super Block incorporating both mixed-use and residential developments, as well as quality designed public spaces.

Norwood Avenue and Ford Road

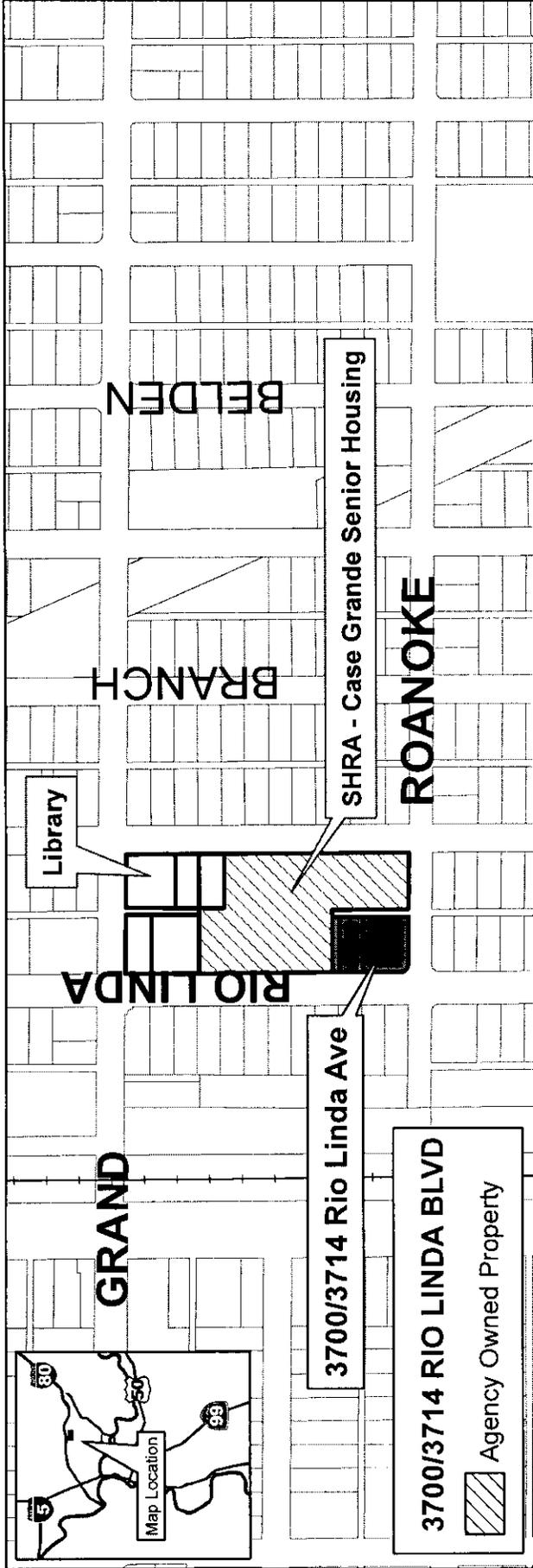
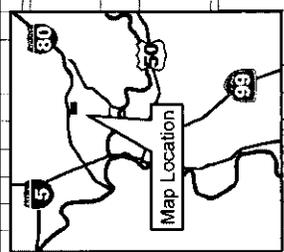
The Del Paso Nuevo Master Plan identifies the entrance of this residential community as the future location of the Del Paso Nuevo Town Center. The Town Center will support neighborhood-serving retail or civic uses for Del Paso Nuevo residents and the neighboring community. The types of services considered most desirable for this site include a café, a hair salon, a restaurant, small boutique type shops, a child care center, or small offices.

The Agency currently owns four parcels at this location, totaling 3.7 acres. The acquisition of the three additional parcels located at 401/445 Ford Road and 3432 Norwood Avenue, will provide a contiguous development site of approximately 4.5 acres, will allow for the abandonment of the old portion of Ford Road, and will reduce the potential for future land-use conflicts between the commercial town center project and the adjacent residential properties.

All three properties are developed with single family homes. The property located at 3432 Norwood Avenue is currently on the market for sale as a foreclosure. The two properties at 401 and 445 Ford Road are currently occupied. The proposed acquisition of the properties will take place through voluntary sale only. At this time, the Agency is not considering or proposing to acquire the properties through any other means.

In 2005, the Agency entered into an Exclusive Right to Negotiate with Katz Kirkpatrick Properties for the development of a commercial mixed-use project. However, an anchor tenant could not be identified and the ERN was terminated. The Agency will re-release a Request for Proposals for the Del Paso Nuevo Town Center development site following the effort to acquire the three identified properties.

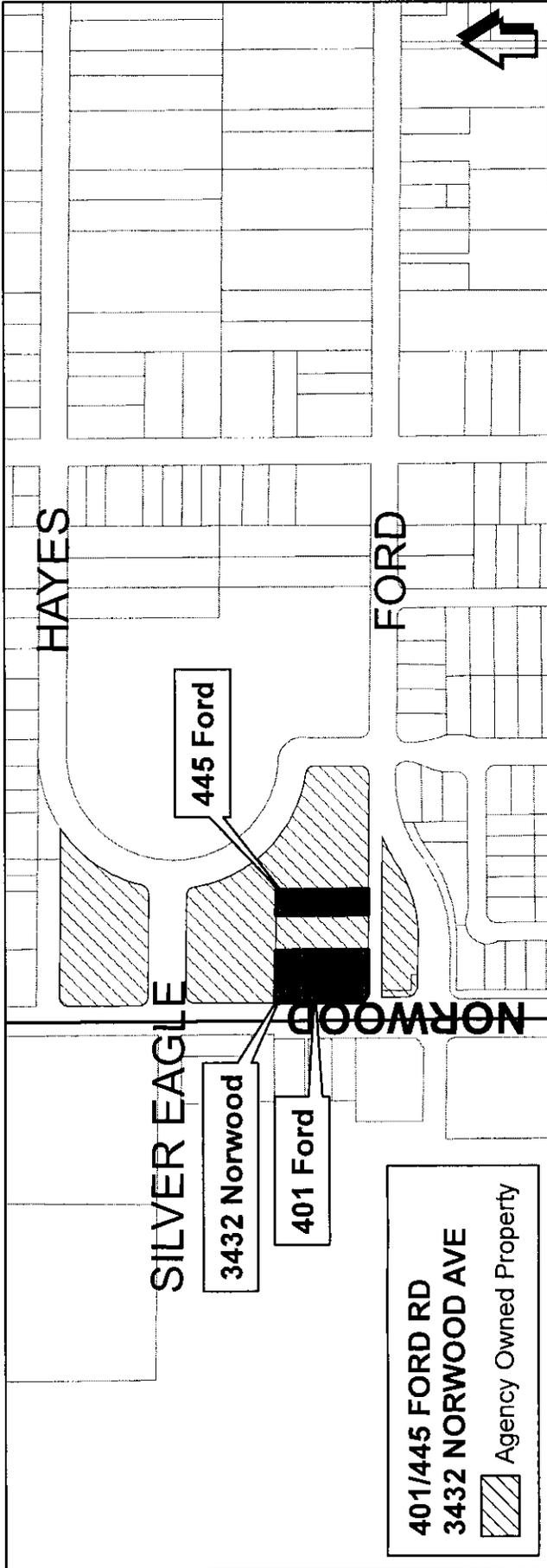
**Acquisition of 3700/3714 Rio Linda Blvd and 401/445 Ford Road and 3432 Norwood Ave
Del Paso Heights Redevelopment Area**



3700/3714 Rio Linda Ave

SHRA - Case Grande Senior Housing

3700/3714 RIO LINDA BLVD
 Agency Owned Property



SILVER EAGLE

3432 Norwood

401 Ford

445 Ford

FORD

401/445 FORD RD
 3432 NORWOOD AVE
 Agency Owned Property

RESOLUTION NO. 2008 - _____

Adopted by the Redevelopment Agency of the City of Sacramento

On date of

ACQUISITION OF 3700/3714 RIO LINDA BOULEVARD AND 401/445 FORD ROAD AND 3432 NORWOOD AVENUE FOR JUST COMPENSATION AND AMENDING THE 2008 BUDGET

BACKGROUND

- A. The Redevelopment Agency of the City of Sacramento ("Agency") has adopted the Del Paso Heights Redevelopment Plan ("Redevelopment Plan") and the 2003-2007 Implementation Plan for the Del Paso Heights Redevelopment Project Area ("Project Area").
- B. The acquisition of 3700/3714 Rio Linda Boulevard and 401/445 Ford Road and 3432 Norwood Avenue is consistent with the goals and strategies of the Five-Year Implementation Plan to eliminate blight and blighting conditions, to provide housing for all families, to improve the neighborhood environment and image, and to attract new investment.
- C. The acquisition of 3700 and 3714 Rio Linda Boulevard will allow the Agency to demolish the existing vacant and dilapidated 7,200 square foot building on the corner of Rio Linda Blvd and Roanoke Avenue. The demolition of this property will eliminate an unsafe structure, which detracts and devalues the surrounding community, and will reduce the opportunities for criminal activities believed to be occurring at this location.
- D. The acquisition of 401/445 Ford Road and 3432 Norwood Avenue will provide a contiguous development site of approximately 4.5 acres for the proposed Del Paso Nuevo Town Center as identified in the Del Paso Nuevo Master Plan.
- E. Acquisition of the foregoing properties does not commit the Agency to proceed with any specific development project. California Environmental Quality Act ("CEQA") Guidelines Section 15004(b)(2)(A) allows for land acquisition where the Agency will conduct CEQA review once a proposed project has been defined when the acquisition does not limit the choice of alternatives or mitigation measures, and future development of the land is subject to CEQA compliance. Once the scope of development of the property has been defined, environmental review of the proposed project will be conducted. Therefore, this action is exempt from environmental review. The National Environmental Policy Act does not apply.

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

- Section 1. All of the evidence presented having been duly considered, the findings, including the environmental findings, as stated above, are approved.
- Section 2. The Interim Executive Director or designee is authorized to take all actions as may be reasonably necessary to purchase, for not substantially more than just compensation, the following parcels ("Properties"):
- 3700 Rio Linda Boulevard (APN 251-0093-013)**
 - 3714 Rio Linda Boulevard (APNs 251-0093-014 & 251-0093-024)**
 - 401 Ford Road (APN 250-0200-041)**
 - 445 Ford Road (APN 250-0200-043)**
 - 3432 Norwood Avenue (APN 250-0200-040)**
- Section 3. The Interim Executive Director or designee is authorized to transfer \$1,200,000 in Del Paso Heights Development Assistance taxable bond funds to both the Rio Linda and Roanoke acquisition project, and the Norwood and Ford acquisition project, to amend the budget accordingly, and execute such documents and take such actions as are reasonably necessary to complete said purchases and to implement all necessarily related activities.