



**Sacramento
Housing &
Redevelopment
Agency**

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

**Public Hearing
June 10, 2008**

Honorable Chair and Members of the Board

Title: 2008-2012 Five-Year Implementation Plan for the Del Paso Heights Redevelopment Project Area

Location/Council District: Del Paso Heights Redevelopment Project Area, District 2

Recommendation: Conduct a public hearing and upon conclusion adopt a **Redevelopment Agency Resolution** approving the Five-Year Implementation Plan for the project; 2) making finding that the use of Low- and Moderate-Income Housing Funds outside the Redevelopment Project Area would benefit the Project Area; and 3) authorizing the aggregation of housing production using Low- and Moderate-Income Funds in other project areas and other areas of Redevelopment Agency jurisdiction.

Contact: Lisa Bates, Deputy Director, Housing and Community Development, 440-1322; Chris Pahule, Assistant Director of Housing and Community Development, 440-1350

Presenters: Marti Brown, Senior Redevelopment Planner

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: California Community Redevelopment Law requires that redevelopment agencies adopt a Five-Year Implementation Plan for all Project Areas under their jurisdiction. Five-Year Implementation Plans are required to include proposed Redevelopment Plan Goals and Implementation Strategies, Redevelopment Activities and Budget, and Housing Goals and Activities in the Project Area for a five year period. The Five-Year Implementation Plan (2003-2008) for the Del Paso Heights Redevelopment Project Area is set to expire in June 2008.

2008-2012 Five-Year Implementation Plan for the Del Paso Heights Redevelopment Project Area

Policy Considerations: The action proposed in this staff report is consistent with the California Community Redevelopment Law and no policy change is recommended.

Environmental Considerations: California Health and Safety Code Section 33490 (B), provides that "the adoption of an implementation plan shall not constitute a project within the meaning of Section 21000 California Environmental Quality Act (CEQA) of the Public Resources Code." The National Environmental Policy Act (NEPA) does not apply.

Committee/Commission Action: At its April 24, 2008 meeting, *the Del Paso Heights Redevelopment Advisory Committee (RAC)* reviewed and approved the Del Paso Heights Five-Year Implementation Plan (2008-2012). The votes were as follows:

AYES: Hinkle, Joe, Painter, Scoggins, Ward, and Watts

NOES: None

ABSENT: Grigas, Perry, Robinson, Sample, and Thao

Sacramento Housing and Redevelopment Commission: At its meeting of May 21, 2008, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burruss, Chan, Coriano, Dean, Fowler, Gore, Mohr, Morgan, Otto, Shah, Stivers

NOES: None

ABSTAIN None

ABSENT: None

Rationale for Recommendation: In order to comply with California Community Redevelopment Law, the Redevelopment Agency prepared the attached Del Paso Heights Five-Year Implementation Plan (Attachment 3).

In drafting the Plan, the Redevelopment Agency held a public workshop in February 2008 to discuss goals and implementation strategies, and brainstorm future redevelopment projects that the Agency could potentially undertake over the next five years.

Financial Considerations: The approval of this Implementation Plan will have no financial impact on the Agency. Financial considerations for specific projects will be handled on a project-by-project basis.

June 10, 2008

2008-2012 Five-Year Implementation Plan for the Del Paso Heights Redevelopment Project Area

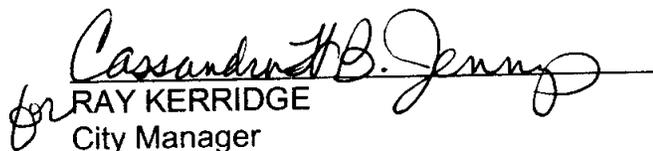
M/WBE Considerations: M/WBE considerations are not required in order to take action on this Implementation Plan.

Respectfully Submitted by:



LA SHELLE DOZIER
Interim Executive Director

Recommendation Approved:



RAY KERRIDGE
City Manager

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2008-2012 Five-Year Implementation Plan for the Del Paso Heights Redevelopment Project Area

Background

In 1994 the California State Legislature added the requirement that all redevelopment agencies prepare a Five-Year Implementation Plan (“Plan”) for all redevelopment areas under their jurisdiction.

The Del Paso Heights Five-Year Implementation Plan (Plan) is a program statement and has been prepared to set redevelopment priorities and program activities within the Redevelopment Project Area. The Plan also includes current and projected financial resources to accomplish essential revitalization efforts.

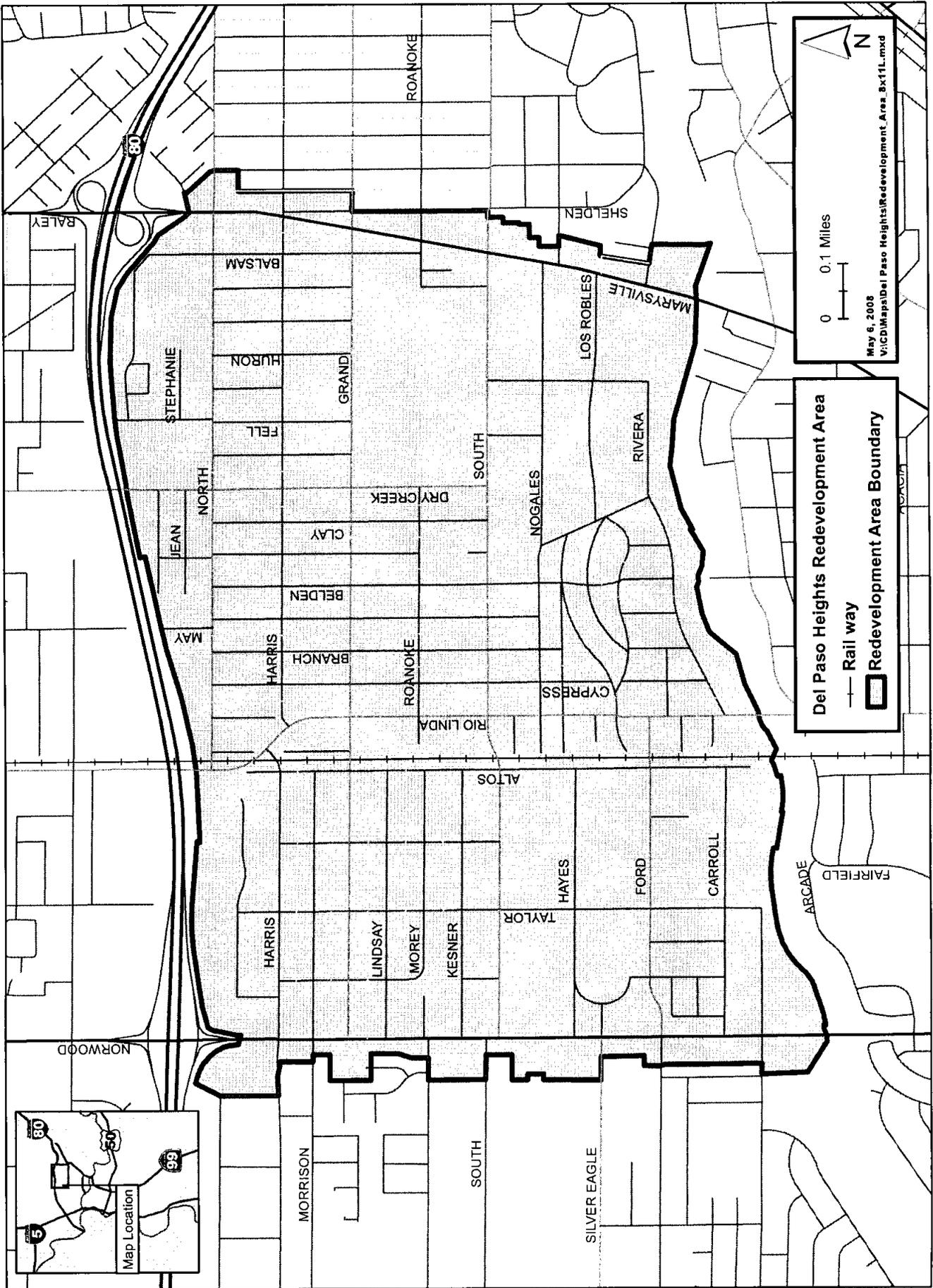
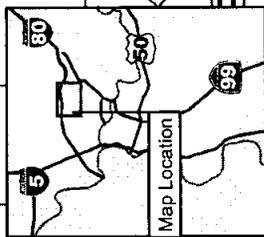
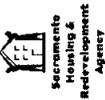
Three key implementation strategies were developed for the next Five-Year Plan including:

- Plan and Build Complete Neighborhoods;
- Concentrate “Place-Making” on Commercial Corridors; and
- Develop Infill Vacant Sites and Residual Lots.

In addition to the Agency’s ongoing projects (e.g., Del Paso Nuevo), highlights of the February workshop and proposals from the public for future redevelopment projects included developing:

- More restaurants and shops;
- Supermarket and/or food co-op;
- Movie theater; and
- Mini-mall with a variety of shopping choices.

Del Paso Heights Redevelopment Area



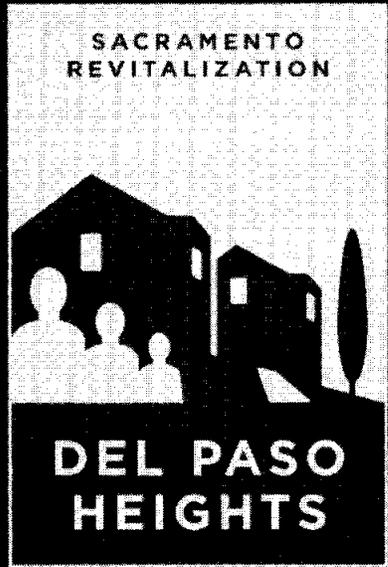
Del Paso Heights Redevelopment Area

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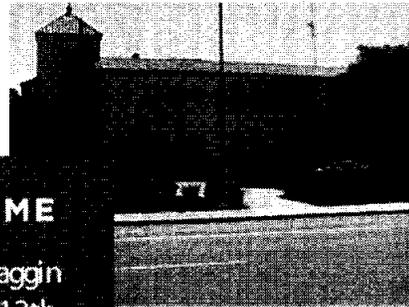
▭ Redevelopment Area Boundary

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May 6, 2008
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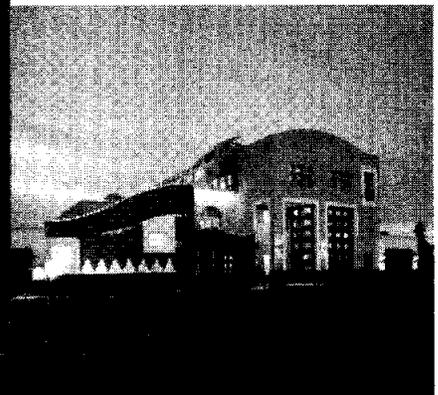


HOME SWEET HOME

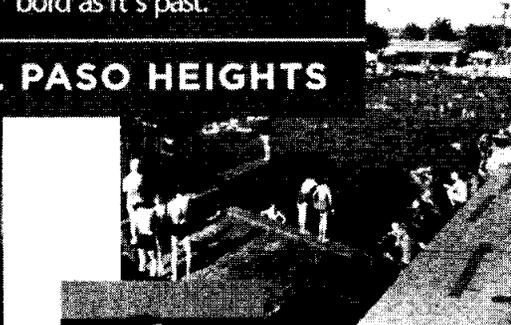


HOME SWEET HOME

In 1886, James Ben Ali Haggin trained the winner of the 12th Kentucky Derby in this community that was originally called "Rancho Del Paso." Since then, Del Paso Heights has seen success and challenges but one thing has remained - a "hometown" feel. Del Paso Heights provides residents with easy access to all surrounding areas, especially downtown Sacramento. Redevelopment is evident here and residents envision a future as rich and bold as it's past.



DEL PASO HEIGHTS

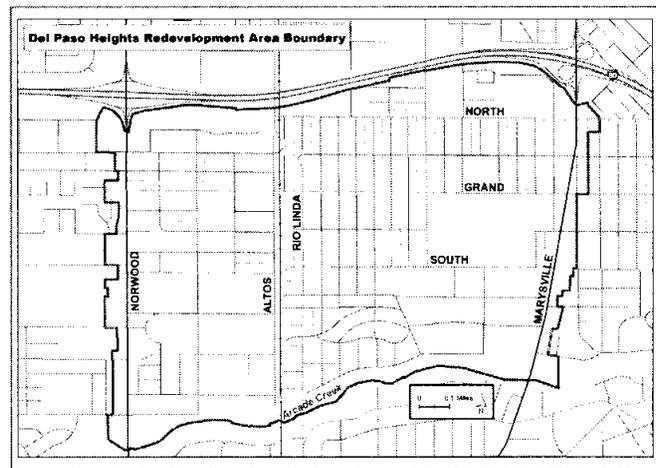




I. ABOUT THE REDEVELOPMENT AREA

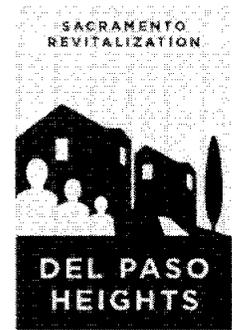
Del Paso Heights

The history of Del Paso Heights can be traced back to the Spanish land grants of the 1840's. At one time, the area was part of Rancho Del Paso—a privately-owned ranch of just more than 1000 acres. The land was purchased during the Civil War by James “Ben Ali” Haggin and Lloyd Tevis and was home to “Ben Ali”, the winner of the 12th Kentucky Derby. Prior to World War II, the ranch was sold to and subdivided by the North Sacramento Land Company initiating the area’s urbanization and parcelization. During the Second World War, the community grew substantially, mostly due to its proximity to McClellan Air Force Base and the need for worker housing. However, as the wartime economy wound down and most workers left McClellan Air Force Base, Del Paso Heights began to show signs of economic decline demonstrating the need for revitalization.



The Del Paso Heights Redevelopment Project Area was adopted in 1970. Since then, the Plan has been amended six times, most recently in 2003. Early on, more than \$8 million was invested to construct basic public infrastructure before any substantive “above ground” bricks and mortar projects occurred. Today, Del Paso Heights is home to Del Paso Nuevo, a planned residential community, and new investment in public improvements and private development continues to change the face of the community. With reinvestment in the area’s older housing stock and business corridor, and new construction continuing in Del Paso Nuevo, the next five years hold much promise.

Notable Timeframes	What is There?	Who is There?
Redevelopment Plan Adopted 1970 Expires 2021	1,071 Acres EXISTING LAND USE 	8,427 Residents ETHNICITIES
Implementation Plan 2008-2012		
Housing Compliance Plan 2003-2012 (For affordable housing program planning)		



Positioning for the Future

Over the past five years, the Redevelopment Agency of the City of Sacramento (the Agency) has championed several successful projects and programs in Del Paso Heights including:



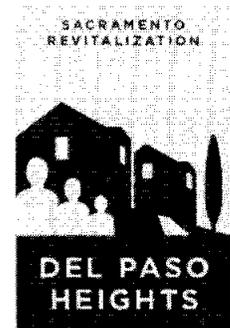
Del Paso Nuevo: Loosely translated as “New Steps” or “New Pass”, Del Paso Nuevo is a perfect example of Del Paso Height’s renaissance and revitalization. Del Paso Nuevo will transform 154 acres of unused vacant land into 300 single-family homes with 51 percent at affordable income levels and 49 percent at market rate. To date, 77 units have been completed.

Del Paso Nuevo was developed through a collaborative master planning effort that included the Agency, the City of Sacramento, private developers and, most importantly, the residents of Del Paso Heights and the adjacent community of Strawberry Manor. The youth of Grant Union High School were also actively involved in the planning of this project and participated in designing the Nuevo and Gateway Park sites with an engineering company. They worked with a local artist to create ceramic tiles for the community’s entry way monuments and sound walls. They also developed backyard landscaping plans with landscape architects that were offered to new homeowners in the first phase of the development.

North Avenue Apartments: Simpson Housing Solutions (SHS) started with a pledge to build a quality affordable housing project that residents could feel safe in and enjoy. SHS delivered on that promise with the completion of its North Avenue Apartments in 2007 by taking a large vacant lot on a high visibility corner of North Avenue and converting it into a new community of 80 affordable apartments and townhomes. The project’s \$17 million financing included a \$525,000 loan from the Agency, \$100,000 in City fee waivers, and loans from Wells Fargo Bank and Washington Mutual.

SHS provides resident services including computer training, health and wellness seminars, and after-school programs for children. Management also maintains a directory of local community resources that are available to residents.

Joe Mims Jr. Hagginwood Community Center: Originally constructed in 1955, the community center’s architecture and construction became antiquated overtime. In addition, it was too small a facility to meet the community’s needs. As a result, the existing building was renovated and an additional building was constructed symbolizing the rebirth of this Del Paso Height’s gathering place. This project reflects the vision of the community and is a fitting tribute to the memory of Joe Mims Jr., a respected Parks and Recreation Administrator, and to the Haggin family legacy.



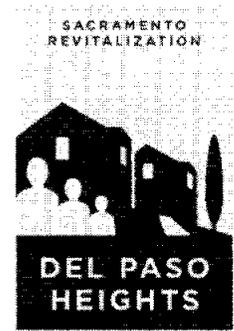
The Agency provided \$1 million to help fund this \$2.9 million renovation and new construction project. The new community center reopened in the fall of 2007. The center has a positive impact on the community by providing space for community events, activities, and programs for seniors, youth, and children.

I. REDEVELOPMENT AREA GOALS AND IMPLEMENTATION PLAN STRATEGIES

Goals

The following redevelopment area goals are from the Project Area's original adopted Plan of 1970 and reflect the overarching community goals that the Agency has and continues to use to guide the area's revitalization efforts.

- a. Remove structurally substandard buildings in preparation for new construction and returning the land to a viable economic use.
- b. Eliminate environmental deficiencies, unproductive land uses, and existing incompatible land uses such as small and irregular lot subdivisions, inadequate street layout, and overcrowding of the land.
- c. Facilitate land disposition and development and productive land use through planned and coordinated development, as well as acquisition and assembly of parcels into adequate size and shape.
- d. Provide land to establish public uses, new and upgraded public facilities and services that include adequate ventilation, light, sanitation, open space and recreational facilities in the neighborhood.
- e. Establish criteria in order to ensure that new development includes high quality architectural and urban design principles.
- f. Provide decent, safe and sanitary housing; construct new dwelling units with a focus on low- and moderate-income families; replace substandard dwelling units with new housing; eliminate overcrowding; and develop an adequate supply of housing prior to displacement of families.
- g. Coordinate social services to meet the needs of Project Area residents.
- h. Create employment opportunities for unemployed and/or underemployed Project Area residents.
- i. Conserve and rehabilitate structures and neighborhoods with particular emphasis on owner participation activity through demonstration, loans and grants.



Strategies

The following implementation strategies represent the specific approach and criteria that the Agency will use over the next five years to select and implement development projects in the Del Paso Heights Redevelopment Area.

- a. **Plan and Build Complete Neighborhoods:** Facilitate development of complete neighborhoods that provide housing for a variety of income levels, neighborhood serving businesses, community facilities, and new public infrastructure. Within this strategy, two of the Agency's major efforts include:
 - i **Housing:** Develop and invest in housing choices including moderately priced single-family homes and new affordable housing units. In addition, renovate the neighborhood's existing housing stock, promote affordable infill development, and encourage quality mixed use developments.
 - ii **Community Facilities:** Develop high-quality community facilities and renovate existing facilities that provide for the cultural, health and social needs of neighborhood residents.
- b. **Concentrate "Place-Making" on Commercial Corridors:** Assist in revitalizing and investing in neighborhood-serving retail and commercial centers along major corridors such as Marysville and Rio Linda Boulevards and Norwood Avenue; and support mixed-use developments that include residential; improve public infrastructures; and revitalize streetscapes.
- c. **Develop Infill Vacant Sites and Residual Lots:** Plan for and develop the area's remaining large infill sites, as well as smaller publicly owned vacant lots with suitable housing and/or commercial development. As necessary, remediate environmentally contaminated sites in preparation for redevelopment.



II. REDEVELOPMENT ACTIVITIES AND BUDGET

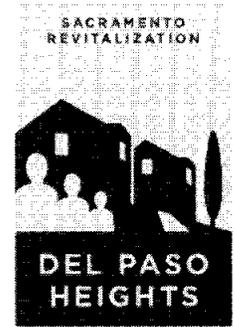
Programs and Activities

Over the five year planning period, the Agency will implement the Del Paso Heights redevelopment strategy by undertaking the following projects and programs. As illustrated below, the table also demonstrates how the projects achieve the plan's goals and strategies, as well as estimate the Agency's potential financial investment.

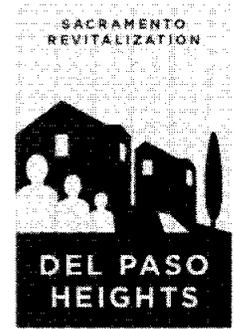
PROJECT	Estimated Redevelopment Investment	GOALS ACHIEVED	STRATEGIES ACHIEVED
<p>Marysville Boulevard Town Center Development The Town Center development will encourage the establishment of neighborhood-serving businesses and provide housing opportunities in the Marysville Boulevard/Grand Avenue area. This project may require Agency funding for environmental remediation of the site in order to continue to develop a sense of place in Del Paso Heights and facilitate the development of a complete neighborhood.</p>	\$2,000,000	a, b, c, and h	a and b
<p>Del Paso Nuevo Commercial Development Facilitate neighborhood-serving, civic and/or retail development adjacent to the Del Paso Nuevo housing development. This project may require agency funding for environmental remediation.</p>	\$500,000	b, c and h	a and b
<p>Del Paso Center (Marysville/Grand Site) Concentrate efforts and resources to redevelop the vacant Agency-owned property located at 3801 Marysville Boulevard with a mixed-use office or retail building.</p>	\$2,000,000	b, c and h	a and b
<p>Marysville and Los Robles Development Site Development of three vacant parcels (two Agency-owned and one privately owned) into a mixed-use or residential development project. One of the goals of the project is to build an environmentally sustainable, "green" project.</p>	\$500,000	b, c, and f	a and c



<p>Marysville Boulevard Urban Design Plan Phase III Continue to improve the appearance and safety of the commercial corridor by implementing Phase III of the Marysville Boulevard Urban Design Plan between Highway 80 and Arcade Creek. Project highlights include increased street lighting, tree wells in sidewalks, on-street parking and bus shelters.</p>	\$1,500,000	c	a and b
<p>Rio Linda Boulevard - Super Block (Bound by Roanoke and South Avenues) Development of a mostly vacant city block with an affordable homeownership or senior residential development. This site may require agency funding for environmental remediation.</p>	\$1,000,000	b, c, and f	a and c
<p>Rio Linda Boulevard and Grand Avenue Project (Bound by Roanoke, Cypress and Grand Avenues) In an effort Promote an east-west synergy between Marysville Boulevard and Norwood Avenue, commercial investment at Rio Linda Boulevard and Grand Avenue would create an additional commercial node between the these two parallel commercial corridors on the eastern and western boundaries of the Redevelopment Area. The city block development would consist of a mixed use and/or housing project. Currently, this block consists of a Housing Authority property, library branch, mixed use commercial building, vacant church, and vacant lot. . This site may require agency funding for environmental remediation.</p>	\$2,000,000	a, b, c, and f	a and b
<p>Norwood and Fairbanks Development Site Development of a vacant, Agency-owned lot targeted for a small residential development that is adjacent to Arcade Creek and levee.</p>	\$250,000	b, c, and f	a and c



<p>Public Facilities and Infrastructures</p> <p>In an effort to promote Del Paso Heights as a destination with high quality facilities and services, the Agency will work with the City and County to fund public facility improvements that significantly advance the quality of life for area residents such as:</p> <ul style="list-style-type: none"> • Developing a teen center, • Developing a multi-cultural/community events center, • Enlarging the library branch, and • More street lights on Marysville Boulevard to improve public safety and for increased beautification. 	<p>\$50,000 - \$250,000</p>	<p>d, g, and i</p>	<p>a (ii)</p>
<p>PROGRAMS</p>	<p>Estimated Redevelopment Investment</p>	<p>GOALS</p>	<p>STRATEGIES</p>
<p>Commercial Revitalization/Exterior Rebate Program</p> <p>This program helps to promote businesses and property owners invest in improvements to outdated and/or dilapidated storefronts and other commercial properties. Future developments and exterior revitalization efforts should offer a compatible coexistence with new and existing light industrial, office, commercial, and residential developments.</p>	<p>\$500,000</p>	<p>b, c, h, and i</p>	<p>a and b</p>
<p>Developer's Assistance</p> <p>This program provides gap financing to projects that will bring continued commercial and mixed-use revitalization to the Redevelopment Area with particular focus on Marysville Boulevard, Norwood Avenue and Rio Linda Boulevard/Grand Avenue. It provides assistance to existing and new property owners who plan to develop and improve neighborhood-serving businesses such as a:</p> <ul style="list-style-type: none"> • Restaurant/Café, • Supermarket/grocery store, • Neighborhood bank, • Food Co-op (organic/fresh produce, open air market), • Movie theater • Mini-mall with a variety of shopping choices, and • Hotel. 	<p>\$500,000</p>	<p>a, b, c, f, h, and i</p>	<p>a, b and c</p>



III. HOUSING GOALS AND ACTIVITIES

Introduction

For more than 60 years, the Redevelopment Agency of the City of Sacramento has played a key role in providing housing assistance to individuals and families of modest financial means ensuring that they have a safe, clean and affordable place to live and are able to participate in a dynamic economy.

As required by California State law, this section of the Implementation Plan is required to identify the Agency's housing assistance strategy including prior affordable housing activities, future anticipated housing need, and planned housing projects and programs.

The State's legislative requirements are explained below, as well as the Agency's past accomplishments and housing production requirements, and its future housing requirements and proposed affordable housing production strategy.

Major Statutory Provisions for Affordable Housing

Redevelopment agencies use implementation plans to establish 10-year objectives to achieve compliance with State law in its affordable housing programs. California State Law requires redevelopment agencies to comply with several statutory provisions as it relates to affordable housing production including inclusionary housing¹, proportionality², Regional Housing Needs Assessment (RHNA)³, and replacement housing⁴. Generally, these housing goals fall into three main categories:

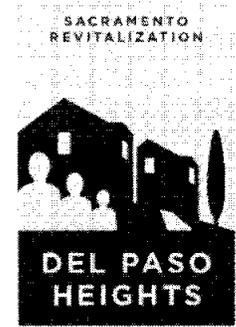
- **Housing Production** – based on the number of housing units constructed or substantially rehabilitated over a 10-year period, a redevelopment agency is to ensure that a percentage of these units are affordable to low- and moderate- income households.

¹ Inclusionary housing is state requirement that a specific percentage of housing units in a project are affordable.

² Proportionality is a state requirement on expenditure of Low- and Moderate-Income Housing Funds (LMIHF). Expenditures by income group must be proportional to the City's Regional Housing Need Allocation (RHNA) proportions as contained in the Housing Element.

³ RHNA is a process that quantifies the need for housing within each jurisdiction, whereby the communities then plan for and decide how they will address this need through the process of completing the Housing Element for their respective General Plans. As mandated by state law, the RHNA is completed by each region and consists of existing housing need and future housing need.

⁴ Replacement housing is housing constructed or rehabilitated by the agency to replace housing (on a unit-by-unit basis) that is demolished as a result of redevelopment activities.



- Replacement Housing – another legal obligation for redevelopment agencies is to ensure that any housing units destroyed or removed as a result of an Agency redevelopment project are replaced within four years.
- Targeting Household Types – specific requirements on the amount of housing set-aside funds an agency must spend over a 10-year period on housing affordable to very low-income households, low-income households, and housing for residents under the age of 65.

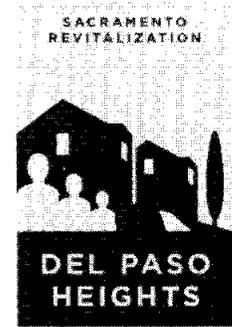
In addition to these statutory provisions, the Del Paso Heights Redevelopment Area is also subject to the affordable housing expenditure and production requirements mandated under Senate Bill (SB) 211. Because the Agency amended the Del Paso Heights Redevelopment Area by using SB 211 provisions, the Agency is required to spend 30% of its Tax Increment financing on the production of affordable housing (instead of the standard 20% required under California CRL). The other specific affordable housing expenditure and production requirements that an SB 211 plan amendment mandate, include:

1. Beginning in the first fiscal year after the SB 211 plan amendment is adopted and ending on the original (un-amended) time limit to collect tax increment:
 - a. Over a five year period, a maximum of 15 percent of the funds deposited into the Low- and Moderate-Income Housing Fund (LMIHF) may be spent on the production of Moderate-Income housing units, as long as all of these funds are used in projects that at least 49 percent of the units satisfy the affordability requirements of Low-Income or below.
 - b. Over a five year period, an additional five percent (to a maximum of 20 percent) of the funds deposited in the LMIHF may be spent on Moderate-Income housing units (in any housing development project), as long as the additional funds do not exceed the amount spent on the production of Extremely Low Income (ELI) housing units.
2. Beginning on the original (un-amended) time limit to collect tax increment:
 - a. Over a five year period, a maximum of 15 percent of the funds deposited in the LMIHF may be spent on the production of Moderate-Income housing units, as long as this amount does not exceed the amount spent on the production of ELI housing units, **and** the number of Moderate-Income housing units that are funded does not exceed the number of funded ELI housing units.

The housing program goals applicable to this Project Area are described below.

Past Housing Activities and Accomplishments, 2003-2007

To estimate the number of housing units that need to be affordable to low- and moderate- income households, the Agency estimated the total number units to be constructed or substantial rehabilitated in the Project Area and applied formulas established by State law.



The Sacramento Area Council of Governments (SACOG) allocates to the Agency the number of units that need to be produced over a five year period. Those numbers are referred to as the Regional Housing Needs Assessment (RHNA). As Table 1 illustrates, SACOG allocated a total of 8,277 units to be produced city-wide. From the Low- and Moderate-Income Housing Fund (LMIHF), the Agency is required to spend 57 percent on moderate-income, 34 percent on low-income, and 9 percent on very low-income (Table 1).

Table 1: City-Wide Regional Housing Needs Assessment (RHNA), 2003-2007

Affordability	Units	Percentage
Moderate Income	4,714	57%
Low Income	2,791	34%
Very Low Income	772	9%
Total	8,277	100%

The table below summarizes the production goals from 2003 to 2007 as required by Redevelopment Law. The number of affordable units required is based on statutory thresholds, and the Agency is responsible for ensuring that the appropriate number of affordable units is created during a 10-year period. Although, the table below is only showing historic housing unit production over the past five years, table 4 shows the required and proposed production levels for the next five years (2008 – 2012).

From 2003 through 2007, the redevelopment agency of the city of Sacramento was required, by State law, to create a total of 330 units by either building new or substantially rehabilitating existing housing units (Table 2). Of those units, nearly 20 units were required to be Very Low Income and nearly 50 units were required to be affordable (satisfying low- and moderate-income levels). While most of the affordable units the Agency produced occurred in 2007, it did exceed the required 20 units of very low income production by approximately 30 units. In addition to surpassing this requirement, the Agency also produced 24 low-income and five moderate-income units for a total of 79 affordable housing units (Table 2).



Table 2: Summary Housing Production, 2003 – 2007

Affordability Requirements	Total for the Past 5 Years
	All New and Substantially Rehabilitated Housing Units
	330
Affordable Units Required	
Very Low Income	20
Total Units	50
Affordable Units Produced	
Moderate Income	5
Low Income	24
Very Low Income	50
Total Units	79

The Agency fulfilled its affordable housing production requirements with the Del Paso Nuevo Phase III, North Avenue Apartments and the Rio Linda Nogales development projects over the past five years (Table 3).

Table 3: Fulfillment of Affordable Housing Production Requirements, 2003-2007

Affordability	Project Name and Unit Count			Total Units by Affordability
	Del Paso Nuevo III	North Avenue Apartments	Rio Linda and Nogales	
Moderate Income	0	0	5	5
Low Income	2	18	4	24
Very Low Income	0	50	0	50
Total	2	68	9	79

The total expenditure required for low income from 2003 to 2007 was a little more than \$1.8 million; it was just over a half a million for very low income; and more than 4.7 million for families under 65 years of age. The Agency actually spent approximately \$5.1 million of Low- and Moderate-Income Housing Funds on the production of low-income housing units; just under \$200,000 on very low-income affordable housing units; and approximately \$5.3 million on affordable units for families under 65 years of age (Table 4).



Table 4: Expenditures on Housing Production, 2003-2007

Affordability Requirements	Total for Past 5 Years	Percentage for Past 5 Years ⁵
	Required Expenditures from Low- and Moderate-Income Housing Fund (LMIHF)	
Low Income	\$1,812,132	34%
Very Low Income	\$501,242	9%
For Families Under Age 65	\$4,758,802	89%
	Actual Expenditures from Low- and Moderate-Income Housing Fund (LMIHF)	
Moderate Income	\$0	0%
Low Income	\$ 5,182,234	96%
Very Low Income	\$191,831	4%
For Families Under Age 65	\$ 5,374,065	100%

Projected Housing Activity, 2008-2012

During the Implementation Plan period, the Agency does not anticipate that any Agency-assisted projects will result in the displacement or removal of housing units. Consequently, the Agency does not anticipate that any housing will need to be replaced at this time.

Based on existing funds, the Low- and Moderate-Income Housing Fund has a balance of \$2,522,829 as of January 1, 2008. Over the five-year period ending on December 31, 2012, staff conservatively estimates that the Project Area will generate another \$4,864,182 in affordable Housing Set-Aside revenue. Based on State requirements and allocations, future housing set-aside deposits will target specific household types as described in Table 5.

⁵ The total expenditure for the past five years is \$5,374,065 and the percentage breakdowns for each affordability category are based on this total.

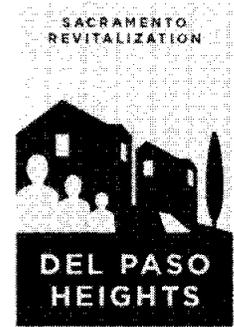


Table 5: City-Wide Regional Housing Needs Assessment (RHNA), 2008-2012⁶

Affordability	Number	Percentage
Moderate Income	3,603	42%
Low Income	2,582	30%
Very Low Income	2,472	28%
Total	8,657	100%

Upon adoption of this implementation plan, the Agency will have the authority to expend Project Area housing set-aside funds either inside or outside the Project Area and aggregate its housing production activities among all of its Project Areas, in order to more effectively meet housing program objectives for the Agency and this Project Area in particular.

At a minimum, the Agency’s low- and moderate- income housing set-aside revenue is to be expended in proportion to the community’s need for very low and low-income housing, as well as the proportion of the population under the age of 65.

Based on RHNA statistics, used by local government to satisfy state affordable housing requirements by income category and 2000 Census statistics, the following minimum thresholds for housing program expenditures would be required over the term of the Implementation Plan.

Based on the Sacramento Area Council of Governments (SACOG) state required assessment for affordable housing, the City and County of Sacramento is required to produce 375 housing units between 2008 and 2012. Of those, 25 units are required to be very low income units (Table 6).

⁶ The RHNA numbers are calculated based on State law and are allocated to the Agency by the Sacramento Area of Council of Governments.

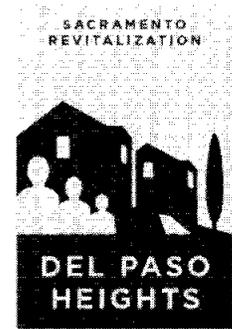


Table 6: Forecasted Housing Production, 2008 - 2012⁷

Affordability Requirements	Total for Next 5 Years
	Projected - All New and Substantially Rehabilitated Housing Units
All Units	375
	Affordable Units Required
Very Low Income	25
Total	60

As Table 7 illustrates, the Agency is required to spend over the next five years a total of \$2,203,218 of Low- and Moderate Income Housing Funds (LMIHF) on the production of housing units that satisfy the low-income affordability requirements; a total of \$2,109,356 on production that meets the very low-income affordability requirements; and a total \$5,601,570 on housing production for families under 65 years of age.

Based on these requirements, Agency housing production expenditures over the next five years are estimated to be \$4,968,245 in the low-income affordability category, \$2,418,766 in the very low-income category, and a total of \$7,387,011 in the category for families less than 65 years of age (Table 7).

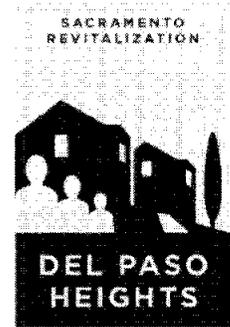
Table 7: Projected Expenditure on Housing Production, 2008 - 2012⁸

Affordability Requirements	Total for Next 5 Years	Percentage for Next 5 Years ⁹
	Required Expenditures from Low- and Moderate-Income Housing Fund (LMIHF)	
Low Income	\$2,203,218	30%
Very Low Income	\$2,109,356	29%
For Families Under Age 65	\$5,601,570	76%

⁷ The Agency does not anticipate the production of Moderate-Income housing units using LMIHF and therefore the Extremely Low Income (ELI) housing production requirement will not be triggered (as described in more detail in the *Major Statutory Provisions* section of this document).

⁸ The Agency does not anticipate expending LMIHF on the production of Moderate-Income housing units and, therefore, does not expect to trigger the ELI expenditure requirements mandated by an SB 211 plan amendment (and as explained in further detail in the *Major Statutory Provisions* section of this document).

⁹ The total projected expenditure for the next five years is \$7,387,071 and the percentage breakdowns for each affordability category are based on this total.



Projected Expenditures from Low- and Moderate-Income Housing Fund (LMIHF)		
Low Income	\$4,968,245	67%
Very Low Income	\$2,418,766	33%
For Families Under Age 65	\$7,387,011	100%

Affordable Housing Production Strategy, 2008-2012

Over the next five year period between 2008 and 2012, the Agency plans to implement the residential component of the Del Paso Heights redevelopment strategy by undertaking the following projects and programs:

Project Name and Description ¹⁰	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<p>Del Paso Nuevo Phases IV-VII The Del Paso Nuevo project fulfills a multitude of goals, including building a sense of place, providing a variety of housing choices, and converting vacant and underutilized land to productive use. This project will ultimately bring a total of 300 new homes into the community with 51 percent of the homes sold as affordable units.</p> <p><i>Timeline.....Thru 2010</i></p>	\$2,700,000	b, c, f, and i	a and c

¹⁰ Assumed per unit assistance referenced in this Implementation Plan are conservative estimates. The actual assistance will be determined as the project is implemented, and the number of affordable units produced could decrease depending on the housing program funds used.



Project Name and Description ¹⁰	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<p>Rio Linda Boulevard Super Block Housing Development This large nearly vacant city block on the west side of Rio Linda Boulevard between Roanoke and South Avenues will be improved with affordable single-family homeownership or senior residential opportunities. Preliminary estimates of the amount of financial assistance and average subsidies suggest that at least eight affordable units could be created by this project.</p> <p><i>Timeline.....Thru 2011</i></p>	\$750,000	b, c, and f	a and c
<p>Rio Linda Boulevard and Grand Avenue (Super Block II) Housing Development One city block on the east side of Rio Linda Boulevard bound by Grand, Cypress and Roanoke Avenues. The property currently consists of a large Housing Authority complex, a branch of the library, a small cluster of commercial buildings at the corner of Grand Avenue and Rio Linda Boulevard, a vacant and boarded up building that was formerly used as a church, and a vacant lot. The land will be cleared and replaced with a new residential and limited mixed use development project.</p> <p><i>Timeline.....Thru 2012</i></p>	\$1,000,000	a, b, c, d, f, and i	a
<p>Norwood and Fairbanks Avenue Housing Development A vacant Agency-owned lot at the corner of Norwood Avenue and Fairbanks Street will be replaced with a new residential development.</p> <p><i>Timeline.....Thru 2011</i></p>	\$500,000	b, c, and f	a and c



Project Name and Description ¹⁰	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<p>Marysville and Los Robles Boulevard Housing Development Three vacant parcels – one privately owned and two owned by the Agency located on Marysville Boulevard at the corner of Los Robles Boulevard. The land will be sold and developed with a housing development project.</p> <p><i>Timeline.....Thru 2011</i></p>	\$500,000	b, c, and f	a and c
<p>Public Housing Rehabilitation/ Reconfiguration Funds to assist the Housing Authority make improvements to and better utilize their properties. Assuming an average assistance of \$50,000 per unit, the Agency could rehabilitate approximately four units in this program.</p> <p><i>Timeline.....Thru 2010</i></p>	\$200,000	f and i	a
<p>First Time Homebuyer Program Program provides down payment assistance to homebuyers. Assuming the all assistance is provided at the maximum assistance level of \$5,000 per unit, this program could yield approximately 40 units assisted over the next two years.</p> <p><i>Timeline.....Thru 2012</i></p>	\$200,000	f and i	a
<p>Single Family Rehabilitation Loan Program Program provides loans to owner occupants to make improvements to their property. Maximum loan amount is \$50,000, resulting in at least 10 units that may be rehabilitated through this program.</p> <p><i>Timeline.....Thru 2012</i></p>	\$500,000	f and i	a



Project Name and Description ¹⁰	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<p>Boarded & Vacant Program Program provides assistance to developers to purchase and rehabilitate boarded and vacant properties. Maximum developer fee is \$25,000 resulting in at least 20 units that may be rehabilitated through this program.</p> <p><i>Timeline.....Thru 2012</i></p>	\$500,000	f and i	a and c
<p>Infill Vacant Lot Program Program to provide developer assistance to builders constructing single family homes for ownership on vacant lots. Assuming assistance of \$500,000 (averaging \$100,000 per unit), approximately five affordable units could be created through this program.</p> <p><i>Timeframe:.....Thru 2012</i></p>	\$500,000	c, f and i	a and c
<p>Housing Development Assistance Gap financing for projects that will bring continued revitalization to Del Paso Heights and provide housing opportunities for lower income residents. Assuming assistance of \$500,000 (averaging \$100,000 per unit), approximately five affordable units could be created through this program.</p> <p><i>Timeframe:..... Thru 2012</i></p>	\$500,000	b, c, f, and i	a and c
<p>Multifamily Rehabilitation Help stabilize neighborhoods by improving the quality of multi-family housing. Assuming assistance of \$500,000 (averaging \$50,000 per unit), approximately 10 affordable units could be assisted through this program.</p> <p><i>Timeframe:.....Thru 2012</i></p>	\$500,000	f and i	a



Project Name and Description ¹⁰	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
Total Estimated Redevelopment Investment	\$8,350,000	a, b, c, d, f, and i	a and c



Housing Element and General Plan Compliance

As a primary activity and responsibility of the Redevelopment Agency of the City of Sacramento to stimulate housing production, it is committed to supporting the goals and policies of the City of Sacramento's adopted Housing Element. While these goals are not a State Law and/or Agency requirement, they are presented in this document to provide context and background to, as well as demonstrate consistency with, the overall strategy of providing affordable housing to Del Paso Heights residents. The City of Sacramento has 10 primary Housing Element goals:

GOAL 1: HOUSING SUPPLY

Provide Adequate Housing Sites and Opportunities for All Households.

GOAL 2: HOUSING AFFORDABILITY

Provide housing assistance to low and moderate income households.

GOAL 3: HOUSING MIX, BALANCE AND NEIGHBORHOOD COMPATIBILITY

Promote a variety of housing types within neighborhoods to encourage economic diversity and housing choice.

GOAL 4: MITIGATE GOVERNMENTAL AND NONGOVERNMENTAL CONSTRAINTS IN THE DEVELOPMENT AND ASSISTANCE OF HOUSING

GOAL 5: HOUSING QUALITY AND NEIGHBORHOOD IMPROVEMENT

GOAL 6: CONSERVE SACRAMENTO NEIGHBORHOODS AND REHABILITATE AFFORDABLE HOUSING

GOAL 7: PRESERVE AND DEVELOP HOUSING OPPORTUNITIES FOR PERSONS WITH SPECIAL NEEDS

GOAL 8: ENERGY CONSERVATION

GOAL 9: PROMOTE EQUAL HOUSING OPPORTUNITY

GOAL 10: MONITOR AND COORDINATE HOUSING PERFORMANCE

RESOLUTION NO. 2008 - _____

Adopted by the Redevelopment Agency of the City of Sacramento

on date of _____

2008-2012 FIVE-YEAR IMPLEMENTATION PLAN FOR THE DEL PASO HEIGHTS REDEVELOPMENT PROJECT AREA

BACKGROUND

- A. The Redevelopment Plan for the Del Paso Heights Redevelopment Project Area was prepared by the Agency and was approved and adopted on May 12, 1970, by Ordinance No. 2284 of the City Council and subsequently, from time to time, amended;
- B. Article 16.5 of the California Community Redevelopment law (Health and Safety Code Section 33000 *et seq.* ("CRL") provide that a redevelopment agency that has one or more redevelopment plans that were adopted prior to December 31, 1993, shall prepare and adopt, after a public hearing, an Implementation Plan containing the specific goals and objectives of the agency for each Project Area, the specific programs, including potential projects and the estimated expenditures proposed to be made during the next five years, and explanation of how the goals and objectives, programs and expenditures will eliminate blight within the Project Area and implement the affordable housing requirements of the CRL;
- C. On February 28, 2008 the Del Paso Heights Redevelopment Advisory Committee (RAC) held a public workshop to gain public input on the preparation of the new Plan;
- D. On March 27 and April 24, 2008 staff presented the outcome of the public workshop and sections of the draft plan to the RAC and public;
- E. As a result of the public input and review and in accordance with the requirements of Article 16.5 of the CRL, cited as California Health and Safety Code Section 33490, the Agency prepared the 2008-2012 Five-Year Implementation Plan for the Del Paso Heights Redevelopment Project Area;
- F. On April 25, 2008 staff posted the draft Plan on the Agency website for a one-week comment and review period, and notified RAC Members and workshop participants via email and mail; and

- G. The Agency has reviewed and considered all written and oral comments, questions and concerns regarding the Implementation Plan received by staff prior to the public hearing.

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

- Section 1. The Plan, copies of which are available for review and filed with the Agency Clerk's Office, is hereby approved and adopted as the Agency's Implementation Plan for the Del Paso Heights Redevelopment Project Area, and shall remain in effect until replaced by a new or amended Implementation Plan adopted by the Agency pursuant to Article 16.5 of the CRL, cited as California Health and Safety Code Section 33490.
- Section 2. This approval and adoption of the Implementation Plan does not constitute an approval of any specific program, project or expenditure, and does not supersede the need to obtain any required approval of a specific program, project or expenditure from the Agency.
- Section 3. Find that the use of Low- and Moderate-Income Housing Funds outside the Redevelopment Project Area would benefit the Project Area.
- Section 4. Authorize the aggregation of housing production using Low- and Moderate-Income Funds in other project areas and other areas of Agency jurisdiction.