



**Sacramento
Housing &
Redevelopment
Agency**

REPORT TO REDEVELOPMENT AGENCY

City of Sacramento

915 I Street, Sacramento, CA 95814-2671

www.CityofSacramento.org

Consent

February 10, 2009

Honorable Chair and Members of the Redevelopment Agency

Title: Oak Park Commercial Revitalization Program Modification

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

Recommendation: Adopt a **Redevelopment Agency Resolution** authorizing the Executive Director or her designee to: a) amend the Commercial Revitalization Program Guidelines to update the address ranges of eligible commercial properties in the Oak Park Redevelopment Project Area, and b) increase the maximum rebate amount for properties located in the Oak Park Commercial District 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 (SHRA) administers the Commercial Revitalization Program (Program) throughout the City and County of Sacramento, providing assistance to property and business owners to improve the facades of buildings (see Exhibit A-Commercial Revitalization Guidelines). Periodically SHRA updates the Program eligible address ranges to meet the needs of the neighborhood and business community. In March 2008, the Program was expanded to increase the maximum rebate amount for properties located within the Oak Park Historic District (see Attachment 1- Location Map) from \$75,000 to \$200,000 per parcel. This change resulted in several new exterior rebate applications from significant historic buildings in the Oak Park Commercial District.

Currently, commercial properties in the Oak Park Commercial District, outside of the Oak Park Historic District boundary, are only eligible for a \$50,000 exterior rebate. However, many of these properties are in disrepair with numerous business vacancies. Some of these properties are in need of extensive rehabilitation and improvement in order to attract new businesses and customers to the Oak Park Commercial District.

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Policy Considerations: The actions proposed in the staff report are consistent with the Corridor Enhancement Strategy of the Oak Park Redevelopment Project Area 2005-2009 Implementation Plan.

Environmental Considerations:

California Environmental Quality Act (CEQA): 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).

Sustainability Considerations: The Oak Park Commercial Revitalization Program Modification has been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, the contents of this report will advance the following goals, policies and targets: the project supports Goal number five—Public Health and Nutrition, specifically target number five, which calls to redevelop or rehabilitate areas within the City or aged city facilities based on old, wasteful and/or dysfunctional designs to achieve better results for people and the environment.

Other: The National Environmental Policy Act (NEPA) does not apply.

Committee/Commission Action: *Oak Park Redevelopment Advisory Committee Action (RAC):* At its meeting of January 14, 2009 the RAC adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Johnson, Meng, Abdullah, Barnes, Kivel, Rentz

NOES: None

ABSENT: Jones, Shrewsbury

Sacramento Housing and Redevelopment Commission: At its meeting of January 21, 2009, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burruss, Dean, Fowler, Gore, Morgan, Shah, Stivers

NOES: None

ABSENT: Chan, Coriano

NOT PRESENT TO VOTE: Otto

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Rationale for Recommendation: The Oak Park Commercial District suffers from a lack of private investment, and the recent economic downturn has increased the importance of providing property owners with incentives to invest in upgrades to continue to stay competitive during this difficult business climate. SHRA wants to continue to build upon and expand the momentum recently created by the adoption of the increased rebate amount, the installation of the historic character street lights, construction of the 4th Avenue Lofts, the anticipated construction of Fresh and Easy Neighborhood Market, and the development of the former Goodwill building site.

The Broadway corridor from Alhambra Boulevard to Martin Luther King Jr. Boulevard has been a focus for reinvestment, and it is vital to continue the momentum created by recently completed and anticipated future development projects. Staff is therefore recommending the actions in this report to remedy this situation.

Financial Considerations: The items discussed in this report have no financial impact.

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
Executive Director

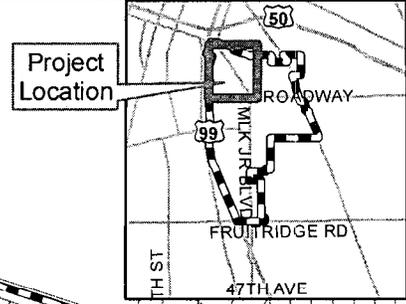
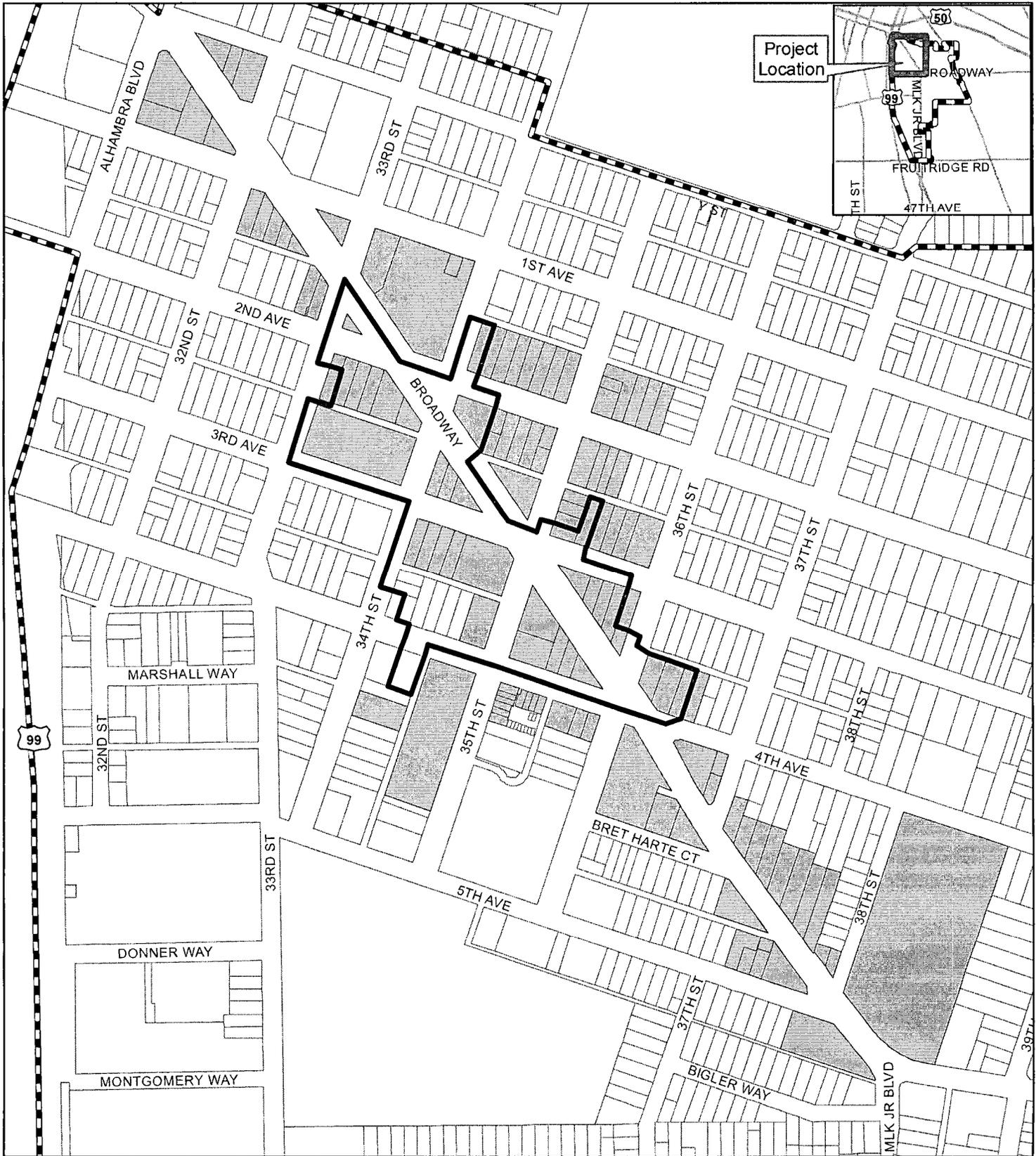
Recommendation Approved:


RAY KERRIDGE
City Manager

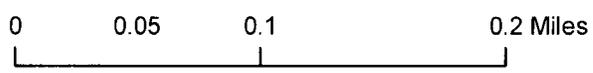
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Oak Park Commercial Revitalization Program Modification



- Oak Park Historic District
- Oak Park Commercial District
- Oak Park Redevelopment Area



SHRA GIS
February 10, 2009

RESOLUTION NO. 2009 -

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

AMENDMENT OF THE COMMERCIAL REVITALIZATION PROGRAM GUIDELINES TO UPDATE THE ADDRESS RANGES OF ELIGIBLE COMMERCIAL PROPERTIES IN THE OAK PARK REDEVELOPMENT PROJECT AREA AND INCREASE THE MAXIMUM REBATE AMOUNT FOR PROPERTIES LOCATED IN THE OAK PARK COMMERCIAL DISTRICT TO \$200,000 PER PARCEL.

BACKGROUND

- A. The Commercial Revitalization Program (Program) offered by the Redevelopment Agency of the City of Sacramento (SHRA) will greatly benefit the Oak Park Commercial District by increasing the maximum rebate amount since it serves as a major corridor for the Oak Park redevelopment, is home to many commercial businesses and is adjacent to the Oak Park Historic District. The Program would benefit the Oak Park Commercial District by providing funding for rehabilitation and improvement of existing buildings and restoration of historic commercial structures, thereby eliminating blighting conditions related to disrepair and underutilization.
- B. In March 2008, the City Council amended the Commercial Revitalization Program Guidelines to increase the maximum rebate amount for historic properties in the Oak Park Redevelopment Project Area.
- C. The Program is consistent with the Oak Park Redevelopment Plan and the 2005-2009 Implementation Plan.
- D. The Oak Park Tax Increment funding for the Program would be used for eligible commercial properties located in the Oak Park Redevelopment Project Area.
- E. 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).

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

- Section 1. The Executive Director, or her designee, is authorized to amend the Commercial Revitalization Program Guidelines, a copy of which is attached to this resolution as Exhibit A, to update the address ranges of eligible commercial properties in the Oak Park Redevelopment Project Area.
- Section 2. The Executive Director, or her designee, is authorized to increase the maximum rebate amount for properties located in the Oak Park Commercial District to \$200,000 per parcel.

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Exhibit A: Commercial Revitalization Guidelines

Exhibit A**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. Commercial properties located within the Oak Park Commercial District are eligible for a rebate of not more than \$200,000 per parcel or \$300,000 for those properties with more than one parcel. 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.

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- 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 and Alkali Flat. Historic buildings (over 50 years old) or projects located in designated historic areas may be 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.

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- Eligibility determination will be made by Agency staff prior to accepting an application.

Oak Park Address Ranges for the Commercial Revitalization Program

3100 Broadway-4499 Broadway
2731 33rd Street
2925 34th Street
2641-2933 35th Street
2833 36th Street
3101, 3346 and 3352 1st Avenue
3300-3537 2nd Avenue
3333-3561 3rd Avenue
3516-3639 4th Avenue
3715-3733 5th Avenue
4749 14th Avenue
2756-3030 (even only) Stockton Boulevard
3100-3844 Stockton Boulevard
3000-5551 Martin Luther King Jr. Boulevard