



**Sacramento
Housing &
Redevelopment
Agency**

**REPORT TO COUNCIL AND
REDEVELOPMENT AGENCY**

City of Sacramento

915 I Street, Sacramento, CA 95814-2671

www.CityofSacramento.org

Staff Report

February 24, 2009

**Honorable Mayor and Members of the Council
Chair and Members of the Redevelopment Agency**

**Title: Report to Council on the Proposed Eleventh Amendment to the
Redevelopment Plan for the Del Paso Heights Redevelopment Project Area**

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

Recommendation: Adopt a 1) **Redevelopment Agency Resolution** approving and adopting the Report to the City Council on the proposed Eleventh Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project and transmitting said Report to the City Council of the City of Sacramento; and a 2) **City Council Resolution** acknowledging receipt of the proposed Eleventh Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project from the Redevelopment Agency of the City of Sacramento and the Agency's Report to the City Council concerning said Eleventh Amendment.

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

Presenters: Erika Bumgardner, Senior Redevelopment Planner

Department: Sacramento Housing & Redevelopment Agency

Description/Analysis

Issue: The Redevelopment Agency of the City of Sacramento ("Agency") is proposing an Eleventh Amendment ("Plan Amendment") to the Redevelopment Plan for the Del Paso Heights Redevelopment Project. The Redevelopment Plan imposes time and financial limits that guide the projects and programs that the Agency may implement.

The current limits will not allow the Agency to implement and complete the projects necessary to alleviate blight within the Project Area. Current financial limits of the Redevelopment Plan will prevent the Agency from funding projects and programs during the final decade of the term of the Redevelopment Plan that are necessary to eliminate blight.

Report to City Council: Del Paso Heights Redevelopment Plan Amendment

The Plan Amendment would increase the Redevelopment Plan's financial limits and extend the time period in which the Agency may commence eminent domain proceedings by an additional twelve (12) years. During the extended period for eminent domain, the Agency's eminent domain authority would be limited to properties on which no persons reside.

Policy Considerations: The actions proposed in this staff report are consistent with the redevelopment plan amendment process established by Redevelopment Law. While the City's General Plan is being updated, the City Council has adopted a vision for the future of the City, as well as several guiding principles to achieve its updated vision. This project complies with the following guiding principle: "programs and strategies should promote the development of the community to the fullest range possible in the City of Sacramento." In addition, the proposal is not contrary to any of the other approved principles of the General Plan Vision.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed actions in this staff report do not constitute a project under the California Environmental Quality Act (CEQA). The National Environmental Policy Act does not apply. The preparation and processing of the proposed Plan Amendment requires environmental review, for which a Negative Declaration has been prepared. The Negative Declaration will be presented for consideration by the Redevelopment Agency and City Council at the joint public hearing in April 2009.

Sustainability Considerations: The actions associated with this report achieve multiple City of Sacramento Sustainability Master Plan goals including: Creating "Healthy Urban Environments" through Restorative Redevelopment (*Public Health and Nutrition*).

Committee/Commission Action: *Del Paso Heights Redevelopment Advisory Committee (RAC Action):* At its meeting on January 22, 2009, the RAC adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Block, Hinkle, Joe, Painter, Sample, Thoa

NOES: None

ABSENT: Grigas, Ward

Sacramento Housing and Redevelopment Commission Action: At its meeting on February 4, 2009, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

Report to City Council: Del Paso Heights Redevelopment Plan Amendment

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

NOES: None

ABSENT: Dean

Rationale for Recommendation: The recommended actions are necessary to amend the Del Paso Heights Redevelopment Plan which will provide the funding and administrative resources necessary to carry out proposed redevelopment projects for the next 15 years and simultaneously alleviate blight in the Project Area.

If approved, the Plan Amendment will amend the Redevelopment Plan for the Project by:

- Increasing the limitation on the amount of tax increment that may be allocated to the Agency from the Project Area from \$131 million to \$250 million;
- Increasing the limitation on the amount of bonded indebtedness that can be outstanding at one time from \$41million to \$100 million;
- Repealing the time limit to incur debt; and
- Extending the time limit for commencement of eminent domain proceedings to acquire property within the Project Area that is not occupied as a residence by an additional twelve (12) years.

The "Report to Council" on the proposed Plan Amendment, attached to the Agency resolution as Exhibit B, is required by the California Community Redevelopment Law as part of the redevelopment plan amendment process.

California Community Redevelopment Law Sections 33354.6 and 33457.1 require that, to the extent warranted by a proposed amendment to a redevelopment plan, the Agency shall prepare the report and information required by Section 33352. Section 33352 requires that the proposed Plan Amendment be accompanied by a report known as the Report to Council, which is prepared by the Redevelopment Agency and transmitted to the City Council.

The Report to Council has been prepared accordingly by Agency staff giving reasons for the proposed Plan Amendment. It incorporates an amended 5-year implementation plan for the Project Area, analyzes the financial feasibility of the proposed Plan Amendment, incorporates by reference a negative declaration, and other information as required by the Redevelopment Law. Much of the Report to Council's contents was contained in the Preliminary Report, which was approved by the Redevelopment Agency on December 2, 2008.

February 24, 2009

Report to City Council: Del Paso Heights Redevelopment Plan Amendment

Financial Considerations: There are no financial considerations associated with the actions requested in this report.

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

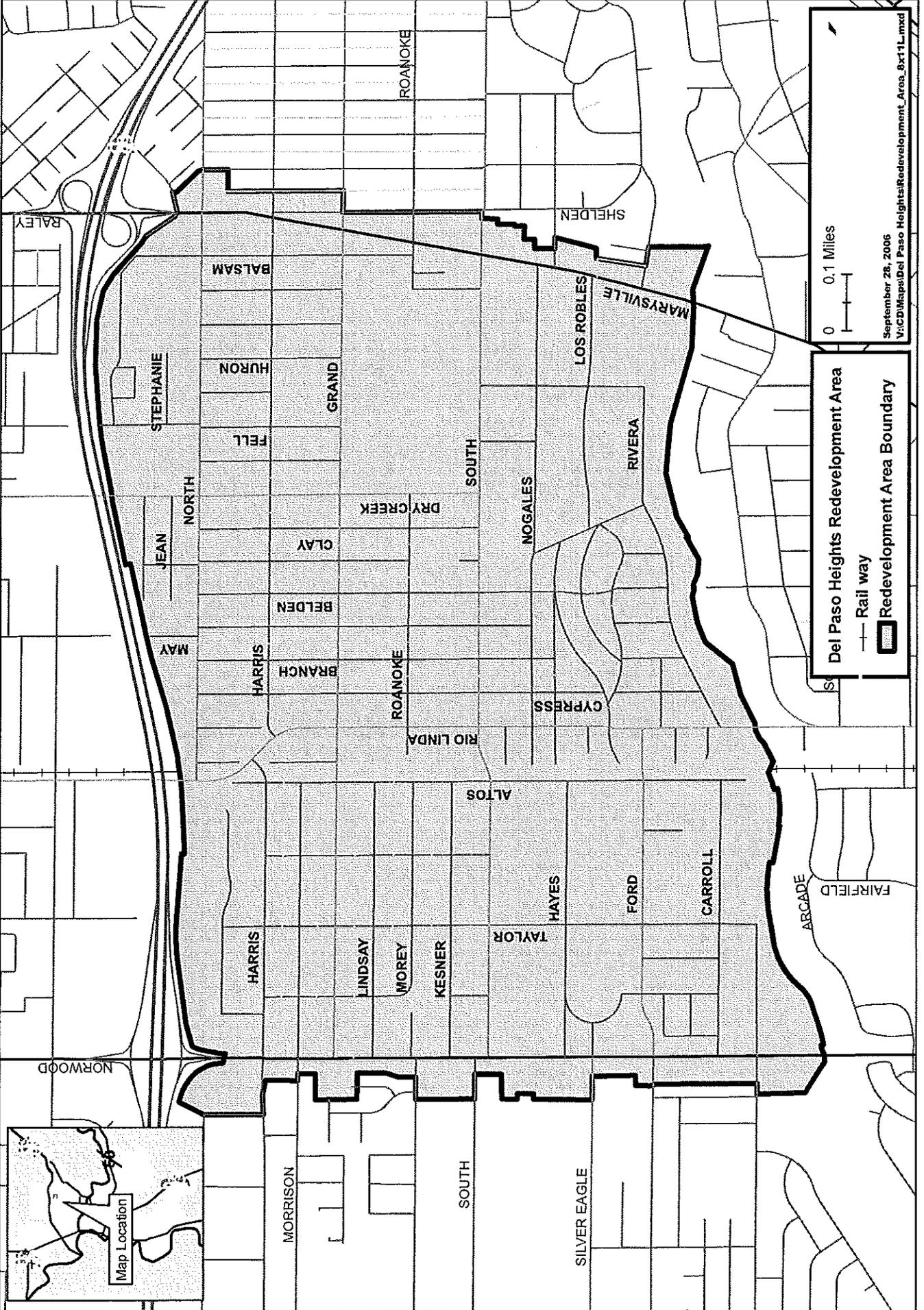
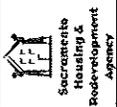
Recommendation Approved:


RAY KERRIDGE
City Manager

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Del Paso Heights Redevelopment Area



September 28, 2006
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Background

Del Paso Heights Report to Council

The Redevelopment Agency of the City of Sacramento ("Agency") is proposing an Eleventh Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project ("Plan Amendment"). The Redevelopment Plan ("Redevelopment Plan") for the Del Paso Heights Redevelopment Project ("Project" or "Project Area") imposes time and financial limits that guide the projects and programs that the Agency may implement.

The Plan Amendment is being proposed because the current limits will not allow the Agency to implement and complete the projects necessary to alleviate blight within the Project Area. The current financial limits of the Redevelopment Plan will prevent the Agency from funding projects and programs during the final decade of the term of the Redevelopment Plan that are necessary to eliminate blight. Additionally, significant blight remains in the Project Area that cannot be eliminated without the availability of the power of eminent domain.

The Plan Amendment would increase the Redevelopment Plan's financial limits and extend the time period in which the Agency may commence eminent domain proceedings by an additional twelve (12) years. During the extended period for eminent domain, the Agency's eminent domain authority would be limited to properties on which no persons reside.

The documents involved in the actions to be considered by the Agency and City Council are described in more detail below:

Eleventh Amendment to the Del Paso Heights Redevelopment Plan

Specific changes proposed by the Plan Amendment include the following:

- Increasing the limitation on the amount of tax increment that may be allocated to the Agency from the Project Area from \$131 million to \$250 million;
- Increasing the limitation on the amount of bonded indebtedness that can be outstanding at one time from \$41 million to \$100 million;
- Repealing the time limit to incur debt; and
- Extending the time limit for commencement of eminent domain proceedings to acquire property within the Project Area that is not occupied as a residence by an additional twelve (12) years.

The reasons for each change proposed by the Plan Amendment are detailed in the Report to Council and summarized below.

Report to Council: Del Paso Heights Redevelopment Plan Amendment

Increasing the Tax Increment Limit

The Report to Council used an annual assessed value growth rate for the Project Area of five percent (5%), which forecasts that the Project Area will generate approximately \$231 million in tax increment revenue over the entire period the Project Area can collect tax revenue (until 5/11/2033). Of that amount, approximately \$34 million has already been collected and approximately \$80 million will be allocated to taxing agency payments, debt service, and administration fees charged by Sacramento County, which leaves the Agency with approximately \$117 million to spend on proposed housing and non-housing projects. The cost of proposed projects is approximately \$135 million, which means the Agency needs additional financial resources to complete its proposed projects. For this reason, rather than increasing the tax increment limit to \$231 million, the Agency is proposing a limit of \$250 million. This will enable the Agency to take advantage of additional growth in assessed value while providing sufficient tax increment revenues to fund all identified projects.

Increasing the Bonded Indebtedness Limit

The Agency needs to increase the Redevelopment Plan's bonded indebtedness limit of \$41 million in order to secure advanced funding to implement redevelopment projects in a timely manner. The Plan Amendment would increase this limit to \$100 million, enabling the Agency to receive maximum financial capacity and flexibility to fund redevelopment projects as needed rather than waiting for tax increment revenue to accumulate over a long period of time. Bonds are repaid with tax increment revenues generated from the Project Area up to ten years after the effectiveness of the Redevelopment Plan expires (2033 for the Project Area).

Rescinding the Time Limit to Incur Debt

The Plan Amendment would repeal the May 2010 time limit to incur debt to ensure that the Agency has the capacity to issue bonds when they are needed to fund redevelopment projects.

Extending Eminent Domain

The Plan Amendment will extend the time limit to commence eminent domain proceedings, if necessary, to acquire property within the Project Area that is not occupied as a residence by an additional twelve (12) years. Section B of the Report to Council details the presence of several blighting conditions that make it necessary for the Agency to continue to have the power of eminent domain. Specifically, the Report to Council identifies properties within the Project Area that are severely dilapidated and owned by persons or entities that have neglected the responsibilities of ownership regarding functional, financial and physical upkeep, vacant parcels that do not meet minimum lot size standards for future development, and vacant lots and buildings that harbor serious crime that pose a threat to public safety and welfare.

Report to Council: Del Paso Heights Redevelopment Plan Amendment

The use of eminent domain may be necessary to consolidate vacant lots under multiple ownership as well as redevelop buildings that pose a threat to public safety and welfare. Without the power of eminent domain, the Redevelopment Agency would be unable to undertake all projects necessary to eliminate the conditions of blight described in Section B of the Report to Council.

The proposed Plan Amendment, attached as Exhibit A to the Agency resolution, has been modified since it was last presented to the Redevelopment Agency Board and City Council on December 2, 2008, to make a minor technical correction to the wording concerning the tax increment limitation by eliminating the last sentence of the last paragraph of Section 502. This pre-existing language was ambiguous and made the determination of the overall tax increment limitation unclear. The Preliminary Report and all other available information to-date has properly assumed that the tax increment limit would be a cumulative total of \$250 million.

Report to Council on the Proposed Eleventh Amendment

The Report to Council is an informational document that provides analyses of some of the reasons and impacts of the Plan Amendment, as required by Section 33352 of Redevelopment Law. It updates and expands on a Preliminary Report that was adopted by the Agency Board and City Council at their meeting on December 2, 2008.

The Report to Council consists of 15 sections:

- **Section A: Reasons for Amending the Redevelopment Plan:** Section A sets forth the reasons for the Plan Amendment, which include the existence of physical and economic blighting conditions that cannot be alleviated by the private sector and/or government without the Plan Amendment due to various financial and physical impediments. It also contains a description of the housing and nonhousing projects and programs that would be undertaken by the Agency, and correlates these potential redevelopment projects to the elimination of identified blighting conditions in the Project Area.
- **Section B: A Description of the Blighting Conditions Present in the Project Area:** As described in Section B, the physical and economic blighting conditions in the Project Area include unsafe and unhealthy buildings, factors hindering viable use of buildings, incompatible uses, depreciating property values, abandoned buildings and excessive vacant lots, residential overcrowding, and a high crime rate that poses a serious threat to the public safety and welfare.
- **Section C: Five-Year Implementation Plan:** Section C explains that an implementation plan contains specific goals and objectives for the Project Area, the specific projects projected to be completed, expenditures to be made during a five-year planning period, and an explanation of how these goals, objectives and expenditures will eliminate blight within the Project Area. An Implementation Plan for the Project Area is included in the Report to Council.

Report to Council: Del Paso Heights Redevelopment Plan Amendment

- Section D: An Explanation of Why the Elimination of Blight in the Project Area Cannot be Accomplished by Private Enterprise Acting Alone or through Other Financing Alternatives Other than Tax Increment: Redevelopment cannot be accomplished in the Project Area without Agency participation and funding from tax increment revenue due to a lack of private sector investment and a lack of other sources of funding, such as from the City and State. Section D provides more detailed reasons of why the Plan Amendment is needed.
- Section E: A Description of the Method of Financing, Including the Economic Feasibility of the Amendment and the Reasons for the Continued Inclusion of Tax Increment: An assessment of the method of financing redevelopment of the Project Area is contained in Section E of the Report. While other resources will always be pursued to augment the redevelopment program, the Redevelopment Agency's primary source of financing redevelopment of the Project Area will be tax increment revenues. The Report contains a forecast of the tax increment revenues that could be generated by the Project Area for the duration of the Redevelopment Plan.
- Section F: Method of Relocation: In the event that relocation of residents or businesses is ever needed in the Project Area, the Agency will adhere to the State Relocation Guidelines, consisting of State Relocation Law and the California Relocation Assistance and Real Property Acquisition Guidelines as described in Section F of the Report. (The Plan Amendment does not alter the existing Method of Relocation for the Project Area.)
- Section G: Analysis of the Preliminary Plan: This section explains that a Preliminary Plan is not required for this Plan Amendment.
- Section H: Report of the Planning Commission: The Planning Commission adopted a report on the conformity of the proposed Plan Amendment with the City's General Plan on January 8, 2009.
- Section I: Report of Community Outreach Efforts: Section I describes Agency meetings with local officials and property owners regarding the proposed Plan Amendment. A public workshop will be noticed and held prior to the joint public hearing. The Agency and City Council will be informed of the outcome of this meeting in April 2009.
- Section J: Statement of Conformance to the General Plan: Section J states that the proposed Plan Amendment conforms to the City's General Plan per the Planning Commission's report adopted on January 8, 2009.
- Section K: Environmental Documentation: A Negative Declaration has been prepared pursuant to Redevelopment Law and the California Environmental Quality Act. Section K provides a summary of the Negative Declaration. The Negative Declaration will be considered by the City Council and Agency at the joint public hearing.

Report to Council: Del Paso Heights Redevelopment Plan Amendment

- Section L: Report of the County Fiscal Officer: This Section explains that a report of the county fiscal officer is not required for this Plan Amendment.
- Section M: Neighborhood Impact Report: Section M contains a Neighborhood Impact Report which discusses the impact of the Plan Amendment on persons and families of low and moderate-income in several different matters affecting the physical and social quality of the neighborhood, including relocation, traffic circulation, environmental quality, availability of community facilities and services, affect on school population and quality of education, property assessments and taxes, and other matters affecting the physical and social quality of the neighborhood.
- Section N: Summary of Agency's Consultations with Affected Taxing Entities and Response to Said Entities' Concerns Regarding the Plan: The Agency notified affected taxing agencies about the proposed Plan Amendment on December 3, 2008. That notice included a copy of the Preliminary Report and a draft of the proposed Plan Amendment. The Agency will transmit a notice of the April 21, 2009, Joint Public Hearing to affected taxing agencies in March 2009.



Date: December 5, 2008
TO: Interested Persons
FROM: Erika Bumgardner, Senior Planner

SUBJECT: NOTICE OF AVAILABILITY//INTENT TO APPROVE - DRAFT NEGATIVE DECLARATION FOR THE ELEVENTH AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE DEL PASO HEIGHTS REDEVELOPMENT PROJECT

The Redevelopment Agency of the City of Sacramento (Agency) has completed preparation of a Draft Negative Declaration for the Eleventh Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project.

The document is now available for public review and comment period. The minimum 20-day comment period has been extended to run from Friday December 5, 2008 through Monday, January 5, 2009 to accommodate the holidays. This document and all documents referenced therein are available at the office of the Sacramento Housing and Redevelopment Agency (SHRA), 630 I Street, 3rd Floor, Sacramento, CA 95814 between the hours of 8:00 AM and 3:30 PM, Monday through Friday.

The proposed Negative Declaration will be considered by the Agency and the City Council at a joint public hearing that is anticipated to occur on Tuesday, April 21, 2009, at 6:00 PM, in the City Council Chambers, located at 915 I Street, Sacramento, California.

The Project Area is located in the Del Paso Heights community of the City of Sacramento (City). The Project Area is roughly bounded by I-80 to the north, Marysville Boulevard to the east, Arcade Creek to the south, and Norwood Avenue to the west. The Project Area encompasses 1,037 acres.

The proposed Amendment would 1) increase the limitation on the amount of tax increment that may be allocated to the Agency for the Project Area from \$131,000,000 to \$250,000,000; 2) increase the limitation on the amount of bonded indebtedness that can be outstanding at one time from \$41,000,000 to \$100,000,000; 3) repeal the time limit to incur debt; and 4) extend the time limit for commencement of eminent domain proceedings to acquire property that is not occupied as a residence within the Project Area by an additional twelve years. If approved, the Amendment would provide the Agency with the financial and administrative resources necessary to continue implementing successful programs and projects.

Written comments regarding the Draft Negative Declaration should be received by SHRA **NO LATER THAN 5:00 p.m., Monday, January 5, 2009**. Written comments should be submitted to:

Erika Bumgardner, Senior Planner
Sacramento Housing and Redevelopment Agency
630 I Street, 3rd Floor
Sacramento, CA 95814
EBumgardner@shra.org

If you have any questions concerning the project or environmental review process, please call Erika Bumgardner, Senior Planner at (916) 440-1399 x1410.

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO NEGATIVE DECLARATION

Pursuant to Division 6, Title 14, Chapter 3, Article 6, Sections 15070 and 15071 of the California Administrative Code and pursuant to the Procedures for Preparation and Processing of Environmental Documents adopted by the Sacramento Housing and Redevelopment Agency pursuant to Resolution Number 2007-042, the Environmental Coordinator of the Sacramento Housing and Redevelopment Agency of Sacramento County, State of California, does prepare, make, declare, publish, and cause to be filed with the County Clerk of Sacramento County, State of California, this Negative Declaration. The Project is described as follows:

1. **PROJECT TITLE AND SHORT DESCRIPTION: ELEVENTH AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE DEL PASO HEIGHTS REDEVELOPMENT PROJECT.** The proposed Amendment would 1) Increase the limitation on the amount of tax increment that may be allocated to the Agency for the Project Area from \$131,000,000 to \$250,000,000; 2) Increase the limitation on the amount of bonded indebtedness that can be outstanding at one time from \$41,000,000 to \$100,000,000; 3) Repeal the time limit to incur debt; and 4) Extend the time limit for commencement of eminent domain proceedings to acquire property that is not occupied as a residence within the Project Area by an additional twelve years. If approved, the Amendment would provide the Agency with the financial and administrative resources necessary to continue implementing successful programs and projects.
2. **PROJECT LOCATION AND ASSESSOR'S PARCEL NUMBER:** The Project Area is located in the Del Paso Heights community of the City of Sacramento (City). The Project Area is roughly bounded by I-80 to the north, Marysville Boulevard to the east, Arcade Creek to the south, and Norwood Avenue to the west. The Project Area encompasses 1,037 acres.
3. **PROJECT PROPONENT:** Redevelopment Agency of the City of Sacramento
4. **SAID PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT FOR THE FOLLOWING REASONS:**
 - a. It does not have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory.
 - b. It does not have the potential to achieve short-term, to the disadvantage of long-term, environmental goals.
 - c. It will not have impacts that are individually limited but cumulatively considerable.
 - d. It will not have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly.
5. As a result thereof, the preparation of an Environmental Impact Report pursuant to the Environmental Quality Act (Division 13 of the Public Resources Code of the State of California) is not required.
6. Mitigation measures are not required.

The attached Initial Study has been performed by the Redevelopment Agency of the City of Sacramento in support of this Negative Declaration. For additional information, contact the Sacramento Housing and Redevelopment Agency at 630 I Street, 3rd Floor, Sacramento, California 95814, attention Erika Bumgardner, Senior Planner, (916) 440-1399 x1410.

Sacramento Housing and Redevelopment Agency
Sacramento County, State of California



Michael Voss, Environmental Coordinator
Sacramento Housing and Redevelopment Agency

December 5, 2008
Date

ELEVENTH AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE DEL PASO HEIGHTS REDEVELOPMENT PROJECT

INITIAL STUDY

This Initial Study has been required and prepared for the of the Redevelopment Agency of the City of Sacramento (Agency), 1030 15th Street, 2nd Floor, Sacramento, California 95814, pursuant to Title 14, Section 15060 et seq. of the California Code of Regulations; and the Sacramento Local Environmental Regulations (Resolution 91-892) adopted by the City of Sacramento (City).

ORGANIZATION OF THE INITIAL STUDY

This Initial Study is organized into the following sections:

SECTION I - BACKGROUND: Page 3 - Provides summary background information about the project name, location, sponsor, and the date this Initial Study was completed.

SECTION II - PROJECT DESCRIPTION: Page 5 - Includes a detailed description of the proposed project.

SECTION III - ENVIRONMENTAL CHECKLIST AND DISCUSSION: Page 13 - Contains the Environmental Checklist form together with a discussion of the checklist questions. The Checklist Form is used to determine the following for the proposed project: 1) Potentially Significant Impacts, which identifies impacts that may have a significant effect on the environment, but for which the level of significance cannot be appropriately determined without further analysis, in an Environmental Impact Report (EIR), 2) Potentially Significant Impacts Unless Mitigated, which identifies impacts that could be mitigated to have a less-than-significant impact with implementation of mitigation measures, and 3) Less-than-significant Impacts, which identifies impacts that would be less-than-significant and do not require the implementation of mitigation measures.

SECTION IV - ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED: Page 69 - Identifies which environmental factors were determined to have either a Potentially Significant Impact or Potentially Significant Impact Unless Mitigated, as indicated in the Environmental Checklist.

SECTION V - DETERMINATION: Page 71 - Identifies the determination of whether impacts associated with development of the proposed project are significant, and what, if any, added environmental documentation may be required.

SECTION VI - REFERENCES CITED: Page 73



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SECTION I - BACKGROUND

Project Name, File Number: Eleventh Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project

Project Location: The Project Area is located in the Del Paso Heights community of the City of Sacramento (City). The Project Area is roughly bounded by I-80 to the north, Marysville Boulevard to the east, Arcade Creek to the south, and Norwood Avenue to the west. The Project Area encompasses 1,037 acres.

Project Applicant: Redevelopment Agency of the City of Sacramento
1030 15th Street, Second Floor
Sacramento, California 95814

Project Manager: Erika Bumgardner, Senior Planner
Sacramento Housing and Redevelopment Agency
630 I Street, 3rd Floor
Sacramento, California 95814
Phone: (916) 440-1399 x1410

Redevelopment Consultant: Jim Simon, Manager
RSG, Inc.
309 W. 4th St.
Santa Ana, CA 92701-4502
Phone: (714) 316-2116
Fax: (714) 541-1175
jsimon@webrsg.com

Environmental Consultant: The Ervin Consulting Group
8561 Almond Bluff Court
Orangevale, CA 95662-4419
Phone (916) 989-0269
Fax (916) 200-1371
info@ervincg.com

Initial Study Completed: December 5, 2008

SECTION II - PROJECT DESCRIPTION

PROJECT LOCATION

The Project Area for the Del Paso Heights Redevelopment Plan (Project Area) is located in the Del Paso Heights community of the City (Figure 1). The Project Area is roughly bounded by I-80 to the north, Marysville Boulevard to the east, Arcade Creek to the south, and Norwood Avenue to the west. Consisting of 1,037 acres, the Project Area is primarily a residential neighborhood with single-family homes. It also has a mix of public, commercial, industrial, vacant, and miscellaneous land uses (Figure 2).

PROJECT BACKGROUND

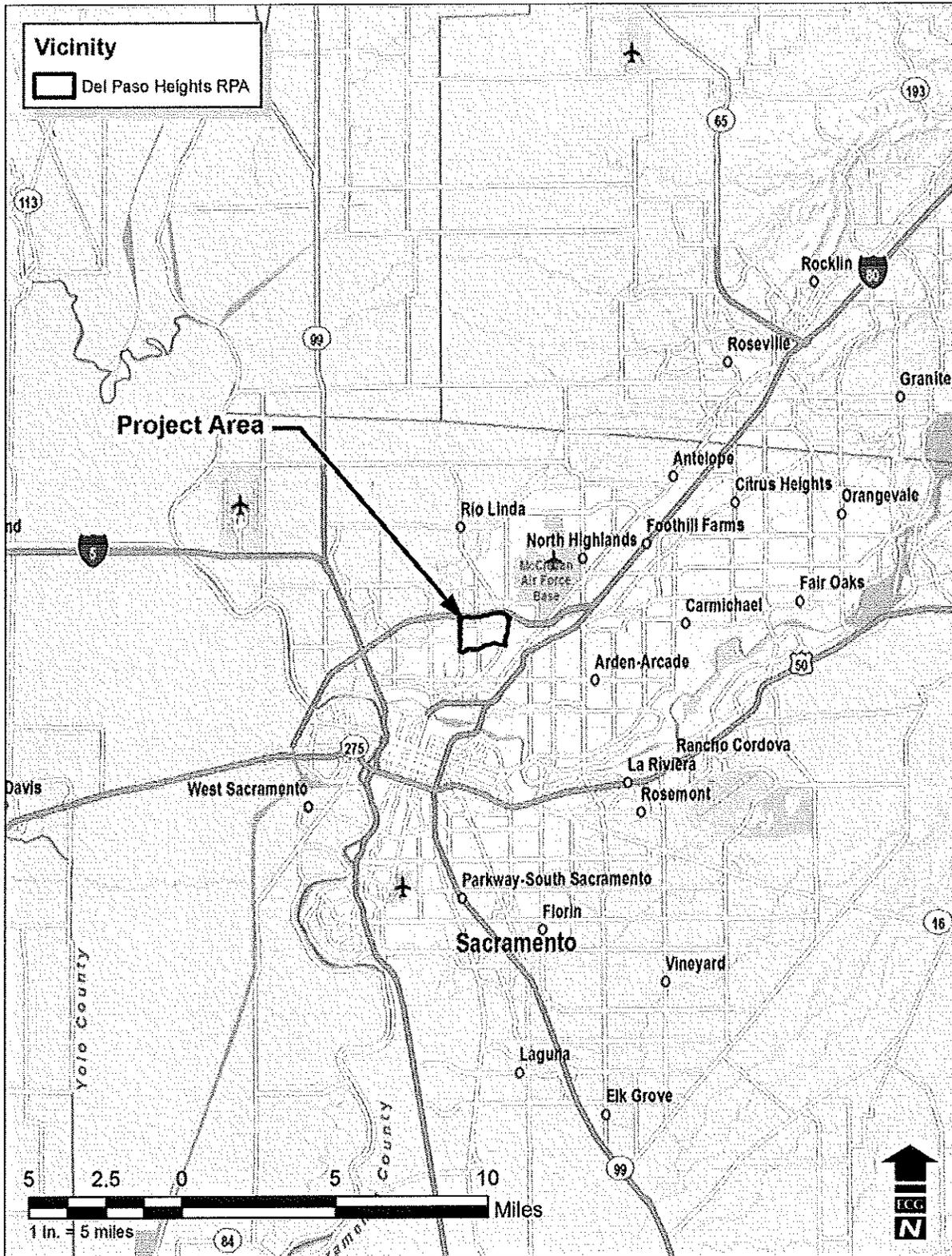
The Redevelopment Agency of the City of Sacramento (Agency) is pursuing an Eleventh Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project (Amendment). If approved, the Amendment will modify the financial limits of the Redevelopment Plan for the Del Paso Heights Redevelopment Project Area (Redevelopment Plan), as well as extend the time period in which the Agency can commence eminent domain proceedings on properties not occupied as a residence by twelve years.

The Redevelopment Plan was adopted by the City Council of the City of Sacramento (City Council) on May 12, 1970, by Ordinance No. 2884, Fourth Series, and amended by the City Council on:

1. August 6, 1970, by Ordinance No. 2913, Fourth Series (First Amendment)
2. May 21, 1985, by Ordinance No. 85-047 (Second Amendment)
3. November 18, 1986, by Ordinance No. 86-108 (Third Amendment)
4. October 4, 1994, by Ordinance No. 94-046 (Fourth Amendment)
5. October 27, 1998, by Ordinance No. 98-045 (Fifth Amendment)
6. June 24, 2003, by Ordinance No. 2003-029 (Sixth Amendment)
7. November 13, 2003, by Ordinance No. 2003-066 (Seventh Amendment)
8. April 5, 2005, by Ordinance No. 2005-028 (Eighth Amendment)
9. October 6, 2005, by Ordinance No. 2005-079 (Ninth Amendment)
10. May 8, 2007, by Ordinance No. 2007-035 (Tenth Amendment)

ELEVENTH AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE DEL PASO HEIGHTS REDEVELOPMENT PROJECT

INITIAL STUDY



Source: The Ervin Consulting Group, 2008
Data: City of Sacramento, 2007; ESRI, 2008

FIGURE 1
PROJECT VICINITY

**ELEVENTH AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE
DEL PASO HEIGHTS REDEVELOPMENT PROJECT
INITIAL STUDY**

The Project Area was originally adopted to provide infrastructure and address emerging urban problems. Redevelopment funding and powers have been used to improve housing stock, provide community facilities, support economic development, assist private development, and address infrastructure needs within the Project Area. Despite many improvements, the Project Area continues to suffer from physical and economic blight. The conditions of blight include unsafe and unhealthy buildings, depreciated property values, a high number of abandoned and vacant buildings, high crime, and other conditions, which are detailed in the Draft Preliminary Report on the Proposed Eleventh Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project (Draft Preliminary Report, October 2008). Redevelopment remains necessary to implement projects and programs that alleviate these blighting conditions and make the neighborhood a safer place to live.

The Redevelopment Plan imposes time and financial limits that guide the projects and programs that the Agency may implement. Current limits of the Redevelopment Plan are not sufficient to allow the Agency to implement the projects necessary to alleviate blight over the remaining life of the Redevelopment Plan. The Agency estimates that it will reach the existing tax increment limit nine years prior to the time limit on the collection of tax increment, and the Agency cannot incur any debt after 2014. The existing financial limits of the Redevelopment Plan create a shortfall in revenue available to fund needed projects. In addition, the time limit on the Agency's ability to use eminent domain will soon expire, but significant blight remains in the Project Area that cannot be eliminated without the use of eminent domain.

The purpose of the Amendment is to increase the tax increment cap, increase the bonded indebtedness limit, repeal the time limit to incur indebtedness, and extend the Agency's ability to use eminent domain for an additional twelve years on property which is not occupied as a residence. These amendments will provide the Agency with the financial and administrative resources to continue implementing its program of blight elimination within the Project Area.

PROPOSED PROJECT

Project Objectives

The proposed Amendment would:

- Increase the limitation on the amount of tax increment that may be allocated to the Agency for the Project Area from \$131,000,000 to \$250,000,000
- Increase the limitation on the amount of bonded indebtedness that can be outstanding at one time from \$41,000,000 to \$100,000,000
- Repeal the time limit to incur debt
- Extend the time limit for commencement of eminent domain proceedings to acquire property that is not occupied as a residence within the Project Area by an additional twelve years

If approved, the Amendment would provide the Agency with the financial and administrative resources necessary to continue implementing successful programs and projects.

ELEVENTH AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE
DEL PASO HEIGHTS REDEVELOPMENT PROJECT
INITIAL STUDY

Redevelopment Plan Goals and Strategies

The following redevelopment program goals and strategies for the Project Area are to be pursued and accomplished, subject to and consistent with the City of Sacramento General Plan (General Plan) and applicable community and specific plans, as amended from time to time.

Housing Goal

- To provide standard housing for all families presently residing in Del Paso Heights and, at the same time to increase the housing supply
- Rehabilitation will be fostered and encouraged where feasible and compatible with Redevelopment Plan objectives
- Should clearance of existing structures be necessary, it will be coordinated with the availability of relocation housing
- Provide for the construction of new housing

Social Goal

- To develop a superior level of community facilities providing for the cultural, health, and social needs of the residents
- Develop a program maximizing citizen participation in the redevelopment process
- To recognize and build upon the strengths and assets within the community by:
 - Creating economic activity that supports both neighborhood-based employment opportunities and spending opportunities
 - Developing quality housing that encourages young, move-up families to stay in the neighborhood, provides affordable home ownership opportunities to residents vested in neighborhood revitalization, and provides a safe and healthy living environment for senior and disabled residents
 - Constructing, restoring, and/or improving public facilities serving youth, families, neighborhood leadership groups, and seniors, thereby ensuring the growth and continuation of valuable community cultural, health, and social activities
 - Continuing to value and support neighborhood leadership through on-going citizen participation in redevelopment initiatives aimed at neighborhood revitalization
 - Engaging in partnerships and collaboratives that strengthen and uplift the human infrastructure that supports a safe and healthy living environment

Environmental Goal

- To improve the neighborhood environment and image
- To eliminate blighted and blighting conditions
- To provide all appropriate amenities to support the basic residential character of the area

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Economic Goal

- To increase and develop economic activity in the area by attracting new business, assist existing business, and enhancing property values
- To provide for new housing within the means of the majority of area residents
- To enforce a strong affirmative action program with all contractors working in the area
- To effect a workable residential rehabilitation program maximizing the improvement of economically feasible properties

Strategies

The 5-Year Implementation Plan identifies the following implementation strategies, which represent the specific approach and criteria that the Agency will use over the next five years to select and implement development projects in the Project Area.

- **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:
 - a. **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.
 - b. **Community Facilities:** Develop high-quality community facilities and renovate existing facilities that provide for the cultural, health, and social needs of neighborhood residents.
- **Concentrate "Place-Making" on Commercial Corridors:** Assist in revitalizing and investing in neighborhood-serving retail and commercial centers along major corridors such as Marysville Boulevard, Rio Linda Boulevard, and Norwood Avenue; and support mixed-use developments that include residential; improve public infrastructures; and revitalize streetscapes.
- **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.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PROCESS AND TIERING

Redevelopment actions rely on the City's approved land use policies. Not only must redevelopment actions be consistent with the City's General Plan, community plans, and applicable specific plans at the time of their adoption, but the Redevelopment Plan expressly provides for ongoing consistency with the City's General Plan, community plans, and applicable specific plans. In other words, land uses permitted in the Project Area are existing allowable uses under the City's General Plan, community plans, and applicable specific plans – as it may be amended from time to time. Because land use policies change, sometimes frequently, this ensures that the Redevelopment Plan will continue to be

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consistent with the General Plan and applicable community and specific plans over the life of the Redevelopment Plan. The redevelopment actions are principally intended to eliminate blighting conditions, and stimulate and promote new development and redevelopment consistent with the uses permitted by the City's adopted land use policies, whatever they may be from time-to-time.

The Agency prepared a Program Environmental Impact Report (EIR) in 1970 for the Del Paso Heights Redevelopment Project. That EIR assessed general redevelopment actions in the Project Area, which would be extended by the proposed Amendment. When required, the Agency subsequently prepared environmental review documents for the prior amendments to the Del Paso Heights Redevelopment Plan; in particular, a new Program EIR was adopted for the Sixth Amendment in June 2003. This initial study tiers from, relies on, and incorporates by reference these prior environmental impact reports and CEQA analyses that evaluated the existing and future land uses within the areas covered by the Amendment. Tiering from the Agency's and City's prior approved planning level EIRs is consistent with Public Resources Code (PRC) sections 21093 and 21094, and CEQA Guidelines section 15152. Tiering is also permitted by PRC section 21167.3(b). This Initial Study also incorporates information and analysis from several other environmental documents, as identified herein. Where mitigation measures adopted with the 2003 EIR remain applicable, such measures are identified as applying to future projects as provided for by the Amendments.

Consistent with CEQA, when specific redevelopment projects are identified over the life of the Redevelopment Plan, further environmental review will be conducted in accordance with CEQA Guidelines section 15168.

Requested Entitlements

The Agency would take the following actions for project approval:

- Adopt the Negative Declaration

The City and Agency would take the following actions:

- Adopt the Eleventh Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project

The Negative Declaration will serve as the CEQA compliance document for the Amendment, and for subsequent actions by the Agency in furtherance of the Amended Redevelopment Plan. The Negative Declaration will be used by the following public agencies and boards in the approval of implementation activities:

- City Council of the City of Sacramento
- Board of the Redevelopment Agency of the City of Sacramento
- Planning Commission of the City of Sacramento
- Sacramento Housing and Redevelopment Commission (SHRC)
- Del Paso Heights Redevelopment Advisory Committee (RAC)
- All Departments in the City of Sacramento that must approve implementation activities undertaken in accordance with the Redevelopment Plan

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- All other public agencies that may approve implementation activities undertaken in accordance with the Redevelopment Plan

The Negative Declaration will be used in the approval of any of the following redevelopment project implementation activities that may be necessary:

- Approval of Disposition and Development Agreements (DDA)
- Approval of Owner Participation Agreements (OPA)
- Approval and funding of public facilities and improvements projects
- Sale of tax increment and/or other bonds, certificates of participation, and other forms of indebtedness
- Acquisition and demolition of property
- Rehabilitation of property
- Relocation of displaced occupants
- Approval of certificates of conformance
- Approval of development plans, including zoning and other variances and conditional use permits; including those for low- and moderate-income housing units
- Issuance of permits and other approvals necessary for implementation of the Redevelopment Project

SECTION III – ENVIRONMENTAL CHECKLIST AND DISCUSSION

1. LAND USE

Would the proposal:

Issues:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less-than-Significant Impact
A) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?			x
B) Affect agricultural resources or operation (e.g., impacts to soils or farmlands, or impact from incompatible land uses?)			x

ENVIRONMENTAL SETTING

The Project Area is located within the City of Sacramento (City). The Table 1 describes the current land use types in the Project Area.

**TABLE 1
DEL PASO HEIGHTS REDEVELOPMENT PROJECT AREA LAND USES**

Land Use	Acres	%Total
Residential	459	44%
Public	203	20%
Vacant	97	9%
Unknown	57	6%
Industrial	20	2%
Commercial – Office	19	2%
Commercial – Retail	5	0.5%
Social/Inst/Misc	5	0.5%
Right-of-Way	172	20%
Total	1,037	100%
Total Parcels	3,336	

Note: Unknown land uses were not available from data source

Source: First American Title Metroscan Information Service, 2008

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The predominant land use in the Project Area is single-family residential, with some multiple-family development, retail, commercial, and small pockets of industrial. There are commercial establishments along Marysville Boulevard, Rio Linda Boulevard, and Norwood Avenue, with most of the commercial activity within the Project Area occurring along Marysville Boulevard. Business activities are generally minor in scope, largely comprised of small businesses. Vacant parcels are present throughout the Project Area, but a significant cluster is located within the Del Paso Nuevo (DPN) Special Planning District (SPD), bounded by Norwood Avenue, South Avenue, Altos Avenue, and Arcade Creek, in the southwest portion of the Project Area.

General Plan designations in the Project Area include Low-, Medium-, and High-Density Residential, Community/Neighborhood Commercial, Industrial-Employee Intensive, Parks/Recreation/Open Space, and Public/Quasi-Public/Miscellaneous. The Project Area is within the boundaries of the North Sacramento Community Plan (NSCP), a component of the Sacramento General Plan. The NSCP was adopted on March 13, 1984. The DPN SPD consists of approximately 154 acres.

STANDARDS OF SIGNIFICANCE

The City treats the discussion of land use and planning effects differently from technical environmental issues. Any physical impacts associated with development would be addressed in the appropriate environmental sections of this Initial Study.

ANSWERS TO CHECKLIST QUESTIONS

Question A

Within the Project Area, permitted land uses are only those permitted by the General Plan, community plans, and applicable specific plans, as they exist today or in the future. The Amendment will provide the Agency with the financial and administrative resources necessary to implement successful redevelopment activities and eliminate blight and blighting influences. Any public improvements that would occur as a result of the amended Redevelopment Plan are required by California Community Redevelopment Law (CRL) to be consistent with the adopted goals and policies of the General Plan. Any public or private sector development that may be encouraged or accommodated by redevelopment activities would also be subject to the applicable Sacramento City plans, policies, and ordinances, as well as the amended Redevelopment Plan and Agency requirements. At present, the intensity of land uses in the Project Area is well below the maximum intensity allowed under existing zoning. Private investment over the life of the Redevelopment Plan is expected to result in an intensification of existing uses and in the creation of different types of land uses on parcels, where the interim uses do not conform to the current zoning designations. This shift to conforming uses would be consistent with the City's zoning code. Therefore, the proposed Amendment is *consistent* with adopted plans and policies governing the Project Area.

Question B

The Project Area is within an urbanized area and is not considered to be suitable for agricultural use. Agricultural zoning or resources are not located within or adjacent to the

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Project Area, thus the proposed Amendment would have *no effect* on agricultural resources or operations.

MITIGATION MEASURES

No mitigation measures are required.

FINDINGS

The proposed Amendment would be *consistent* with adopted land use designations and policies for the site, and would have no effect on agriculture.

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2. POPULATION AND HOUSING

Would the proposal:

Issues:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less-than-Significant Impact
A) Induce substantial growth in an area either directly or indirectly (e.g., through projects in an undeveloped area or extension of major infrastructure)?			X
B) Displace existing housing, especially affordable housing?			X

ENVIRONMENTAL SETTING

The Project Area is primarily low-density residential with commercial corridors and public uses. The Project Area is fully served by municipal utilities and public infrastructure, and is surrounded by urbanized areas on all sides.

The Project Area has a lower median income, higher level of poverty, and lower levels of educational attainment compared to the City and other regions. The Project Area’s median household income, at \$33,836, is 42% lower than the City’s median household income at \$48,029. The per capita income is 156% lower in the Project Area at \$9,242 compared to \$23,678 in the City. The wide gap between household income and per capita income indicates that Project Area households tend to have more income earners than City households, yet individual residents make significantly less than the City average.¹

In 2008, the zip code encompassing the Project Area had 14 foreclosures per 100 homes, which is 68% higher than the statewide rate of 4.5 foreclosures per 100 homes. In contrast, the City had 6.3 foreclosures per 100 homes, which is 28% higher than the state. Based on Agency sources, the City has the 10th highest foreclosure rate in the nation; the fact that the Project Area has an even higher rate indicates the severity of the problem. Nearby cities and Sacramento County (County) have lower foreclosure rates compared to the state. Many properties in the Project Area are vacant due to foreclosures and are often vandalized and deteriorate very quickly.²

Over the past five years, the Agency has implemented several housing programs in Del Paso Heights.³ DPN is a phased development of 154 acres into 300 single-family homes with 51% at affordable income levels and 49% at market rate. To date, 77 units have been completed. The North Avenue Apartments were completed in 2007 – on a high visibility corner of North Avenue – as a new community of 80 affordable apartments and townhomes.

¹ Draft Preliminary Report, page 7

² Draft Preliminary Report, page 10

³ 5-Year Implementation Plan, page 2, 2008

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STANDARDS OF SIGNIFICANCE

The City treats the discussion of population and housing effects differently from technical environmental issues. Any physical impacts associated with increases in population or housing would be addressed in the appropriate environmental sections of this Initial Study.

ANSWERS TO CHECKLIST QUESTIONS**Question A**

Residential infill development and rehabilitation occurring within the Project Area could incrementally increase the permanent population of the area. Increases in population are expected to occur gradually over time as public improvements occur and development progresses, and be within the anticipated population levels identified in the General Plan and NSCP, as they exist now or may be amended. Redevelopment activities and development encouraged by redevelopment also has some potential to encourage localized daytime population growth in the Project Area's employment market area by providing additional jobs that would otherwise locate elsewhere. However, there is no change in land use or zoning proposed as part of the Amendment, nor any major new infrastructure improvements/extensions. The proposed Amendment would not result in changes in population beyond those identified in regional and local population projections, nor induce substantial growth. The City has developed policies and plans to provide for long-term population and housing needs in the General Plan. Population and housing impacts would be *less than significant*.

Question B

Providing housing for persons of low- and moderate-incomes is an objective of redevelopment, which provides assistance in the reconstruction or rehabilitation of dilapidated structures, and provides developer incentives for the construction of new housing. Some relocation of residents may be required to meet redevelopment goals, such as in areas of severely deteriorated housing, which may be beyond rehabilitation. The Amendment will provide that no persons or families of low- and moderate-income will be displaced unless and until there is a suitable housing unit available and ready for occupancy at rents comparable to those at the time of their displacement. Amendment will further provide that permanent housing facilities must be made available within three years from the time occupants are displaced.

Within 30 days of executing an agreement for acquisition and/or disposition of property that would result in the destruction or removal of dwelling units, the Agency must adopt a replacement-housing plan. This plan must identify the location of such housing, a financing plan for rehabilitation, development, or construction, the number of dwelling units housing persons and families of low- or moderate-income planned for construction or rehabilitation, and a timetable for replacing the units on a one-for-one basis.

The 6th Amendment to the Plan specified that not less than 30% of all tax increment be set aside for preserving, improving, and increasing the City's supply of low- and moderate-income housing, pursuant to Health and Safety Code Section 33333.10.

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The Project Area also benefits from Chapter 17.188 of the City Code, the Sacramento Housing Trust Fund Ordinance, which applies to commercial and industrial development in the City. Under certain circumstances, the Agency requires that a project developer pay in-lieu funds for housing as a condition of an OPA or DDA. The funds are paid to the Agency for use as allowed by the Ordinance. The fee structure and amount is negotiated between the Agency and the project proponent during preparation of the OPA or DDA, and is similar to the requirements of Chapter 17.188. In addition, the Agency uses several programs such as the First-Time Homebuyers Program and single- and multi-family rehabilitation programs to improve housing in the project areas.

The proposed Amendment is not anticipated to displace or reduce the supply of low- and moderate-income housing. All low- and moderate-income housing stock removed due to Agency involvement will be replaced through Agency programs. Therefore, the Amendment would have a *less-than-significant impact* on affordable housing.

MITIGATION MEASURES

No mitigation measures are required.

FINDINGS

The proposed Amendment would not induce substantial growth in the City and would have a *less-than-significant impact* on population and housing.

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3. SEISMICITY, SOILS, AND GEOLOGY

Would the proposal result in or expose people to potential impacts involving:

Issues:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less-than-Significant Impact
A) Seismic hazards?			X
B) Erosion, changes in topography or unstable soil conditions?			X
C) Subsidence of land (groundwater pumping or dewatering)?			X
D) Unique geologic or physical features?			X

ENVIRONMENTAL SETTING

The Sacramento area is a highly urbanized area and extensive information exists regarding geologic and seismic issues. There are no known problems with soils or seismic safety that are not typically addressed through engineering in this area.

There are no known active faults occurring in or adjacent to the City. During the past 150 years, there has been no documented movement on faults within Sacramento County (County), although the region has experienced numerous instances of ground shaking originating from faults located to the west and east. According to the Preliminary Map of Maximum Expectable Earthquake Intensity in California, prepared by the California Department of Mines and Geology, Sacramento is located near the border between the low and moderate severity zones, representing a probable maximum earthquake intensity of VII on the Modified Mercalli Scale. In Sacramento, the greatest intensity earthquake effects would come from the Dunnigan Hills fault, Midland fault, or the Foothill fault system. The maximum credible earthquake for those faults is estimated at 6.5 on the Richter-scale.

Soils on the Project Area under the existing buildings and paving are categorized as Urban Land, which consists of areas covered by up to 70% impervious surfaces. The topography is generally flat, and there are no outstanding topographic or ground surface relief features that would be disturbed as a result of the Amendment.

The aquifer system underlying the City is part of the North American sub-basin. Recharge to the local aquifer system occurs along active river and stream channels where extensive sand and gravel deposits exist, particularly in the American River and Sacramento River channels. Other sources of recharge within the area include inflow of groundwater generally from the northeast; subsurface recharge from fractured geologic formations to the east; and deep percolation from applied surface water and precipitation on open space areas, and small streams.⁴

⁴ General Plan Technical Background Report, page 6.2-8 through 6.2-9, 2005.

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STANDARDS OF SIGNIFICANCE

For the purposes of this analysis, an impact is considered significant if it allows a project to be built that will introduce either geologic or seismic hazards by allowing the construction of the project on such a site without protection against those hazards.

ANSWERS TO CHECKLIST QUESTIONS

Question A

Future development engendered by the Amendment in the Project Area could be exposed to potentially damaging seismically-induced groundshaking. However, in Sacramento, the maximum credible earthquake for regional faults is estimated at 6.5 on the Richter-scale. The City has adopted policies as part of the General Plan Health and Safety Element, which consider seismic related hazards. Development on the site would not occur across any currently identified fault.

Based on the known active faults and potentially active faults in the region, the Project Area has the potential to experience low to moderate ground shaking. The intensity of ground shaking at any specific site depends on the characteristics of the earthquake, the distance from the earthquake fault, and on the local geologic and soils conditions. At present, there is insufficient data to predict accurately the expected ground motions within the Project Area.

Even though Sacramento has a low risk of effects classified as natural earthquake hazards, the secondary effects of ground shaking could cause damage to local buildings and infrastructure elements such as bridges and pipes. Older buildings constructed before building codes were established and newer buildings constructed before earthquake resistant provisions were included in the building codes are the most likely to be damaged during an earthquake. All structures built or rehabilitated would be constructed to current Uniform Building Code or State Historic Building Code standards, which would minimize the potential for damage due to ground shaking based on the risk associated with the Sacramento area. Redevelopment activities would not be anticipated to result in the exposure of people to significant geologic or seismic hazards, thus the risk of exposure to seismic hazards would be *less than significant*.

Question B

The City requires soils reports and geological investigations to identify any unstable soil conditions, such as liquefaction potential, expansive soils, and subsidence problems, on sites for new multiple-story buildings as a condition of approval, and that such information is incorporated into the project design and construction to eliminate hazards. Any necessary building designs to withstand identified instability issues would be addressed during the preparation of construction documents. As future redevelopment engendered projects come forward, the projects shall go through their own environmental review and shall have to have their own soils report and geological investigation. Existing City policies and regulations reduce potential unstable soil impacts to *less-than-significant* levels by requiring soils reports and geological investigations that determine the appropriate level of engineering for the specific site conditions.

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Minor increases in the volume and rate of water runoff from development may increase off-site soil erosion during construction. Any grading activities associated with site development within the City are required to follow the grading permit requirements defined in Municipal Code Chapter 15.88, the Grading, Erosion, and Sediment Control (GESC) Ordinance. The GESC Ordinance defines the requirements for grading plans, erosion and sediment control plans, housekeeping practices, standards for cuts, fills, setbacks, drainage and terracing, and erosion control. The GESC Ordinance includes grading requirements that control excessive runoff during construction. Developers are required to implement dust and soil erosion and sediment control measures before, during, and after the construction phase of development. The GESC permit requires the permittee to employ Best Management Practices (BMPs) before, during, and after construction. The City has a list of BMPs necessary to accomplish the goals of this permit, approved by the City's Department of Utilities, Engineering Services Division before beginning construction. Required compliance with the City's GESC Ordinance will result in a *less-than-significant* erosion impact from future redevelopment.

Question C

The Project Area is zoned for lower density, low-rise construction, thus no construction dewatering for deep basement construction is anticipated. The groundwater table is continually recharged through the American and Sacramento rivers⁵, and no known subsidence problems have occurred in this area. Therefore, groundwater subsidence impacts would be *less than significant*.

Question D

There are no recognized unique geologic features or physical features within the Project Area that would be impacted by development engendered by the proposed Amendment. Therefore, related impacts on unique geological or physical features are anticipated to be *less than significant*.

MITIGATION MEASURES

No mitigation measures are required.

FINDINGS

The proposed Amendment would not result in the exposure of people to geologic or seismic hazards, would not cause significant erosion or build on unstable soils without appropriate engineering and design, would not cause groundwater subsidence, and would not disturb unique geological or other physical features. Therefore, the Amendment would result in *less-than-significant* impacts related to seismicity, soils, and geology.

⁵ Sacramento Groundwater Authority, *Groundwater Management Plan*, page 12, December 2003.

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4. WATER

Would the proposal result in or expose people to potential impacts involving:

Issues:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less-than-Significant Impact
A) Changes in absorption rates, drainage patterns, or the rate and amount of surface/stormwater runoff (e.g. during or after construction; or from material storage areas, vehicle fueling/maintenance areas, waste handling, hazardous materials handling & storage, delivery areas, etc.)?			x
B) Exposure of people or property to water related hazards such as flooding?			x
C) Discharge into surface waters or other alteration of surface water quality that substantially impact temperature, dissolved oxygen or turbidity, beneficial uses of receiving waters or areas that provide water quality benefits, or cause harm to the biological integrity of the waters?			x
D) Changes in flow velocity or volume of stormwater runoff that cause environmental harm or significant increases in erosion of the Project Area or surrounding areas?			x
E) Changes in currents, or the course or direction of water movements?			x
F) Change in the quantity of ground waters, either through direct additions or withdrawal, or through interception of an aquifer by cuts or excavations or through substantial loss of groundwater recharge capability?			x
G) Altered direction or rate of flow of groundwater?			x
H) Impacts to groundwater quality?			x

ENVIRONMENTAL SETTING

Surface Water/Drainage

The Project Area is part of a 450-acre watershed draining to Arcade Creek, which makes up the southern boundary of the Project Area. The American River is located approximately 2 miles south, and the Sacramento River is located approximately 3.3 miles west of the Project Area.⁶ There are natural swales throughout the Project Area, and all drain into Arcade Creek.

⁶ Google Maps, maps.google.com, 2008.

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Stormwater

The City obtained a municipal stormwater National Pollutant Discharge Elimination System (NPDES) permit from the State Water Resources Control Board (SWRCB) under the requirements of the federal Environmental Protection Agency (EPA) and Section 402 of the Clean Water Act (CWA). The goal of the permit is to reduce pollutants found in urban storm runoff. The general permit requires the City to employ BMPs before, during, and after construction, and the City enforces these requirements through conditions on private projects. The Stormwater Quality Design Manual for the Sacramento and South Placer Regions (May 2007) outlines the requirements to reduce urban runoff pollution to the maximum extent practicable (MEP) from new development and redevelopment projects. Temporary erosion and sediment controls and other pollution controls used during construction activities are governed by the City's Municipal Code Chapter 15.88, GESC Ordinance, as discussed in Section 3, above.

The primary objective of the BMPs is to reduce non-point source pollution into waterways. These practices include structural and source control measures for commercial areas and BMPs for construction sites. BMP mechanisms minimize erosion and sedimentation and prevent pollutants, such as oil and grease from entering the stormwater drains. BMPs are approved by the Department of Utilities prior to construction (the BMP document is available from the Department of Utilities, Engineering Services Division, 1395 35th Avenue, Sacramento, CA).

Flooding

The Federal Emergency Management Agency (FEMA) publishes Flood Insurance Rate Maps (FIRM) that delineates flood hazard zones for communities (Community-Panel Number 060266 0005 F). Approximately two-thirds of the Project Area is located outside any flood zone. Most of the remaining area is within a Zone X designation applied to areas of 500-year flood, areas of 100-year flood with average depths of 1 foot or with drainage areas less than 1 square mile, and areas protected by levees from 100-year flood, or areas of 100-year flood with average depths of 1 to 3 feet (ft; usually areas of ponding). This portion of the Project Area is in an area protected from the 1% annual chance (100-year) of flood by a levee, dike, or other structure subject to possible failure or overtopping during larger storms. A small area of the Project Area north of Arcade Creek, roughly between Altos Avenue, Ford Road, and May Street is located within Zone AH, with flood elevations up to 32 ft.

Groundwater

The Project Area is located within the Sacramento River Hydrologic Basin, as defined by the California Department of Water Resources (DWR). The aquifer system underlying the City is part of the larger Central Valley groundwater basin. The Sacramento, American, and Cosumnes rivers are the main surface water tributaries that drain much of Sacramento and recharge the aquifer system.

The City Department of Utilities requires that any groundwater discharges be regulated and monitored to reduce releases of contaminated groundwater. Engineering requirements to mitigate any potential impacts from any construction dewatering would be a subject to the City's required soils reports and geological investigations for building permits and would be controlled by permit through the City's public works departments.

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STANDARDS OF SIGNIFICANCE

Water Quality

For purposes of this environmental document, an impact is considered significant if the Amendment would result in substantially degraded water quality and result in a violation of any water quality objectives set by the SWRCB, due to increased sediments and other contaminants generated by consumption and/or operation activities.

Flooding

For purposes of this environmental document, an impact is considered significant if the Amendment would result in substantially increased exposure of people and/or property to the risk of injury and damage in the event of a 100-year flood.

ANSWERS TO CHECKLIST QUESTIONS

Questions A, D, and E

The Project Area is located within a developed urbanized area with existing infrastructure to accommodate existing drainage patterns. In many lower density residential areas, this consists of open drainage ditches along residential streets. Storm drainage for the Project Area is maintained by the City Department of Utilities. Stormwater drainage improvements are planned and financed by the Department of Utilities using a citywide stormwater utility fee.

Development occurring as a result of redevelopment activities during the extension of time and financing limits may alter drainage patterns on individual project sites. Additional development encouraged within the Project Area may also increase the amount of land covered with impervious surfaces. This over-covering of the land may increase the speed and amount of runoff during storms.

The City Utilities Department requires all new construction to include such measures as on-site storage and/or detention of site-generated storm water flows. Mitigation measures are identified at the individual project level to accommodate any changes in drainage patterns, based on the drainage and infrastructure conditions in the Project Area at the time of development. For example, the DPN storm drainage system was designed to accommodate development of the DPN Specific Plan Area (154-acres, or approximately 15% of the Project Area) and also improve existing drainage deficiencies in downstream areas. These drainage improvements consist of multi-use parks with detention storage and new storm drainage pipelines.

Adequate drainage facilities are required at the project level on a case-by-case basis as development proceeds. Future redevelopment engendered by the Amendment would therefore result in a *less-than-significant* change in absorption rates, drainage patterns, water movement, or the rate and amount of surface/stormwater runoff or erosion.

Question B

The majority of the Project Area is located outside the floodplain or within the 500-year floodplain, while a portion of the Project Area is located within an area protected by levees

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from a 100-year flood. A small, developed area of the Project Area is located within an area subject to flooding. Redevelopment could provide rehabilitation assistance in this existing residential area; any new development would be subject to the City's Municipal code section 16.40.350 regarding flood plain management. This code section requires the design of all subdivisions to provide adequate drainage to reduce exposure to flood damage and shall in all respects conform to the requirements of Title 15.104 of the Municipal Code, Floodplain Management Regulations, and the national flood insurance program regulations, set forth in Subchapter B of Title 44 of the Code of Federal Regulations Parts 59 and 60. The Amendment does not proposed any projects that would construct new housing or subdivisions in the AE zone, and existing local and federal regulations control future flood hazard exposure. Therefore, the potential exposure of people and/or property to the risk of injury and damage from a 100-year flood due to adoption of the Amendment would be *less than significant*.

Question C

The City provides guidelines for preventing stormwater pollution associated with construction activities through BMPs. All future redevelopment activities and development engendered by the Amendment is subject to City NPDES requirements. Temporary erosion and sediment controls and other pollution controls used during construction activities are governed by the GESC Ordinance, and operations must reduce urban runoff pollution to the MEP under the requirements of the NPDES permit. Therefore, future development engendered by the Amendment would control discharges into natural swales and receiving waters, and would have a *less-than-significant impact* on water quality.

Questions F, G, and H

Any dewatering activities associated with the redevelopment engendered projects must comply with the City's BMPs and applicable requirements established by the Central Valley RWQCB and the City to ensure that such activities would not result in substantial changes in groundwater flow or quality. Construction and operation dewatering would result in a minimal change to the existing dewatering system because construction is anticipated to occur during periods of lower groundwater in late summer and fall. All development must also be consistent with the General Plan and with the water demand outlined in the City's Urban Water Management Plan (see Section 12, Utilities, below). The proposed Amendment would therefore have a *less-than-significant impact* on groundwater quantity, flow, or quality.

MITIGATION MEASURES

No mitigation measures are required.

FINDINGS

Impacts associated with stormwater, flooding, groundwater, and water quality are *less than significant*.

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5. AIR QUALITY

Would the proposal:

Issues:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less-than-Significant Impact
A) Violate any air quality standard or contribute to an existing or projected air quality violation?			X
B) Result in exposure of sensitive receptors to pollutants?			X
C) Alter air movement, moisture, or temperature, or cause any change in climate?			X
D) Create objectionable odors?			X

ENVIRONMENTAL SETTING

The Project Area is located within the City and the Sacramento Valley Air Basin (SVAB), which is bounded by the Sierra Nevada on the east and the Coast Range on the west. Prevailing winds in the Project Area originate primarily from the southwest. These winds are the result of marine breezes coming through the Carquinez Strait. These marine breezes diminish during the winter months, and winds from the north occur more frequently at this time. Air quality within the Project Area and the surrounding region is largely influenced by urban emission sources.

The SVAB is subject to federal, state, and local air quality regulations under the jurisdiction of the Sacramento Metropolitan Air Quality Management District (SMAQMD). SMAQMD is responsible for implementing emissions standards and other requirements of federal and state laws. As there are minimal industrial emissions, urban emission sources originate primarily from automobiles. Home fireplaces also contribute a significant portion of the air pollutants, particularly during the winter months. Air quality hazards are caused primarily by carbon monoxide (CO), particulate matter (PM₁₀), and ozone (O₃), mainly as a result of motor vehicles.

Existing Attainment Status

The EPA and the California Air Resources Board (CARB) have designated the Sacramento region as a serious nonattainment area for O₃, with special requirements for the attainment of National Ambient Air Quality Standards (NAAQS). However, on January 24th, 2008 the SMAQMD Board requested that the EPA reclassify the Sacramento Federal Nonattainment Area (SFNA) from serious to severe nonattainment for the 8-hour O₃ NAAQS. (The Sacramento region was designated as a severe O₃ nonattainment area prior to the EPA's revocation of the 1-hour O₃ standard on June 15, 2005.) The County attainment status is outline in Table 2.

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TABLE 2
AIR QUALITY STANDARDS ATTAINMENT STATUS CHART
FOR SACRAMENTO COUNTY

Parameter	California Standard	Federal Standard
Ozone	Non-Attainment Classification = Serious (1 hour and 8 hour Standards)	Non-Attainment Classification = Serious (8 hour Standard)
Particulate Matter- 10 Micron	Non-Attainment (24 hour Standard and Annual Mean)	Non-Attainment*, Classification = Moderate (24 hr std)
Carbon Monoxide	Attainment (1 hour and 8 hour Standards)	Attainment (1 hour and 8 hour Standards)

¹ SMAQMD considers a project that is less than significant for ROG & NO_x to be less than significant for the other standards, therefore only O₃, PM₁₀ and CO are listed for this analysis.

Source: SMAQMD, retrieved on June 26, 2008 from <http://www.airquality.org/aqdata/attainmentstat.shtml>

Air Pollutants and Ambient Air Quality Standards (AAQS)

Both the state and the federal governments have established AAQS for several different pollutants. For some pollutants, separate standards have been set for different averaging periods (e.g., 1 hour, 8 hour, 24 hour, annual). Most standards have been set to protect public health, although some standards have been based on other values, such as protection of crops or materials, or avoidance of nuisance conditions. The pollutants of greatest concern for the Project Area are O₃ and inhalable particulate matter (PM₁₀).

Existing Air Quality Conditions

Existing air quality conditions in the vicinity of the Project Area can be characterized by monitoring data collected in the region. Air quality monitoring data is collected and reported by CARB. The closest monitoring station is located at the Sacramento Del Paso Manor monitoring station. Over the last several years, O₃ and PM₁₀ have exceeded the California Ambient Air Quality Standards (CAAQS). In 2005 and 2006, PM_{2.5} exceeded the NAAQS.⁷

Sensitive Receptors

The location of a development project is a major factor in determining whether it will result in localized air quality impacts. The potential for adverse air quality impacts increases as the distance between the source of emissions and members of the public decreases. Impacts on sensitive receptors are of particular concern. Sensitive receptors are facilities that house or attract children, the elderly, people with illnesses, or others who are especially sensitive to the effects of air pollutants. Hospitals, schools, convalescent facilities, and residential areas are examples of sensitive receptors. Residential uses are considered sensitive because people in residential areas are often at home for extended periods of time, so they can be exposed to pollutants for extended periods. Residential uses are located throughout the Project Area. As described by the SMAQMD, impacts on sensitive receptors result from

⁷ CARB ADAM Data Summaries, retrieved October 12, 2008 from <http://www.arb.ca.gov/adam/cgi-bin/db2www/adamtop4b.d2w/start>.

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land use conflicts such as proximity to toxic air contaminants (TACs), odorous emissions, high levels of nuisance dust emissions, or a new source of air pollutants (such as industrial uses).

STANDARDS OF SIGNIFICANCE

Significance criteria are the basis for determining whether projects would result in significant short-term or long-term impacts to local and regional air quality conditions.

Air Emissions

For the purposes of this initial study, impacts to air quality are considered significant if the proposed Amendment would conflict with or obstruct implementation of an applicable air quality plan.

In the Sacramento Federal Ozone Nonattainment Area, the Rate of Progress Plan has been adopted and the 2011 Reasonable Further Progress Plan is being considered for adoption, both to address attainment of the 8-hour O₃ NAAQS. Similarly, the 2003 Triennial Report and the 2006 Annual Progress Report address attainment of the O₃ CAAQS. The SMAQMD considers that any development project or plan with the following emissions of O₃ precursors, nitrogen oxide (NO_x) and reactive organic gases (ROG) would represent a significant conflict or obstruction to the success of the regional O₃ attainment plans:

- Short-term (construction) emissions of NO_x above 85 pounds per day (lbs/day)
- Long-term (operational) emissions of NO_x or ROG above 65 lbs/day
- Violate any AAQS or contribute substantially to an existing or projected air quality violation

The SMAQMD considers that the following concentrations of PM₁₀ would represent a significant violation of AAQS:

- PM₁₀ concentrations equal to or greater than five% of the CAAQS (i.e., 50 micrograms/cubic meter for 24 hours) in areas where there is evidence of existing or projected violations of this standard. Further, the SMAQMD holds that if project/plan emissions of NO_x and ROG are below the emission thresholds given above, then the project/plan would not threaten violations of the PM₁₀ AAQS

Toxic air contaminants (TACs) have no ambient air quality standards. The SMAQMD considers TAC exposures to be significant if:

- TACs create a risk of 10 in 1 million for cancer from stationary TAC source emissions, or greater than 446 in a million from mobile TAC source emissions
- Result in a cumulatively considerable net increase of any criteria pollutant for which the Project Area is in non-attainment under an applicable NAAQS or CAAQS (including the release of emissions that exceed quantitative thresholds for O₃ precursors)

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ANSWERS TO CHECKLIST QUESTIONS

Questions A-B

The Project Area is located within the SVAB, which is considered a non-attainment area for selected pollutants. Redevelopment projects made possible by the Amendment could involve rehabilitation, new construction, streetscape improvements, and infrastructure construction. Vehicles associated with redevelopment projects would produce emissions that contribute to regional O₃ and the deterioration of ambient air quality. In addition, air pollutants would be emitted by construction equipment and fugitive dust (PM) would be generated during grading and site preparation.

City departments preparing environmental review documents are required to use computer models (URBEMIS) to estimate air pollution impacts of development entitlements, land use plans, and amendments to land use regulations. In addition, all projects must achieve and implement the necessary emissions mitigation measures in compliance with SMAQMD rules and regulations or pay a mitigation fee.

The regional air quality plans in effect for the City are the SMAQMD's Rate of Progress Plan (February 2006) and 2011 Reasonable Further Progress Plan (February 2008), both of which address attainment of the federal 8-hour ozone standard, and the 2003 Triennial Report (April 2005) and the 2006 Annual Progress Report (October 2007), both of which address attainment of the state ozone standard.

There are no specific projects identified as a part of the Amendment. All future development engendered by the Amendment must be consistent with the General Plan, as amended from time to time. The 1986-2006 Sacramento General Plan Update (SGPU) DEIR identified urban emission sources as the primary source for existing air quality problems (SGPU DEIR, Z-6). The current general plan is being updated, and a Draft Master EIR (DMEIR) has been circulated for the proposed 2030 General Plan.

As discussed in Section 6.1 of the 2030 General Plan DMEIR, implementation of the 2030 Sacramento General Plan will result in a less than significant cumulative impact on O₃ and PM₁₀ pollutants. The 2030 General Plan is based on the promotion of "Smart Growth Principles" for future development. The 2030 General Plan favors a more compact growth pattern for the city, emphasizing infill development and reuse of underutilized properties over expanding outward into undeveloped areas known as "greenfields." By intensifying development near transit and mixed-use activity centers, it would reduce private automobile use in favor of mass transit, and encourage walking, bicycling, and alternative transportation modes by co-locating residential and employment uses. Thus, fuel consumption would decrease, with a consequent decline in air pollutant emissions. Also, there would be policy preferences for installation of reduced-emission construction equipment (see proposed General Plan Policy ER 6.1.13), removal of fireplaces/woodstoves, and siting sensitive land uses away from large pollutant sources.

The Amendment would be in furtherance of infill development and adopted Smart Growth goals and policies. The Amendment would extend the length of time that redevelopment tools and funding could assist in overcoming the existing infrastructure and disinvestment barriers that discourage infill development in the Project Area.

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As individual projects move forward for approval over the life of the Amendment, they will be required to analyze and mitigate construction and operational emissions, as well as identify any nearby sensitive receptors and any potential impact on those receptors. Redevelopment must be consistent with the General Plan, and sufficient procedures are in place to ensure site-specific analysis and mitigation occurs over the life of the Amendment. The Program EIR for the 6th Amendment determined that there would be no significant impacts on air quality, and no mitigation measures were adopted. Redevelopment will promote infill and brownfield development in the City and minimize the demand for greenfield construction and its resultant increase in vehicle miles traveled and air emissions, consistent with regional and local air quality goals. Therefore, the adoption of the Amendment will have a *less-than-significant* impact on air quality.

Questions C-D

The Amendment is necessary to secure the financial and administrative tools that enable the Agency to eliminate blight and upgrade buildings within the Project Area. The Amendment will remove the current shortfall in revenue to fund projects and extend the Agency's authority to acquire through eminent domain those properties that are not occupied as a residence. Extended redevelopment powers would assist in the development of new, energy efficient construction and rehabilitation to bring existing older buildings up to current codes and standards. The project does not propose any industrial uses that could alter moisture or cause a direct change in climate, or create objectionable odors. The Amendment supports the redevelopment and intensification of land uses in the City, consistent with the Regional Blueprint and City Smart Growth policies to reduce citywide carbon emissions. Impacts to air movement, moisture, or change in climate will be *less than significant*.

MITIGATION MEASURES

No mitigation measures are required.

FINDINGS

The proposed Amendment will not result in potentially significant violations of air quality standards or contribute to existing or projected air quality violations. Impacts associated with air quality are *less than significant*.

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6. TRANSPORTATION/CIRCULATION

Would the proposal result in:

Issues:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less-than-Significant Impact
A) Increased vehicle trips or traffic congestion?			X
B) Hazards to safety from design features (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?			X
C) Inadequate emergency access or access to nearby uses?			X
D) Insufficient parking capacity on-site or off-site?			X
E) Hazards or barriers for pedestrians or bicyclists?			X
F) Conflicts with adopted policies supporting alternative transportation (e.g., bus turnouts, bicycle racks)?			X
G) Rail, waterborne or air traffic impacts?			X

ENVIRONMENTAL SETTING

Regional access to the Project Area is provided by Interstate 80 (I-80). I-80 is one of the principal east-west interstate freeways in the United States, serving traffic between San Francisco and New York. I-80 is located along the northern boundary of the Project Area, with three to six lanes in each direction of travel.

Major north/south streets serving the Project Area include Marysville Boulevard, Rio Linda Boulevard, and Norwood Avenue. Marysville Boulevard, a four lane roadway on the eastern boundary of the Project Area, provides major links to I-80 to the north and to the Downtown area via Del Paso Boulevard over the American River. Rio Linda Boulevard varies from two to four lanes in width and connects the middle of the Project Area with Del Paso Boulevard to the south. On the western edge of the Project Area, Norwood Avenue also varies in width from two to four lanes and links I-80 with Del Paso Boulevard. Grand Avenue, a two lane roadway, provides the only continuous, east/west travel route through the Project Area.

Other important streets in the Project Area include two lane Taylor Street, Altos Avenue, Belden Street, and Dry Creek Road (north/south roadways) and North Avenue, Harris Avenue, and South Avenue (east/west roadways). The remaining streets within the Project Area are two way, two lane roadways which are predominantly residential in character. Commercial activity is located along Marysville Boulevard, Rio Linda Boulevard, Norwood Avenue, and Grand Avenue, and light industrial activity is located at Norwood and I-80. These streets are best characterized as arterial and collector streets, which have mostly commuter and shopping oriented trips.

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Although somewhat well served along its perimeter, the Project Area is closed off from the rest of North Sacramento. This is due to the lack of effective corridors' underutilized land adjacent to existing routes, and incoherent internal street patterns. The best example of this is the illogical street continuations which exist for almost all east/west streets when crossing Altos Avenue. Most east/west streets, with the exception of Grand Avenue, jog or terminate their lineal patterns upon intersecting Altos Avenue, thereby preventing a second east/west corridor.

Major signalized intersections in the Project Area are located along Marysville Boulevard, Norwood Avenue, and Grand Avenue. Most of the Project Area intersections are controlled by stop signs or are uncontrolled residential streets. Some streets in the Project Area are still lacking full street improvements including curbs, gutters, sidewalks, and street lighting. In addition, streets which are not yet dedicated to the city also exist.

The baseline public transportation for the Project Area includes bus and commuter rail service. Bus route numbers 14 (Norwood), 15 (Rio Linda Boulevard), 16 (Del Paso - Norwood), 19 (Rio Linda), and 86 (Norwood/Harris/Grand/Marysville Blvd) provide bus service through the Project Area. These routes provide service along various parts of Grand Avenue, Harris Avenue, Vern Street, Marysville Boulevard, Norwood Avenue, and Rio Linda Boulevard. Routes 18 and 86 also connect with the Marconi Arcade light rail station, which provides daily service to Downtown every 15 minutes from approximately 5:00 a.m. to 11:00 p.m. Light rail service operates in both directions between the Downtown area and the Watt Avenue and I-80 terminal, with 3 stations approximately 1.25 miles south and one station 0.5 miles southeast of the Project Area.

STANDARDS OF SIGNIFICANCE

For the purposes of this Initial Study, impacts on transportation and circulation are considered significant if the proposed 2030 General Plan would:

- **Roadways**

Cause the roadway facility to degrade from level of service (LOS) C or better to LOS D or worse. For facilities that are already worse than LOS C without the project, a significant impact occurs if the project increases the volume to capacity ratio (v/c) ratio by 0.02 or more on a roadway

[Note: The proposed policies for the 2030 General Plan would change the LOS policy for roadways such that the standard in multi-modal districts would be LOS E and the standard in all areas outside of multi-modal districts would be LOS D.]

- **Bikeways**

Eliminate or adversely affects an existing bikeway facility in a way that discourages bicycle uses; interferes with the implementation of a proposed bikeway; or results in unsafe conditions for bicyclists, including unsafe bicycle/pedestrian or bicycle/motor vehicle conflicts

- **Pedestrian Facilities**

Adversely affect an existing pedestrian facility or results in unsafe conditions for pedestrians, including unsafe pedestrian/bicycle or pedestrian/motor vehicle conflicts

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- **Transit System**
Change the project-generated ridership, when added to the existing or future ridership, exceeds existing and/or planned system capacity that adversely affects transit system operations or facilities in a way that discourages ridership (e.g., removes shelter reduces park and ride). Capacity is defined as the total number of passengers the system of buses and light rail vehicles can carry during the peak hours of operation.
- **Parking**
Exceed the available or planned parking supply for typical day conditions. However, the impact would not be significant if the project is consistent with the parking requirements stipulated in the City Code.

ANSWERS TO CHECKLIST QUESTIONS

Question A

The Redevelopment Plan permits the Agency to implement projects to improve traffic circulation. The proposed Amendment will allow the Agency to fund a greater number of improvements such as widening roads, adding parking, closing roads to improve circulation and parking in surrounding areas, and creating roads, bikeways, and sidewalks for housing developments. The projects proposed by the Agency are intended to improve circulation, mitigate traffic deficiencies, and provide general benefits to the Project Area consistent with the circulation element of the General Plan and other related documents.

Over the life of the Redevelopment Plan, additional public streets, alleys, and easements would be created in the Project Area as needed for proper use and/or development. It is anticipated that redevelopment may entail abandonment and/or realignment of certain streets, alleys, and other right-of-ways (ROWs). Any changes in the existing street layout would be in accordance with the General Plan, the objectives of the Redevelopment Plan, and the City's design standards. Redevelopment activities within the Project Area would encourage an intensification of commercial, residential, and other development. This additional development would generate additional vehicular movements throughout the Project Area and the City over existing conditions.

As noted in above in the Air Quality discussion, the 2030 General Plan is based on the promotion of Smart Growth Principles for future development. The 2030 General Plan favors a more compact growth pattern for the city, emphasizing infill development and reuse of underutilized properties over expanding outward into undeveloped areas known as greenfields. Under the proposed 2030 General Plan, the daily vehicle miles traveled (VMT) per capita in the City decreases by 13.2% when compared to build-out of the existing General Plan in 2030 (2030 No Project). This is a significant reduction and indicates that the proposed 2030 General Plan would accomplish one of its key mobility goals. The reduction in VMT per capita also indicates that the 2030 General Plan reinforces the Blueprint adopted by the Sacramento Area Council of Governments (SACOG), because the VMT per capita would be significantly lower with the 2030 General Plan than the 2030 No Project. Redevelopment of infill areas like the Project Area is a key component of the proposed 2030 General Plan.

All current roadway segments in the Project Area are currently operating at a LOS C or better (General Plan DMEIR, 2008). It is anticipated that Marysville Boulevard north of

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Grand Avenue would experience LOS E at build-out under the 2030 General Plan, but all other segments would remain at LOS C or better. Under the existing General Plan, this segment of Marysville Boulevard would operate at LOS F, and remains a significant and unavoidable impact. The Agency is preparing a Streetscape and Circulation Enhancement Plan to determine ways to improve pedestrian circulation and examine traffic patterns on the full corridor between I-80 and Arcade Creek. It focuses on the feasibility of diagonal and/or parallel parking on Marysville Boulevard from Harris to Roanoke avenues, examines the potential closure or limited access to Balsam Street to accommodate parking needs, and examines circulations patterns for the future Marysville Town Center. The Agency is intending to identify and allocate appropriate funds for the implementation of specific improvement projects once the plan is complete.

Most of the future cumulative traffic increase identified in the SGPU EIR would result from the development of industrial land uses north of the Project Area and I-80. I-80, located along the northern boundary of the Project Area, is projected to experience significant congestion. The City has adopted a Findings of Fact and Statement of Overriding Considerations for the Adoption of the Sacramento General Plan Update for cumulative impacts to roadways outside of the Project Area and I-80 (Findings, page 56-59). The Amendment will eliminate barriers to General Plan growth in the Project Area, as anticipated in the SGPU DEIR and in the proposed 2030 General Plan. The Amendment would not generate any impacts not previously considered in the SGPU EIR, and would enhance infill development in furtherance of Smart Growth policies and a regional reduction in VMT per capita. Therefore, the proposed Amendment would have a *less-than-significant* impact on vehicle trips or traffic congestion.

Question B, C and E

During construction of projects engendered by redevelopment, there could be hazards due to construction activities. Project construction could create a hazard to pedestrians and cyclists, or inadequate emergency access resulting in a potentially significant impact. A Traffic Management Plan (TMP) for these projects would be required for construction if warranted by the City's Traffic Engineer.

The public streets within the Project Area have no sharp curves or dangerous intersections. All land uses are urban. Over the life of the Redevelopment Plan, additional public streets, alleys, and easements may be created in the Project Area as needed for proper use and/or development. Existing streets and alleys may be abandoned, closed, or modified as necessary for proper use and/or development, or intersections and lane configurations may be modified. Any changes in the existing street layout would be in accordance with the City Code, General Plan, and the objectives of the Redevelopment Plan.

As development occurs in the Project Area, site design and off-site improvements will be subject to review by the City's Public Works Department and the City Traffic Engineer. All city departments, including fire and police, review the site design to ensure safe and adequate access, including emergency access. Any changes in the existing street layout would be in accordance with the City Code, General Plan, and the objectives of the Redevelopment Plan. The Amendment would not result in hazards or barriers for pedestrians or bicyclists from project design features. Adoption of the Amendment would have a *less-than-significant* effect on hazards or emergency access.

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Question D

Additional development encouraged by redevelopment activities will result in an increased demand in parking. Parking in some areas is already constrained, and additional development may exacerbate this situation. The Marysville Boulevard Corridor has inadequate parking facilities that contribute to the stagnation of the area's development and, more specifically, limit the use and reuse of the Project Area. Lack of parking can also interfere with pedestrian and vehicular circulation, creating disruptions in traffic flow as drivers are forced to circle blocks in search of a space and block traffic entering and exiting inadequately sized and poorly designed parking lots.

The provision of parking facilities is an allowable redevelopment activity, and there are several vacant lots on Marysville Boulevard which could function as public parking places serving nearby businesses. The Agency intends to assist in the provision of adequate parking in the Project Area. As noted above, a Streetscape and Circulation Enhancement Plan is being prepared that focuses on the feasibility of diagonal and/or parallel parking on Marysville Boulevard from Harris to Roanoke avenues. Adoption of the Amendment would have a *less-than-significant* effect on parking.

Questions F

The Project Area is well served by alternative transportation modes. Light rail transit runs south and southeast of the Project Area along Del Paso Boulevard, Arden Way and Auburn Boulevard. Bus routes serving the Project Area include routes 14, 15, 16, 19, and 86. There are existing bikeways along Carroll Avenue and Grand Avenue, and the 2010 Bikeway Master Plan identifies proposed bikeways along Hayes, Norwood, and Marysville Boulevard. The DPN project provides a Class II bike lane on either side of the Silver Eagle Road extension providing direct connections to a proposed new transit stop at Robertson Center on Norwood Avenue. This bikeway connects to the rest of the Project Area via Paseo Nuevo Street. DPN will also:

- Provide a Class III on-street bikeway on Ford Road
- Provide a Class III bikeway on South Avenue
- Provide a bus stop with route sign, bench and shelter at the northeast corner of the intersection of Silver Eagle Road and Norwood Avenue

Question G

The project is not adjacent to any rail line, waterway, or airport and would not result in uses that would generate significant rail, waterborne, or air traffic. All airports are greater than three miles from the Project Area, thus the site is not within any airport approach/departure zone. Therefore, the Amendment would result in a *less-than-significant* impact to these modes of transportation.

MITIGATION MEASURES

No mitigation measures are required.

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FINDINGS

The proposed Amendment would result in a ***less-than-significant impact*** on traffic congestion, hazards, inadequate emergency access, pedestrian and/or cycling access during project construction, transit capacity, parking, and rail, waterborne, and air traffic.

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7. BIOLOGICAL RESOURCES

Would the proposal result in impacts to:

Issues:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less-than-Significant Impact
A) Endangered, threatened or rare species or their habitats (including, but not limited to plants, fish, insects, animals and birds)?			X
B) Locally designated species (e.g., heritage or City street trees)?			X
C) Wetland habitat (e.g., marsh, riparian and vernal pool)?			X

ENVIRONMENTAL SETTING

The Project Area is currently developed with existing structures, and vacant areas of large lot residential parcels or where buildings have been previously demolished. Except for riparian areas along Arcade Creek, the majority of the Project Area has been previously graded for residential or commercial development. The only jurisdictional waters of the United States are within Arcade Creek, which forms the southern boundary of the Project Area.

Undeveloped portions of the Project Area support non-native ruderal vegetation and planted trees. Landscaped vegetation is associated with residential units and commercial buildings. Remnant valley oaks in ruderal lots and riparian vegetation along Arcade Creek are the main native vegetation types. The dominant vegetation consists of artificially irrigated ornamental plantings. Most of the vacant parcels in the Project Area support non-native annual grassland habitat. Most of the developed parcels support a variety of non-native ornamental species including street trees, shrubs, herbaceous flowerbeds, and lawns. Native trees and shrubs are occasionally interspersed in native landscapes. Riparian vegetation associated with Arcade Creek is dominated by various species of willow, Fremont's cottonwood, and box-elder. This habitat type also supports shrubs and vines – such as California buttonwillow and Himalayan blackberry - as well as herbaceous species – that include common knotweed, yellow water primrose, common tule, stinging nettle, and mugwort.

Special status plant and wildlife species were discussed in the Program EIR for the 6th Amendment. No records of special state plant or wildlife species have been identified in the Project Area in the California Natural Diversity Data Base (CNDDDB, October 10, 2008). However the Project Area provides potential nesting or foraging habitat for raptors, including Swainson's hawk and burrowing owl. Swainson's hawk is a state-listed species, while the burrowing owl is a California Department of Fish and Game (CDFG) Species of Special Concern. Although the Project Area's open lands represent potential Swainson's hawk foraging habitat, and hawks could forage periodically, the urban nature of the project site and its discontinuous patches of open ruderal parcels likely limit this species' use of the site.

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Although not observed and regular discing likely precludes presence, burrowing owls could nest in the ruderal areas in the Project Area.

City of Sacramento Tree Protections

The City protects both Heritage Trees and City street trees. Under the Heritage Tree Ordinance (Title 12, Chapter 12.64 of the Municipal Code), a permit is required from the City for the removal of any heritage tree. Provisions of the Ordinance are intended to protect heritage trees. A heritage tree is defined by ordinance as follows:

- Any tree species with a trunk circumference of 100 inches or more, which is of good quality in terms of health, vigor of growth and conformity to generally accepted horticultural standards of shape and location for its species.
- Any native *Quercus* species, *Aesculus californica* or *Platanus racemosa*, having a circumference of 36 inches or greater when a single trunk, or a cumulative circumference of 36 inches or greater when a multi-trunk.
- Any tree 36 inches in circumference or greater in a riparian zone. The riparian zone is measured from the center line of the water course to 30 ft beyond the high water line.
- Any tree, grove of trees, or woodland trees designated by resolution of the City Council to be of special historical or environmental value or of significant community benefit.

A City street tree is defined by the City to mean and include any tree growing on a public street right-of-way, and are protected under Municipal Code Title 12, Chapter 12.56. City street trees are to be maintained by the City. No person shall remove, trim, prune, cut or otherwise perform any maintenance on any city street tree without first obtaining a permit from the director pursuant to Municipal Code Section 12.56.070.

STANDARDS OF SIGNIFICANCE

For purposes of this Initial Study, an impact would be significant if the Amendment would result in the following:

- Creation of a potential health hazard, or use, production, or disposal of materials that would pose a hazard to plant or animal populations in the area affected
- Substantial degradation of the quality of the environment, reduction of the habitat, reduction of population below self-sustaining levels of threatened or endangered species of plant or animal
- Affect other species of special concern to agencies or natural resource organizations (such as regulatory waters and wetlands)
- Violation of the Heritage Tree Ordinance (City Code 12.64.040)

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ANSWERS TO CHECKLIST QUESTIONS**Question A**

No special status species have been observed foraging within the Project Area, and it is very unlikely that Swainson's hawk uses the highly disturbed ruderal habitats that occur as discontinuous patches in the Project Area. Even if raptors forage in these areas occasionally, this habitat does not constitute an important acreage of foraging territory.

The burrowing owl is a CDFG Species of Special Concern, and is a year-round resident in the Central Valley. This species prefers open annual or perennial grasslands, including heavily disturbed areas with existing burrows, elevated perches, large areas of bare ground or low vegetation, and few visual obstructions. Burrows are typically located near water where large numbers of prey species, primarily insects, are found; no water sources are located in the Project Area where infrastructure and development projects might occur. No redevelopment actions are proposed within the floodplain of Arcade Creek.

Therefore, the potential for the Amendment and subsequent redevelopment activities to have an adverse impact on Swainson's hawks or any other special status species or habitat or burrowing owls is considered low, and infrastructure improvements and/or development projects in the Project Area would have a *less-than-significant* impact on special status species.

Question B

The Project Area contains street trees and mature trees that would be regulated under the City's Municipal Code. Infrastructure improvements and development that occurs in furtherance of the Amendment would be required to assess any potential project specific construction impacts to trees, in coordination with the City Arborist. Heritage trees in the Project Area would be protected by the Heritage Tree Ordinance. Heritage trees are defined by the Ordinance as trees of any species having a trunk circumference of 100 inches or more diameter at breast height (DBH), which are of good quality in terms of health, vigor of growth, and conformity to generally-accepted horticultural standards of shape for its species.

The 6th Amendment EIR determined that the loss of heritage trees would be a significant impact. The following mitigation measure was adopted from the 6th Amendment EIR to reduce this impact to *less than significant*, and remains applicable to the Eleventh Amendment:

Adopted 6th Amendment Mitigation Measure 4.5-1

The following measures should be implemented to reduce potential impacts to heritage trees:

4.5-1a To the extent feasible, existing heritage trees shall be retained and incorporated into proposed development and/or landscaping plans; or,

4.5-1b If heritage trees cannot be avoided and will likely be removed, a certified arborist shall conduct a tree survey to identify the diameter at breast height (DBH), height, location, and health of the trees to be removed. This information is required

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for a permit to remove the trees. Recommendations for tree planting/replacement ratios and appropriate planting sites would also be included in this report.

Question C

The Project does not contain any wetlands or any soils or vegetation that indicates the presence of wetlands or waters of the United States on the site, except along the floodplain of Arcade Creek. No wetlands were identified in the Project Area in the 2030 General Plan Draft MEIR (Figure 6.3-1), except along Arcade Creek; no development activities are allowed within the floodplain of Arcade Creek. Therefore, the Amendment would have *no impact* on wetland habitat.

MITIGATION MEASURES

No mitigation measures are required. Mitigation Measure 4.5-1 from the 6th Amendment EIR is still required for redevelopment actions in the Project Area.

FINDINGS

The proposed Amendment would result in a less-than-significant impact on special status plants, special status species, or heritage trees. No mitigation measure beyond compliance with Mitigation Measure 4.5-1 from the 6th Amendment EIR is required for the proposed Amendment. Therefore, the Amendment would result in a ***less-than-significant*** impact on biological resources.

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8. ENERGY

Would the proposal result in impacts to:

Issues:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less-than-Significant Impact
A) Power or natural gas?			X
B) Use non-renewable resources in a wasteful and inefficient manner?			X
C) Substantial increase in demand of existing sources of energy or require the development of new sources of energy?			X

ENVIRONMENTAL SETTING

Gas service is supplied to the City and the Project Area by Pacific Gas and Electric (PG&E). PG&E gas transmission pipelines are concentrated north of the City. Distribution pipelines are located throughout the City, usually underground along City and County public utility easements (PUEs).

Electricity is supplied to the City and the Project Area by the Sacramento Municipal Utility District (SMUD). SMUD operates a variety of hydroelectric, photovoltaic, geothermal, and co-generation power plants. SMUD also purchases power from PG&E and the Western Area Power Administration. Major electrical transmission lines are located in the northeastern portion of the City.

STANDARDS OF SIGNIFICANCE

Gas Service

A significant environmental impact would result if a project would require PG&E to secure a new gas source beyond their current supplies.

Electrical Services

A significant environmental impact would occur if a project resulted in the need for SMUD to secure a new electrical source (e.g., hydroelectric and geothermal plants) beyond their current supplies.

ANSWERS TO CHECKLIST QUESTIONS

Questions A through C

In the context of energy service, a significant impact is defined as a capacity demand that cannot be met by existing or presently programmed supply, transmission, and distribution facilities and that requires the construction of significant amounts of additional facilities.

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Increased demands on natural gas and electricity resources are met either by current PG&E or SMUD infrastructure, respectively, or upgraded/new facilities if the demand is increased beyond existing local infrastructure capacity. Continued development within the Project Area will likely result in increased levels of energy consumption as densities increase, although climate change requirements, the City's sustainability requirements, and rehabilitation and new construction will bring older buildings and sites up to current energy efficiency standards. Development will also require the extension of new service lines and mains. New electrical substations or the expansion of existing substations may be necessary to serve the electrical demands of future development. New natural gas facilities may also be necessary to serve development. Provided that energy supplies and necessary facilities are provided in a timely way to serve development, effects related to energy will be less than significant.

Individual redevelopment projects will be assessed the cost of upgraded/new facilities on a case-by-case basis if required because of the increased demand. New developments are required to coordinate with PG&E or SMUD, respectively, to assure that natural gas and electricity is efficiently supplied. Because redevelopment engendered projects must be consistent with the General Plan, redevelopment would not generate a demand that would require PG&E to secure a new gas source beyond their current suppliers or SMUD to secure a new electricity source beyond their current suppliers.

Besides the direct consumption of energy mentioned above, construction projects also consume indirect energy. For example, indirect energy is consumed through construction related services that use raw materials/natural resources to manufacture the construction materials. A steel beam used in construction indirectly represents energy consumed through mining and the extraction of raw materials, the manufacturing process, and the transportation of the material. This indirect energy typically represents about three-quarters of the total construction energy consumption. There is no threshold established by which the impact of indirect energy consumption can be evaluated since it is so widespread throughout the national economic structure. Construction waste recycling requirements are one program instituted to reduce indirect energy consumption.

The City has adopted an energy conservation review checklist and development guidelines for all projects and site plan reviews. The intent of the guidelines is to encourage consideration of energy conservation measures in the preliminary development stages so that project related energy consumption is minimized. In addition to the checklist, Plan Review of the energy facilities for development occurs during the design review stage of the planning process. New development engendered by redevelopment is also required to meet State Building Energy Efficient Standards (CCR Title 24) and will have energy conservation measures built into the project. Therefore, the proposed Amendment would have a *less-than-significant* impact on energy resources.

MITIGATION MEASURES

No mitigation measures are required.

FINDINGS

The proposed Amendment would result in *less-than-significant* energy resource impacts.

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9. HAZARDS

Would the proposal involve:

Issues:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less-than-Significant Impact
A) A risk of accidental explosion or release of hazardous substances (including, but not limited to: oil, pesticides, chemicals or radiation)?			X
B) Possible interference with an emergency evacuation plan?			X
C) The creation of any health hazard or potential health hazard?			X
D) Exposure of people to existing sources of potential health hazards?			X
E) Increased fire hazard in areas with flammable brush, grass, or trees?			X

ENVIRONMENTAL SETTING

The Project Area is an extensively developed area containing both commercial and industrial uses. Several sites in this area have been identified by CERCLIS, the Cal/EPA or the State Water Resources Control Board as having hazardous substance releases or leaking underground fuel tanks (LUFTs). In addition, many sites were identified by Federal and/or State databases as hazardous waste generators, underground storage tank (UST) permit holders, or as responsible parties who had successfully completed cleanup. These sites were identified in the 6th Amendment EIR (Chapter 4.6).

The Project Area's existing land uses are mainly residential; however there are some commercial and industrial uses on the western and eastern sides, with some scattered public and institutional land uses. Commercial uses are concentrated in the eastern portion of the Project Area, on Marysville Boulevard extending from I-80 on the north to Los Robles Road on the south. Industrial uses are concentrated at the northwestern corner of the Project Area and are scattered along Marysville Boulevard in the northeastern corner. There are also a limited number of industrial parcels in the center of the Project Area north of South Avenue and south of Silvano Street.

Nonresidential land uses in the Project Area include commercial uses such as strip retail centers, small multi-tenant one-story office buildings, liquor/convenience stores, service stations, automotive repair shops, car dealers, restaurants, fast food, medical/dental offices, warehouse-type stores, and vacant sites. Limited industrial uses such as glass fabrication and wood products are also present. Sources of contamination within the Project Area include both commercial and industrial uses. In addition, existing structures for all types of land uses may contain asbestos, lead-based paint, and Polychlorinated biphenyl (PCB).

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STANDARDS OF SIGNIFICANCE

For the purposes of this document, an impact is considered significant if the proposed Amendment would expose people (e.g., residents, pedestrians, construction workers) to:

- Existing contaminated soil during construction activities
- Asbestos-containing materials (ACM)
- Existing contaminated groundwater during dewatering activities

ANSWERS TO CHECKLIST QUESTIONS

Questions A, C, and D

There are a number of constituents of concern that are common in a redevelopment area due to former uses and previously used substances. These include asbestos, lead, heavy metals and solvents, PCB, and hydrocarbon contamination of soil and groundwater from LUFTs.

Asbestos, a naturally-occurring fibrous material, was used as a fireproofing and insulating agent in building construction, before such uses were terminated due to liability concerns in the late 1970s. Because it was widely used prior to the discovery of its health effects, asbestos may be found in a variety of building materials and components such as insulation, walls and ceilings, floor tiles, and pipe insulation. Friable (easily crumbled) materials are particularly hazardous because inhalation of airborne fibers is the primary mode of asbestos entry into the body. Non-friable asbestos is generally bound to other materials such that it does not become airborne under normal conditions. Non-friable asbestos and encapsulated friable asbestos do not pose substantial health risks.

Asbestos exposure is a human respiratory hazard. Asbestos-related health problems include lung cancer and asbestosis. California Occupational Safety and Health Administration (Cal/OSHA) considers asbestos-containing material (ACM) a hazardous substance when a bulk sample contains more than 0.1% asbestos by weight. Cal/OSHA requires that a qualified contractor licensed to handle asbestos materials handle any material containing more than 0.1% asbestos by weight. Any activity that involves cutting, grinding, or drilling during building renovation or demolition or relocation of underground utilities could release friable asbestos fibers unless proper precautions are taken. Inhalation of airborne fibers is the primary mode of asbestos entry into the body, making friable materials the greatest potential health risk.

There are currently federal laws and regulations in place that regulate the use, removal, and disposal of ACM. Such laws and regulations include:

- Toxic Substances Control Act of 1976 (TSCA; 15 USC. § 2601 et seq.)
- Clean Air Act (CAA; 42 USC. § 7401 et seq.)
- Title 40 Code of Federal Regulations (CFR) Part 763 and 61

Lead could also be present on the Project Area. Among its numerous uses and sources, lead can be found in paint, water pipes, solder in plumbing systems, and in soils around buildings and structures painted with lead-based paint. Excessive exposure to lead (even

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low levels of lead) can result in the accumulation of lead in the blood, soft tissues, and bones. Children are particularly susceptible to potential lead-related health problems because it is easily absorbed into developing systems and organs.

Heavy metals can also be found in and around older structures. Old light tubes, thermostats, and other electrical equipment typically contain heavy metals such as mercury. Elemental mercury can also be found in many electrical switches. Due to accidental spills and historic disposal practices before the adoption of more stringent disposal regulations, it is possible elemental mercury may be present on the site. Mercury liquid evaporates slowly if exposed to air, and, at certain levels of exposure, mercury vapors are toxic and can cause kidney and liver damage.

Another common contaminate found in older structures is PCB, an organic chemical, usually in the form of an oil that was historically used in electrical equipment. PCBs are most commonly associated with pole-mounted electrical transformers, but they were also used in insulators and capacitors in building electrical equipment. PCBs are highly persistent in the environment, and exposure to PCBs can cause serious liver, dermal, and reproductive system damage. PCBs are also a suspected human carcinogen. PCBs were not phased out until the late 1970s and into the 1980s; therefore, it is possible that older electrical equipment in buildings that may be rehabilitated or demolished as part of a redevelopment engendered project could contain this contaminant.

Leaking underground storage tanks in the Project Area are also a source of soil and groundwater contamination at a number of sites. The identified LUFT sites are undergoing remediation pursuant to the lead regulatory agency requirements.

Hazardous materials used during construction could include, but would not necessarily be limited to fuels, paints, solvents, cements, and glues. Hazardous materials use during past occupancy of an existing building would not change significantly with the change in uses – they would generally be limited to small quantities of such items as cleaning agents and pesticides. Because of their limited use and small amounts, the potential risk, release, or creation of health hazards would be minimal.

There is a regulatory framework in place that governs the removal and disposal of hazardous substances once identified. Any demolition activities would be subject to all applicable federal, state, and local regulations to minimize potential risks to human health and the environment, and worker and public safeguards would be included in the demolition contract. Sacramento County is responsible for enforcing the state regulations, both in the city and the county, governing hazardous substance generators, hazardous substance storage, and underground storage tanks (including inspections, enforcement, and removals). The Sacramento County Hazardous Materials Division (HMD) regulates the use, storage, and disposal of hazardous substances in Sacramento County by issuing permits, monitoring regulatory compliance, investigating complaints, and other enforcement activities. Where contamination affects groundwater, the Regional Water Quality Control Board may take jurisdiction over groundwater remediation.

Hazardous materials regulations, which are codified in CCR Titles 8, 22, and 26, and their enabling legislation set forth in Chapter 6.95 of the California Health and Safety Code, were established at the state level to ensure compliance with federal regulations to reduce the risk to human health and the environment from the routine use of hazardous substances.

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These regulations must be implemented by employers/businesses, as appropriate, and are monitored by the state (e.g., Cal/OSHA in the workplace or Department of Toxic Substances Control (DTSC) for hazardous waste) and/or local jurisdictions (e.g., the City of Sacramento Fire Department (SFD) and Sacramento County Emergency Management Department (SCEMD)).

Compliance with CCR Title 26, Division 6, which would be monitored by the City, would reduce impacts associated with the potential for any accidental release of hazardous materials during construction of the project and the potential for an increased demand for incident emergency response. Implementation of and compliance with applicable federal and state laws and regulations that are administered and enforced by the SCEMD and SFD standards (the local agency that implements applicable hazardous materials-related sections of the Uniform Fire Code and Uniform Building Code) would reduce impacts associated with the routine use, storage, and transportation of hazardous materials within the Project Area. Compliance with adopted regulations governing demolition and the routine use, storage, and transportation of hazardous materials would generally ensure the potential for accidental release of hazardous materials or exposure of people to health hazards would be *less than significant*.

However, redevelopment activities often involve the rehabilitation or reuse of older properties that may result in the discovery of previously unidentified contaminated properties, or provide for reuse of identified, but not yet remediated sites. Historical uses which have created releases of hazardous substances or petroleum products may be masked by the present or recent uses of the property. Excavation could damage unidentified USTs with some remaining petroleum products that could result in the exposure of construction workers and in the associated significant adverse health effects. In addition, construction activity could uncover unknown sites of soil contamination that could result in the exposure of construction workers and in the associated significant adverse health effects. The 6th Amendment EIR determined that this would be a significant impact that would be mitigated to less than significant by the following measure:

Adopted 6th Amendment EIR Mitigation Measure 4.6-2:

A thorough examination of past property uses shall be required for redevelopment projects prior to demolition or construction. This examination shall conform to the Phase I Environmental Site Assessment process established by ASTM (E1527-00), and shall include a site reconnaissance, a review of regulatory databases, interviews with persons knowledgeable of the property, and a review of past property uses using appropriate historical sources.

Question B

Development on the Project Area would not interfere with either an adopted emergency response plan or an emergency evacuation plan. No routes used for emergency access and response would be adversely affected by the Amendment.

Question E

The proposed Amendment would not create an increased fire hazard in areas with flammable brush, grass, or trees.

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MITIGATION MEASURES

No additional mitigation beyond compliance with local, state, and federal laws and regulations and Mitigation Measure 4.6-2 from the 6th Amendment EIR is required for redevelopment actions in the Project Area.

FINDINGS

Compliance with adopted regulations governing demolition and the routine use, storage, and transportation of hazardous materials and Mitigation Measure 4.6-2 would ensure the potential for accidental release of hazardous materials or exposure of people to health hazards would be ***less than significant***.

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10. NOISE

Would the proposal result in:

Issues:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less-than-Significant Impact
A) Increases in existing noise levels? Short-term Long Term			X X
B) Exposure of people to severe noise levels? Short-term Long Term			X X

ENVIRONMENTAL SETTING

The major sources of noise in the Project Area include surface traffic on local streets and highways. Stationary noise sources, such as activity at industrial and commercial facilities, also contribute to the existing noise environment. The Project Area is outside the projected noise contours for the McClellan Business Park.

Surface Traffic

Noise levels attributable to existing and future roadway surface traffic in the Project Area were analyzed in the 2030 General Plan DMEIR. Major roadways considered include I-80, Marysville Boulevard, Rio Linda Boulevard, Grand Avenue, and Norwood Avenue. The City monitored existing ambient noise for Project Area surface streets at a normalized distance of 100 ft from the center of the roadway⁸. The 2030 General Plan Project Traffic Noise Levels/Contours identified 64.9 dBA-CNEL⁹ on Norwood Avenue, 58.5-60.3 dBA-CNEL on Rio Linda Boulevard, 56.6-62.4 dBA-CNEL on Marysville Boulevard, 57.1 dBA-CNEL on Grand Avenue, and greater than 70 dBA-CNEL along I-80. These projected noise levels were based on anticipated 2030 traffic volumes at General Plan build-out.

The calculated noise exposure along the freeway and city streets depicts the actual exterior noise environment within ± 2 dB at typical building setbacks. The L_{dn} ¹⁰ at greater distances from these roads decreases at a rate of 3-4.5 dB per doubling of distance from the source due to increased distance alone. Additionally, the shielding provided by intervening buildings and terrain changes can further reduce noise levels. A typical row of homes, for example, will reduce noise levels by 5-8 dB, depending upon the spacing between the

⁸ City of Sacramento 2030 General Plan MDEIR, page 6.8-35 through 6.8-41, 2008.

⁹ Community Noise Equivalent Level (CNEL) is an L_{dn} with an additional 5 dBA "penalty" for the evening hours between 7:00 p.m. and 10:00 p.m.

¹⁰ Day-Night Average Sound Level. The average equivalent sound level during a 24-hour day, obtained after addition of ten decibels to sound levels in the night after 10:00 p.m. and before 7:00 a.m.

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buildings. A relatively solid row of commercial buildings will reduce noise levels by about 15 dB.

Where existing residences, schools, or other noise-sensitive uses are located along Norwood Avenue, Marysville Boulevard and I-80, the baseline traffic noise level exceeded the 65-dBA CNEL threshold for noise-land use compatibility, indicating that the receptors in those areas are adversely affected by traffic noise under existing conditions.

Stationary Sources

There are no substantial fixed or stationary sources of noise located in the Project Area. Stationary sources of noises such as ventilating equipment, pumps, and compressors; light industrial manufacturing facilities; auto dismantlers; automotive repair facilities; outdoor recreation facilities; and heating, ventilating, and air conditioning (HVAC) equipment are located throughout the Project Area, but do not generate substantial noise.

Sensitive Receptors

The Project Area encompasses mostly single-family residences with lower densities near Norwood Avenue and higher densities near Marysville Boulevard. Noise sensitive land uses in the Project Area include Grant Union High School near Marysville Boulevard and Grand Avenue, Del Paso Heights Elementary School on Morrey Avenue and Norwood Avenue, and North Avenue Elementary School, at North Avenue and Dry Creek Road. North Avenue Elementary School is within the noise contours of I-80 and is already being adversely affected by traffic noise under current conditions.

STANDARDS OF SIGNIFICANCE

Thresholds of significance are those established by the CCR Title 24 standards, the General Plan Noise Element, and the City Noise Ordinance. Noise and vibration impacts resulting from the implementation of the proposed Amendment would be considered significant if they cause any of the following results:

- Exterior noise levels at the proposed project which are above the upper value of the normally acceptable category for various land uses (SGPU DEIR AA-27) caused by noise level increases due to the project
- Residential interior noise levels of L_{dn} 45 dB or greater caused by noise level increases due to the project
- Construction noise levels not in compliance with the City's Noise Ordinance

ANSWERS TO CHECKLIST QUESTIONS

Question A

Implementation of the Amendment will eliminate barriers to planned development in the Project Area by providing funding for infrastructure improvements and development assistance. This would allow development to occur consistent with the existing General Plan. By removing barriers to growth, the Amendment will stimulate increased population and employment growth in the Project Area. It would also help to remove barriers to

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development of residential, commercial, and industrial infill parcels, which would result in increased traffic volumes along major roadways and local streets. However, such growth would be consistent with General Plan land use designations and policies, and is therefore anticipated and addressed by existing plans, policies, and ordinances. The increase in trips along a particular roadway would depend on the number of additional trips generated (which would depend on the types of land uses developed), and the distribution of these trips on the area roadway network (which would depend on future land use patterns). Overall, however, the traffic noise generated by Project Area development either as a direct or indirect result of redevelopment activities would not exceed that projected by the existing General Plan.

Only a small percentage of the additional noise would be caused by traffic of projects engendered by the Amendment. Cumulative traffic will increase noise levels by less than 3 dBA along Project Area roadways, therefore noise level increases along Project Area roadways would be *less than significant*.

Question B

Construction activities related to public and private projects undertaken as a result of the Redevelopment Plan could result in an increase in ambient noise levels during construction. Preliminary ground work activities would involve excavation, grading, earth movement, stockpiling, and haul-vehicle travel. Construction activities such as foundation laying, building construction, and finishing operations would generate noise at construction sites, and construction equipment would generate vehicular noise both on and off a site. Construction-related material haul would raise ambient noise levels along haul routes, depending on the number of haul trips made and types of vehicles used. Construction equipment and activities would likely have more of an intrusive and disturbing effect on nearby sensitive receptors than actually raise time-averaged noise levels.

Construction noise was identified in the 6th Amendment EIR as a short-term significant and unavoidable impact. The City Noise Ordinance requires that all internal combustion engines used in construction must be equipped with suitable exhaust and intake silencers, which are in good working order. However, exceedances of noise standards can still occur as discussed above, resulting in temporary adverse impacts on sensitive receptors during construction. A Statement of Overriding Considerations was adopted for the 6th Amendment. There are no new construction noise impacts resulting from the adoption of the Eleventh Amendment beyond those previously identified.

Traffic noise levels adjacent to the major road segments within the Project Area currently exceed normally acceptable levels for sensitive receptors. Sensitive receptors along the heavily traveled major roadways are currently exposed to noise levels above the recommended standards. Additional traffic on these roadways would incrementally increase the magnitude of impact. Where such receptors already exist, the Amendment could have a beneficial impact by providing additional funding for rehabilitation actions such as dual paned windows and insulation that could mitigate existing interior noise levels, or by providing streetscape or roadway improvements that could reduce exterior ambient noise levels.

Redevelopment activities would also encourage infill residential development on some parcels currently impacted by excessive roadway noise, especially in the area north of Grand Avenue near I-80. Modern construction methods typically provide a 25 to 30 dBA

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reduction between exterior and interior noise, which would normally reduce interior noise levels to less than 45 dBA without mitigation. However, in the conditionally acceptable and normally unacceptable areas, including within 500 ft of I-80, or within 150 ft of Norwood Avenue, Marysville Boulevard, Rio Linda Boulevard, and Grand Avenue, an acoustical assessment would be required to ensure that interior dwelling unit noise levels of 45 dBA or less are maintained for new construction.

The General Plan Noise Element policies call for the analysis of specific projects to determine whether outdoor and indoor levels would comply with the Noise Element standards. However, this requirement is triggered only on discretionary projects, and many single-family infill projects would be exempt from City entitlement review. Therefore, actions to encourage residential development in areas with existing and projected ambient noise levels above 60 dB were considered potentially significant in the 6th Amendment EIR. Mitigation Measure 4.4-4 was adopted to reduce this impact to less-than-significant.

Adopted 6th Amendment EIR Mitigation Measure 4.4-4:

For all redevelopment funded projects within 500 feet of Interstate 80 and within 150 feet of Norwood Avenue, Rio Linda Boulevard and Marysville Boulevard, the Agency shall provide adequate and appropriate sound barriers or conduct an acoustical analysis to ensure existing construction methods are adequate to insure interior noise levels of 45 dBA or less are maintained for future ambient noise levels. If necessary, appropriate noise insulation measures shall be identified and included in the construction documents to the satisfaction of the City Building Division.

MITIGATION MEASURES

No additional mitigation beyond compliance with local, state, and federal laws and regulations and Mitigation Measure 4.4-4 from the 6th Amendment EIR is required for redevelopment actions in the Project Area.

FINDINGS

The proposed Amendment would have **less-than-significant** noise impacts with previously adopted mitigation.

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11. PUBLIC SERVICES

Would the proposal have an effect upon, or result in a need for new or altered government services in any of the following areas:

Issues:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less-than-Significant Impact
A) Fire protection?			X
B) Police protection?			X
C) Schools?			X
D) Maintenance of public facilities, including roads?			X
E) Other governmental services?			X

ENVIRONMENTAL SETTING

The City's General Fund and other special collections such as Measure G, state school funds, and developer fees provide the financial support to achieve basic safety, school, library, and park services. The City does not recognize the level of provision of these services as physical environmental impacts. The City views police, fire, schools, library, and park services as basic social services it is obligated to provide.

Fire Protection

The SFD provides fire protection services to the entire City, which includes the Project Area, and some small areas just outside the City boundaries within the County limits. The SFD operates approximately 21 stations in the City. The fire stations that serve the Project Area and their equipment include:

- Fire Station 17, located at 1311 Bell Avenue with an Engine, Grass truck, Truck, and a Medic
- Battalion 3 Headquarters/Fire Station 20 (HazMat), located at 2512 Rio Linda Boulevard with an Engine, Truck, HazMat Unit, Medic, and Heave Rescue.

Fire Station 20 is the closest station to the Project Area.

Police Protection

The Sacramento Police Department (SPD) provides police protection for the City. The Project Area is within the service area of the William J. Kinney Police Station located at 3550 Marysville Boulevard.

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Schools

The Project Area is primarily located within the Twin Rivers Unified School District, encompassing 120 square miles in northern Sacramento County. The district serves approximately 30,000 students in preschool through adult education. A small portion of the Project Area north of North Avenue between Rio Linda Boulevard and Marysville Boulevard is located within the boundaries of the Robla School District.

STANDARDS OF SIGNIFICANCE

For the purposes of this report, an impact would be considered significant if the project resulted in the need for new or altered services related to fire protection, police protection, school facilities, roadway maintenance, or other governmental services.

ANSWERS TO CHECKLIST QUESTIONS

Questions A and B

Development projects in the City are required to incorporate design features identified in the Uniform Building Code and the California Fire Code. Both the Sacramento Police Department (SPD) and the Sacramento Fire Department (SFD) are given the opportunity to review and comment on the site design features that could affect public or fire safety.

The proposed Amendment would result in the elimination of barriers to General Plan growth, thus increasing Project Area population over existing conditions. It would also provide private assistance and public improvements such as housing and commercial rehabilitation, street improvements, economic development, and social services. The need for fire and emergency services should not be substantially increased because the Amendment would reduce existing fire hazards through the rehabilitation of substandard residential, commercial, and industrial buildings, and reduce the socio-economic stresses that contribute to increased crime. Efforts to eliminate blight in the Project Area and public facilities and service programs may have a beneficial impact on police service levels by reducing crime levels. The incorporation of fire safety measures required by the Uniform Building Code, the Uniform Fire Code, City permitting requirements, and Crime Prevention through the Environmental Design Program are expected to reduce any physical public safety impacts associated with the redevelopment activities to a *less than significant* level.

Question C

The Project Area is located within the Twin Rivers Unified School District and the Robla School District. State law (Senate Bill 50, Chapter 407, Statutes of 1998) authorizes the school district to assess a school impact fee on commercial and residential development, which would mitigate any effect on local schools. New residential development must be consistent with the General Plan, and could eventually develop in the Project Area in the absence of the Amendment. Therefore, the proposed Amendment would have a *less-than-significant* impact on schools.

Questions D and E

Public ROWs and driveways must be designed and constructed in compliance with City standards. As future redevelopment engendered projects come forward, the projects must

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go through their own environmental and design review. As noted in Section 6, above, there would be no significant traffic increase on Project Area roadways.

While the 5-Year Implementation Plan does discuss the addition of more housing into the Project Area, it does not propose to add more housing than is provided for by the General Plan. All redevelopment engendered development would occur within an existing urbanized area, and must be consistent with the General Plan adopted land uses. Therefore, impacts on governmental services would be *less than significant*.

MITIGATION MEASURES

No mitigation measures are required.

FINDINGS

Impacts associated with fire services, police services, schools, public facilities, and government services would be *less than significant*.

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12. UTILITIES

Would the proposal result in the need for new systems or supplies, or substantial alterations to the following utilities:

Issues:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less-than-Significant Impact
A) Communication systems?			X
B) Local or regional water supplies?			X
C) Local or regional water treatment or distribution facilities?			X
D) Sewer or septic tanks?			X
E) Storm water drainage?			X
F) Solid waste disposal?			X

ENVIRONMENTAL SETTING

Communications

The Project Area does not contain radio, radar, or microwave transmission facilities.

Water Supply/Treatment

The City provides water service from a combination of surface and groundwater sources. The area south of the American River is served by surface water from the American and Sacramento rivers. The City diverts water pursuant to pre-1914 rights, and pursuant to five post-1914 appropriative water rights. In 1957, the City and the U.S. Bureau of Reclamation agreed to a settlement contract authorizing Sacramento to divert a maximum of 326,800 acre-feet per year (AFY) from the American and Sacramento rivers (245,000 AFY from the American River and 81,800 AFY from the Sacramento River) through the year 2030 and subsequent years. Of that total, the City is currently authorized to withdraw 205,500 AFY from the American and Sacramento rivers, but the authorized diversions will increase over time until reaching the maximum level. With conservation efforts and a new requirement for retrofitting water meters on all City properties, the amount of water delivered by the City has decreased over recent years despite an increase in population. According to the Department of Utilities Operation Statistics, water conservation savings for FY 2005/2006 was 6%, or 539 million gallons (MG).

The City developed an Urban Water Management Plan (UWMP) in accordance with the State's Urban Water Management Act. The UWMP describes water demand and supply within the City, evaluates methods related to the conservation of water, presents an urban water shortage contingency plan, and provides information on the availability of reclaimed water and its potential for use as a water source in the City. With anticipated expanded treatment facilities, the UWMP determined that water supply would be reliably provided to all

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areas of the City under General Plan build-out conditions. Growth of the City's water supply system is intended to primarily meet the City's needs within its service area, and to also facilitate regional programs to conjunctively manage surface and groundwater supplies as part of the ongoing Water Forum implementation project.

Sanitary and Storm Sewers

Sewage treatment for the City is provided by the Sacramento Regional County Sanitation District (SRCSD), and local infrastructure is maintained by the City Department of Utilities. The SRCSD is responsible for the operation of all regional interceptors and wastewater treatment plants, while local collection districts maintain the systems that transport sewage to the regional interceptors. From the collection system and regional interceptors, sewage flows ultimately reach the Sacramento Regional Wastewater Treatment Plant (SRWTP), which is located south of the City east of Freeport Boulevard. The SRWTP has an existing treatment capacity of approximately 181 million gallons per day (mgd) of seasonal dry-weather flow and 392 mgd of peak wet-weather flow. SRCSD's Regional 2020 Master Plan accommodates for expansions of the treatment plant as growth occurs, based on the Sacramento Area Council of Government's (SACOG) regional population projections. The ultimate planned expansion of the SRWTP is expected to be able to accommodate projected increased sewer flows. Impact fees have been established by the SRCSD in anticipation of new facilities needed to meet the cumulative demand of growth in the City and County of Sacramento, as identified in the Regional 2020 Master Plan. These fees are required for new development to provide for the fair share cost of the anticipated future construction of relief interceptor sewer and treatment facilities.

Solid Waste

The Solid Waste Removal Division within the Department of Public Works is responsible for collecting solid waste.

STANDARDS OF SIGNIFICANCE

For purposes of this environmental document, an impact is considered significant if the proposed Amendment would:

- Result in a detriment to microwave, radar, or radio transmissions
- Create an increase in water demand of more than 10 mgd
- Substantially degrade water quality
- Generate stormwater that would exceed the capacity of the stormwater system

ANSWERS TO CHECKLIST QUESTIONS

Question A

The Project Area is a suburban, mostly residential area where buildings are rarely over two stories. It is not anticipated that any buildings over four stories or with floors below ground level would be assisted by redevelopment activities. If the City were to approve land use and zoning changes that would allow more intensive development that may be assisted by redevelopment activities, mitigation measures are easily available and would be required by

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the City as part of any discretionary approval process, thus interference with communication systems would be a *less-than-significant* impact.

Question B and C

The City provides water service to areas within the City limits from both surface and ground water sources. The City has water rights to 326,800 AFY. Of this, SMUD has rights to 15,000 AFY. About 138,671 AFY or 45% of available supplies were consumed by the city water users during 2006.

The City's Department of Utilities, Division of Water has a policy of serving all planned developments within the City boundary that are part of the City's General Plan, thereby allowing the City to plan future treatment facilities in advance of the required demand. The City has adequate water rights to supply anticipated demand within the existing City boundaries at build-out of the current General Plan. One of the City's water supply goals is to have sufficient capacity in its surface water diversion and treatment facilities to meet future maximum day demands with surface water, even under critically dry conditions subject to the Water Forum Agreement. The City historically plans for future water supply facility needs by constructing water supply facilities as they are needed to accommodate increasing water supply demands.

New water supply system infrastructure would be coordinated with development as it occurs throughout the City, and all necessary infrastructure would be put in place to serve projects on a case-by-case basis. Any development engendered by redevelopment would be required to contribute towards its share of expanding the water treatment facility to accommodate increases in flow through the system.

Further analysis of the existing city water system (performance of a fire flow test once a redevelopment engendered project is proposed) and determination of site specific project fire flows will be performed to assess the water system. Consultation with the SFD and fire design professionals would be required to determine if additional fire hydrants are required, and to determine the location of fire department connections. If a water main extension is required, the Utilities Department will work with the developer to determine the extent of possible upgrades. System connections could involve trenching in the adjacent streets as part of the project construction. Construction impacts are addressed in other sections of this initial study, as appropriate. The Amendment would not create a significant demand on water supplies or treatment infrastructure, and would have a *less-than-significant impact* on the existing water supply system.

Question D

Existing sewer infrastructure serving the Project Area includes local gravity sewers that collect wastewater from various sources in the Project Area, and connect to larger gravity feed sewer mains which join the trunk outfall line. Local sewer lines are generally located within right-of-ways of the Project Area's street system. A new sewer interceptor in the vicinity of Carroll and Altos avenues, a new lift station and a new force main and gravity main have been completed as part of the DPN project. Redevelopment activities in the Project Area will not adversely affect the SRWTP's ability to serve the Project Area and the County.

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The City requires that existing and proposed storm drainage and sewer flow calculations be submitted to the Department of Utilities. Any necessary on-site sanitary sewer lines and connections must be designed and constructed to the standards set forth in the City's Sewer Design Standard. System connections could involve trenching in the adjacent streets as part of redevelopment engendered project construction. Construction impacts are addressed in other sections of this initial study, as appropriate. Development occurring as a result of the proposed Amendment would have a *less-than-significant impact* on wastewater infrastructure and service.

Question E

The Project Area is located within a developed urbanized area with existing infrastructure to accommodate existing drainage patterns. There are natural swales throughout the Project Area, and all drain into Arcade Creek along the Project Area's southern boundary. Mitigation measures will be identified at the individual project level to appropriate drainage infrastructure for each development. The DPN Project's proposed storm drainage system design is intended to accommodate development of the DPN Project Area and improve existing drainage deficiencies in downstream areas. These drainage improvements are nearly complete, and include multi-use parks with detention storage and new storm drainage pipelines.

The City Utilities Department encourages all new construction to include such measures as on-site storage and/or detention of site-generated storm water flows. Adequate drainage facilities will be required at the project level. Development occurring as a result of the proposed Amendment would have a *less-than-significant impact* on stormwater infrastructure and service.

Question F

The City Department of Public Works, Solid Waste Division currently collects most of the solid waste in the Project Area. Most commercial establishments, however, hire private collectors to dispose of their dry solid waste. Waste generated within the City is taken to a transfer station, where a private contractor provides disposal to appropriate landfills consistent with federal, state, and local statutes and regulations. The proposed Amendment would not result in growth beyond that anticipated in the General Plan and solid waste disposal projections.

The City's Recycling and Solid Waste Disposal Regulations call for all commercial, office, industrial, public/quasi-public, and 5-unit or more multiple family residential developments to create a recycling program which includes a flow chart depicting the routing of recycled materials and a site plan specifying the designing components and storage locations associated with recycling efforts. Such development occurring as a result of the proposed Amendment would be required to implement this plan and would therefore result in *less-than-significant* solid waste impacts.

MITIGATION MEASURES

No mitigation measures are required.

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FINDINGS

The proposed Amendment would result in a ***less-than-significant impact*** on communication systems, water supplies, wastewater and stormwater infrastructure and service, and solid waste disposal.

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13. AESTHETICS, LIGHT, AND GLARE

Would the proposal:

Issues:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less-than-Significant Impact
A) Affect a scenic vista or adopted view corridor?			X
B) Have a demonstrable negative aesthetic effect?			X
C) Create light or glare?			X

ENVIRONMENTAL SETTING

The Project Area is an urbanized area of the city, with a mixture of structures of various ages, designs, heights, materials, and use. The predominate land uses consist of residential and public land.

The Marysville Boulevard Urban Design Plan (UDP) was adopted in 1998 for Marysville Boulevard from Arcade Creek to Interstate 80. The UDP "focuses the needs of a community to improve the outward perception of an existing commercial district." The master planning improvements provides a system of beautification of Marysville Boulevard, including medians, street trees, street furniture, and a signage system to provide a sense of arrival and reduce the perception of blight in the area. Design guidelines are provided to direct the architectural character of new development and the enhancement of façades.

There are no designated scenic highways or adopted view corridors located within or adjacent to the Project Area.

STANDARDS OF SIGNIFICANCE

Light

Light is considered significant if it would be cast onto oncoming traffic or residential uses.

Glare

Glare is considered to be significant if it would be cast in such a way as to cause public hazard or annoyance for a sustained period of time.

ANSWERS TO CHECKLIST QUESTIONS

Question A

There are no designated scenic vistas or adopted view corridors located within the Project Area that could be affected by redevelopment activities. The proposed Amendment would have *no impact* on scenic resources or adopted view corridors.

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Question B

A major objective of the Amendment is to eliminate blight and blighting influences within the Project Area that contribute to the disjointed and degraded visual quality of the Project Area, by extending the duration of eminent domain powers and increasing the financial resources needed to implement redevelopment projects. Numerous projects and programs outlined in the 5-Year Implementation Plan for the Del Paso Heights Redevelopment Project would enhance the aesthetics of the Project Area. These include the Marysville Boulevard Urban Design Plan Phase III, and more street lights on Marysville Boulevard to improve public safety and for increased beautification.

All redevelopment actions must also comply with the Art in Public Places Program. In 1979, the Agency adopted Resolutions 1750 and 2863, pledging itself "to promote the aesthetic improvement of the City of Sacramento to the fullest extent possible." The Art in Public Places Program requires that development projects with Agency assistance expend a minimum of two percent of the total project construction costs on aesthetic improvements. Such improvements may be decorative or functional, landscape items, or architectural features. The Agency currently has an existing memorandum of understanding with the City of Sacramento that designates the Sacramento City Department of Community Services, Metropolitan Arts Division to administer the Art in Public Places Program. Therefore, the Amendment would result in a beneficial effect on aesthetics in the Project Area.

Question C

Development engendered by redevelopment activities will result in increases in light and glare from domestic, commercial, and public lighting. Solar glare created by the reflection of light off building surfaces has the potential to create impacts if it causes distracting glare for drivers on city streets or on nearby freeways. As the sun travels from east to west, areas of glare may be produced as the sun hits the surface of a building and reflects from that surface. The height and width of a structure affects the area of glare; the Project Area is in a suburban location, and no buildings over two to four stories are anticipated.

Any development encouraged by redevelopment activities must install lighting in compliance with the City's Comprehensive Zoning Ordinance (Section 17.68.030) standards. These standards ensure that all new lighting reduces light and glare in the project vicinity and that all exterior lighting would be directed away from properly shielded to eliminate glare on existing land uses and roadways. Light and glare impacts are therefore anticipated to be *less than significant* with adherence to City requirements.

MITIGATION MEASURES

No mitigation measures are required.

FINDINGS

The proposed Amendment would result in *less-than-significant* impacts associated with aesthetics, light, and glare.

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14. CULTURAL RESOURCES

Would the proposal:

Issues:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less-than-Significant Impact
A) Disturb paleontological resources?			X
B) Disturb archaeological resources?			X
C) Affect historical resources?			X
D) Have the potential to cause a physical change which would affect unique ethnic cultural values?			X
E) Restrict existing religious or sacred uses within the potential impact area?			X

ENVIRONMENTAL SETTING

The Project Area is located in an area of Sacramento that is known to contain both prehistoric and historic cultural resources, near the Sacramento and American rivers. In the Sacramento area, prehistoric-period habitation sites are primarily found adjacent to streams or on ridges or knolls, especially those with a southern exposure. This region is known as the ethnographic-period territory of the Nisenan, also called the Southern Maidu. The Nisenan had permanent settlements along major rivers in the Sacramento Valley and foothills, and would travel yearly into higher elevations to hunt or gather seasonal plant resources.

The history of Del Paso Heights can be traced back to the Spanish land grants of the 1840s. At one time, the area was part of Rancho Del Paso—a privately-owned ranch of just more than 1000 acres. 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 Project Area contains a mixture of pre-1960 houses, a number of houses constructed within the last 15 to 20 years, and many vacant lots, most of which obviously once contained structures that have since been razed or relocated. The remaining older houses were largely constructed during the years between 1930 and 1950.

Other historic resource remnants in the Project Area include the Sacramento Northern Railway alignment, where a parkway now exists on the east side of Altos Avenue. The railroad alignment has been abandoned and is currently used as a bike trail. This line ran from Sacramento to Marysville, Oroville and Chico paralleling a portion of Del Paso Boulevard nearby. In addition, Marysville Boulevard was the primary road to Marysville at a time when Marysville was a much more important and active place.

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STANDARDS OF SIGNIFICANCE

Cultural resource impacts may be considered significant if the proposed Amendment would result in one or more of the following:

- Cause a substantial change in the significance of a historical or archaeological resource as defined in CEQA Guidelines Section 15064.5
- Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature.

ANSWERS TO CHECKLIST QUESTIONS

Questions A and B

The Project Area is considered low sensitivity¹¹ for archaeological and paleontological resources. Low sensitivity indicates that previous research suggests it is unlikely that sites occur in these areas, or may reflect an area where no previous archaeological work has been conducted. It does not rule out the possibility that a site could exist and be obscured through historic use and development or through natural processes, such as siltation. While it is unlikely that a village would be found, it is possible a small resource such as a temporary campsite or special use site could exist.

Implementation of the proposed Amendment would include ground disturbing activities such as infrastructure improvements, grading and trenching for development. No documented historic-era archaeological sites have been recorded in or adjacent to the Project Area. Prehistoric cultural resource issues in the City of Sacramento area are addressed through the City's environmental review and permit processing procedures. The City Planning Division maintains a map of known prehistoric archaeological resources and archaeologically sensitive areas. When development is proposed in one of these areas, an archaeological report may be required to be appended to any entitlement application and the City's standard archaeological resource mitigation measures may be required as a condition of approval. According to the North Central Information Center, possible areas of prehistoric use may occur along Arcade Creek and its tributaries. Unfortunately, these places have been graded and built upon, thereby making surface inspection impossible and increasing the likelihood that the deposits have been destroyed. Although the likelihood of encountering cultural remains during construction is low, such disruption would likely result in the permanent loss of potentially important cultural resource data. This was identified as a potentially significant impact in the 6th Amendment EIR, and the following mitigation measure was adopted to reduce this impact to less than significant:

Adopted 6th Amendment Mitigation Measure 4.7-1:

Should any cultural resources, such as structural features, unusual amounts of bone or shell, artifacts, human remains, or architectural remains be encountered during any development activities, work shall be suspended and a qualified archaeologist shall be consulted to develop, if necessary, further mitigation measures to reduce any archaeological impact to a less than significant level before construction continues. Such measures could include (but would not be

¹¹ City of Sacramento 2030 General Plan Draft MEIR, page 6.4-4 to 6.4-5, 2008

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limited to) researching and identifying the history of the resource(s), mapping the locations, and photographing the resource. In addition, pursuant to Section 5097.98 of the State Public Resources Code, and Section 7050.5 of the State Health and Safety Code, in the event of the discovery of any human remains, all work is to stop and the County Coroner shall be immediately notified. If the remains are determined to be Native American, guidelines of the Native American Heritage Commission shall be adhered to in the treatment and disposition of the remains.

Question C

The original Grant Union High School facility built in 1938 should be researched and evaluated as to its architectural and historic significance, and its potential eligibility for local or State Register listing. However, the Amendment does not propose any activities that would affect the high school facility. In addition, there do not appear to be any residential buildings of potential eligibility for listing in the National Register of Historic Places within the Project Area, due to substantial loss of physical integrity and limited architectural values (6th Amendment EIR, Chapter 4.7).

The City has adopted a Historic Preservation Ordinance and Historic Preservation Element in the General Plan to protect potential historic resources in the City. The 6th Amendment EIR determined that redevelopment activities would have a *less-than-significant* impact on historic resources in the Project Area. The proposed Amendment would amend the financial limits of the Redevelopment Plan and extend the Agency's authority to acquire by eminent domain real property on which no persons reside, improving the ability of the Agency to remove barriers to General Plan development within the Project Area. There are no new impacts not previously discussed in the 6th Amendment EIR. Whereas no apparently eligible buildings currently exist in the Project Area, and the City has established long-term policies for the protection of historic resources, the proposed Amendment would have a *less-than-significant* impact on historic resources.

Questions D and E

The Project Area has been developed since the late 1800s, and there are no known unique cultural uses or existing religious or sacred uses associated with the Project Area.

MITIGATION MEASURES

No additional mitigation beyond compliance with local regulations and Mitigation Measure 4.7-1 of the 6th Amendment EIR is required for redevelopment actions in the Project Area.

FINDINGS

The Amendment, as mitigated, would have a ***less-than-significant impact*** related to paleontological, archaeological, and historic resources.

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15. RECREATION

Would the proposal:

Issues:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less-than-Significant Impact
A) Increase the demand for neighborhood or regional parks or other recreational facilities?			X
B) Affect existing recreational opportunities?			X

ENVIRONMENTAL SETTING

Public parks within the Project Area include North Avenue School Park, Mama Marks School Park, Nuevo Park, Del Paso Heights School Park, and Hagginwood Park.

STANDARDS OF SIGNIFICANCE

Impacts to recreational resources are considered significant if the proposed Amendment would do either of the following:

- Cause or accelerate substantial physical deterioration of existing area parks or recreational facilities
- Create a need for construction or expansion of recreational facilities beyond what was anticipated in the General or Community Plan

ANSWERS TO CHECKLIST QUESTIONS

Questions A and B

A major objective of the Amendment is to eliminate blight and blighting influences within the Project Area that contribute to the disjointed and degraded visual quality of the Project Area, by extending the duration of eminent domain powers, and increasing the financial resources needed to implement redevelopment projects. These projects may include the construction of community centers, public places for the neighborhood to gather, or updates to the current parks.

Redevelopment has previously assisted in the development of Nuevo and Gateway parks, which include public park space, picnic areas and amphitheater, and the expansion, remodeling and modernization of the Mims Hagginwood Community Center and the Robertson Community Center. The Public Facilities and Infrastructure Program would provide both residential neighborhoods and commercial corridors with land acquisition, funding, construction and development assistance for community centers, recreation centers, schools, child-care centers, parks, urban design plans, master plans, streetscapes and facility improvements (North Avenue Elementary, Del Paso Heights Elementary, Mims Hagginwood, Robertson, Mama Marks, Gateway, Nuevo, etc.). In the current 5-year Implementation Plan, this includes working with the City and County to fund public facility

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improvements such as a teen center, a multi-cultural/community events center, and enlarging the library branch. This would be a beneficial impact of the Amendment.

The proposed Amendment would not result in any adverse impacts upon the quality or quantity of recreational facilities. Any population growth resulting from redevelopment activities would be consistent with that anticipated in the City's General Plan.

MITIGATION MEASURES

No mitigation measures are required.

FINDINGS

The proposed Amendment would result in *less-than-significant* impacts to recreational resources.

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16. MANDATORY FINDINGS OF SIGNIFICANCE

Issues:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less-than-Significant Impact
A. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?			x
B. Does the project have the potential to achieve short-term, to the disadvantage of long-term environmental goals?			x
C. Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)			x
D. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly? Disturb paleontological resources?			x

ANSWERS TO CHECKLIST QUESTIONS

Question A

The proposed Amendment would engender development that could involve excavation in an area that could contain sensitive archaeological resources. Mitigation measures were previously adopted for the 6th Amendment to reduce potential impacts on subsurface cultural resources or heritage trees during redevelopment project construction to less-than-significant levels. Construction would also generate noise and increase exposure to environmental hazards, thus mitigation measures were previously adopted for the 6th Amendment to reduce potential construction noise and hazards impacts to less than significant. The proposed Amendment would not result in any new impacts that could degrade the quality of the environment through significant air emissions, traffic congestion, geotechnical hazards, operational noise, a reduction in public services, or impact special status species or habitat, or public utilities, as discussed in the previous sections.

Question B

The proposed Amendment would be in furtherance of Regional Blueprint goals to promote infill development and redevelopment. This would be in the interest of long-term environmental goals regarding air quality, traffic, and climate change.

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Question C

The proposed Amendment is not anticipated, in conjunction with other projects in the City, to have a cumulatively considerable effect on the environment. There were no individually significant impacts identified for the proposed Amendment that will not be mitigated to less than significance on a case by case basis by previously adopted mitigation measures. Redevelopment provides for brownfield and infill development and upgrading of existing properties where utility and other public services are already provided, and development engendered by redevelopment would be consistent with the goals and policies of the General Plan and Smart Growth policies. Providing for infill development and the recycling of underutilized or brownfield properties in an area served by municipal service and utilities would have a beneficial cumulative effect on air quality, transportation, climate change, hazardous materials, and utilities. The potential for the Amendment to have cumulatively considerable effects is therefore less than significant.

Question D

Construction would also generate noise and increase exposure to environmental hazards, thus mitigation measures were previously adopted for the 6th Amendment to reduce potential construction noise and hazards and subsurface cultural resource impacts to less than significant. The proposed Amendment would not result in any new impacts that could cause substantial adverse effects on human beings as discussed in the previous sections. Therefore, the proposed Amendment, assuming previously adopted mitigation, would have no substantial adverse effects on human beings, either directly or indirectly, or on paleontological resources.

**SECTION IV -
ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED**

The environmental factors checked below would potentially be affected by this project.

- | | |
|--|---|
| <input type="checkbox"/> Land Use and Planning | <input type="checkbox"/> Hazards |
| <input type="checkbox"/> Population and Housing | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Seismicity, Soils and Geology | <input type="checkbox"/> Public Services |
| <input type="checkbox"/> Water | <input type="checkbox"/> Utilities and Service Systems |
| <input type="checkbox"/> Air Quality | <input type="checkbox"/> Aesthetics |
| <input type="checkbox"/> Transportation/Circulation | <input type="checkbox"/> Cultural Resources |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Energy and Mineral Resources | <input type="checkbox"/> Mandatory Findings of Significance |
| <input checked="" type="checkbox"/> None Identified | |

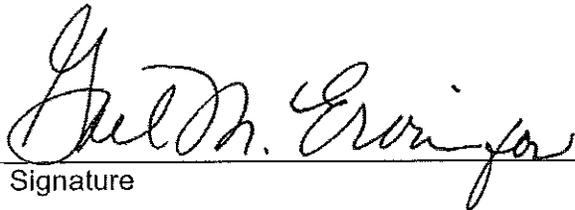
SECTION V - DETERMINATION

On the basis of the initial evaluation:

- I find that the Proposed Project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

I find that although the Proposed Project could have a significant effect on the environment, there will not be a significant effect in this case because the project-specific mitigation measures described in Section III have been added to the project. A MITIGATED NEGATIVE DECLARATION will be prepared.

I find that the Proposed Project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.



Signature

December 5, 2008

Date

Michael Voss

Printed Name

SECTION VI - REFERENCES

This analysis incorporates by reference the general discussion portions of earlier planning and environmental documents (CEQA Guidelines Section 15150(a)), and/or relies on the references outlined below. These documents are available for public review at Sacramento Housing and Redevelopment Agency (SHRA), 630 I Street, 3rd Floor, Sacramento, CA 95814 between the hours of 8:00 AM and 3:30 PM, Monday through Friday, or online as specified.

- *Air Quality Attainment Statistics*, Sacramento Metropolitan Air Quality Management District website, SMAQMD, retrieved on June 26, 2008 from <http://www.airquality.org/aqdata/attainmentstat.shtml>.
- *Approved Capital Improvement Program*, City of Sacramento, 2003-2008.
- *Blueprint Preferred Scenario for 2050*, Sacramento Area Council of Governments, December 2004.
- *California Air Resources Board ADAM Data Summaries*, retrieved October 12, 2008 from <http://www.arb.ca.gov/adam/cgi-bin/db2www/adamtop4b.d2w/start>
- *California Natural Diversity Database (CNDDDB)*, California Department of Fish and Game (CDFG), 2005, Wildlife and Habitat Data Analysis Branch, Data Date, February 6, 2005, accessed on October 7, 2008 from <http://www.dfg.ca.gov>.
- *California Native Plant Society (CNPS), 2005, Inventory of Rare and Endangered Plants online edition, v6-05b*, California Native Plant Society, Sacramento, California, accessed on July 7, 2005, 11:30:55 from <http://cnps.org/inventory>.
- *City of Sacramento 1986-2006 General Plan Update Draft and Final Environmental Impact Report*, City of Sacramento, Draft EIR dated March 2, 1987, and Final EIR dated September 30, 1987.
- *City of Sacramento General Plan Update Technical Background Report*, City of Sacramento Development Services Department, June 2005.
- *City of Sacramento 2030 General Plan Draft Master EIR*, City of Sacramento, July 2008.
- *City of Sacramento Municipal Code*, current through Ordinance 2008-016 and the May 2008 code supplement, City of Sacramento, retrieved from <http://www.qcode.us/codes/sacramento/>.
- *City of Sacramento website*, accessed September 1, 2008, <http://cityofsacramento.gov/>.
- *City of Sacramento Department of Parks and Recreation website*, last accessed November 7, 2008, <http://www.cityofsacramento.org/parksandrecreation/parks/sites/index.html>.
- *City of Sacramento Urban Water Management Plan*, November 2006, accessed October 2008 from <http://www.cityofsacramento.org/utilities/urbanwater/>.
- *Del Paso Heights Amended 2008 to 2012 Implementation Plan*, Redevelopment Agency of the City of Sacramento, August 2008.

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- *Del Paso Heights Redevelopment Plan 6th Amendment*, Environmental Impact Report, Redevelopment Agency of the City of Sacramento, Draft Dated December 20, 2002, Final Dated March 12, 2003.
- *Draft Preliminary Report on the Proposed Eleventh Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project*, Redevelopment Agency of the City of Sacramento, October 2008.
- *Federal Emergency Management Agency website*, accessed August 23, 2008, <http://www.fema.gov/>.
- *Guide to Air Quality Assessment in Sacramento County*, Sacramento Metropolitan Air Quality Management District, July 2004.
- *Historic Preservation Chapter of the City Code*, Title 17, Chapter 17.134, City of Sacramento, current through Ordinance 2008-036 and the August 2008 code supplement, City of Sacramento, <http://www.qcode.us/codes/sacramento/>.
- *Robla School District website*, accessed on November 7, 2008, <http://www.robla.k12.ca.us/>.
- *Sacramento 2010 Bikeway Master Plan*, County and City of Sacramento, http://www.bikewaymap.com/county_directions.html.
- *Sacramento Register*, City of Sacramento Listing of Landmarks, Historic Districts, and Contributing Resources, updated April 2007.
- *Twin Rivers Unified School District website*, accessed on September 15, 2008, <http://www.twinriversusd.org/>.
- *2005/2006 Operational Statistics Report*, City of Sacramento Department of Utilities, February 26, 2007.

RESOLUTION NO. 2009-_____

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

APPROVE AND ADOPT THE REPORT TO THE CITY COUNCIL ON THE PROPOSED ELEVENTH AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE DEL PASO HEIGHTS REDEVELOPMENT PROJECT AND TRANSMIT SAID REPORT TO THE CITY COUNCIL OF THE CITY OF SACRAMENTO

BACKGROUND

- A. Pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 *et seq.*; the "CRL"), the Redevelopment Agency of the City of Sacramento (the "Agency") has prepared a proposed eleventh amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project (the "Eleventh Amendment") for the purpose of amending certain financial limitations and extending eminent domain authority.
- B. In accordance with CRL Section 33354.6(a), in connection with the adoption of a certain amendment like the Eleventh Amendment, the Agency must follow the same procedure and the legislative body is subject to the same restrictions as for adoption of a redevelopment plan.
- C. CRL Sections 33346 and 33453 provide that before the proposed Eleventh Amendment is submitted to the City Council of the City of Sacramento ("City") for adoption, the Agency shall submit the proposed Eleventh Amendment to the City Planning Commission for its report and recommendation, including a determination whether the proposed Eleventh Amendment is in conformity with the City's General Plan.
- D. The Agency submitted the proposed Eleventh Amendment to the City Planning Commission for its report and recommendation, and the Planning Commission adopted findings and recommended the approval and adoption of the proposed Eleventh Amendment on January 8, 2009.
- E. Pursuant to the California Environmental Quality Act (Public Resources Section 21000 *et seq.*, "CEQA"), the State CEQA Guidelines (14 Cal. Code Regulations Section 15000 *et seq.*) and local procedures adopted by the Agency pursuant thereto, the Agency has prepared a negative declaration (the "Negative Declaration") on the proposed Eleventh Amendment.
- F. Pursuant to CRL Sections 33352, 33451.5 and 33457.1, the Agency has prepared a Report to the City Council on the proposed Eleventh Amendment, which Report incorporates by reference the Negative Declaration.

Report to City Council: Del Paso Heights Redevelopment Plan Amendment

- G. The City Council, by Resolution No. 2008-787, adopted on December 2, 2008, with the consent and at the request of the Agency, called a joint public hearing of the Agency and the City Council to be held on April 21, 2009, to consider the proposed Eleventh Amendment and the Negative Declaration related thereto.
- H. Pursuant to CRL Sections 33352, 33356, 33457.1 and 33458, the Agency is required to submit the proposed Eleventh Amendment and the Agency's Report on the proposed Eleventh Amendment to the City Council prior to the joint 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 Agency hereby approves and adopts the Report to the City Council on the proposed Eleventh Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project, in the form attached to this Resolution as Exhibit A. The Agency hereby submits the Agency's Report, together with the proposed Eleventh Amendment, to the City Council. The proposed Eleventh Amendment is attached to this Resolution as Exhibit B.

Table of Contents:

- Exhibit A: Report to Council on the Proposed Eleventh Amendment
- Exhibit B: Eleventh Amendment to DPH Redevelopment Plan

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
630 I STREET, 2ND FLOOR, SACRAMENTO, CA 95814

Exhibit A



REPORT TO THE CITY COUNCIL

**on the proposed
Eleventh Amendment to the Redevelopment
Plan for the Del Paso Heights Redevelopment
Project**

January 29, 2009

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INTRO

Exhibit A

Introduction

The Redevelopment Agency of the City of Sacramento (“the Agency”) is proposing an Eleventh Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project (“Plan Amendment”). If approved, the Plan Amendment will modify financial limits on the Redevelopment Plan for the Del Paso Heights Redevelopment Project Area (“Redevelopment Plan”) by:

- Increasing the limitation on the amount of tax increment that may be allocated to the Agency from the Project Area from \$131 million to \$250 million;
- Increasing the limitation on the amount of bonded indebtedness that can be outstanding at one time from \$41 million to \$100 million;
- Repealing the time limit to incur debt; and
- Extending the time limit for commencement of eminent domain proceedings to acquire property within the Project Area that is not occupied as a residence within the Project Area by an additional twelve (12) years.

The Redevelopment Plan imposes time and financial limits that guide the projects and programs that the Agency may implement. This Plan Amendment is being proposed because the Redevelopment Plan’s current financial limits will prevent the Agency from funding projects and programs that are necessary to eliminate blight during the final decade of the term of the Redevelopment Plan. Additionally, significant blight remains in the Project Area that cannot be eliminated without the use of eminent domain. The Plan Amendment would remediate these problems by increasing the Redevelopment Plan’s financial limits and extending the time period in which the Agency may commence eminent domain proceedings by an additional twelve (12) years.

This document is the Report to Council (“Report”) on the proposed Plan Amendment. It provides background on the Del Paso Heights Redevelopment Project Area (“Project Area”) and a description of the Plan Amendment. This Report is one of several documents prepared as part of the plan amendment process required by the California Community Redevelopment Law (Health & Safety Code Section 33000 *et seq.*, “Redevelopment Law”). It is intended to provide the Redevelopment Agency of the City of Sacramento’s Board (the “Agency Board”) and City Council with information concerning the proposed Plan Amendment. Pursuant to Sections 33354.6 and 33457.1 of the Redevelopment Law, this Report has been prepared and will be made available to the public prior to a public hearing on the proposed Plan Amendment.

PLAN AMENDMENT AND ADOPTION PROCESS

This Report is one of several documents that Redevelopment Law requires the Agency to prepare during the amendment process, and is intended to provide a comprehensive description of the Plan Amendment. Throughout the plan amendment process, the City Council, the Agency Board, the Sacramento Housing and Redevelopment Commission (“SHRC”), the Del Paso Heights Redevelopment Advisory Committee (“RAC”), the Planning Commission, affected taxing agencies, State agencies, and the community are given an opportunity to study and comment on the proposed Plan Amendment.

The RAC reviewed and approved a Preliminary Report on the Plan Amendment at its meeting on October 23, 2008. The SHRC reviewed and approved the Preliminary Report at its meeting on November 5, 2008. The Agency Board and City Council reviewed and adopted the Preliminary Report and received draft text of the Plan Amendment on December 2, 2008. A copy of the Preliminary Report and draft text of the Plan Amendment were sent to affected taxing entities, the California Department of Housing and Community Development, the California Department of Finance, the Planning Commission, and the RAC.

A Negative Declaration has been prepared and circulated for review in accordance with the requirements of the California Environmental Quality Act. The Plan Amendment and Negative Declaration will be considered

by the Agency Board and City Council at a joint public hearing that is anticipated to occur on April 21, 2009. All Project Area property owners and affected taxing agencies will receive notice of this public hearing by mail and through the publication of public notices in local newspapers. Adoption of the Plan Amendment and Negative Declaration is anticipated to occur in May 2009.

CONTENTS OF THIS REPORT

The contents of this Report are presented in fourteen sections, which generally correspond to the subdivisions presented in Section 33352 of Redevelopment Law. The sections are as follows:

- Section A: Reasons for the Plan Amendment, Including a Description of the Proposed Projects and How Such Projects will Improve or Alleviate Blight in the Project Area
- Section B: A Description of the Physical and Economic Blighting Conditions Existing in the Project Area
- Section C: Amended Five-Year Implementation Plan
- Section D: Explanation of Why the Elimination of Blight in the Project Area Cannot be Accomplished by Private Enterprise Acting Alone or Through Other Financing Alternatives Other Than Tax Increment Financing
- Section E: Proposed Method of Financing, Including the Economic Feasibility of the Plan Amendment
- Section F: Method of Relocation
- Section G: Analysis of the Preliminary Plan
- Section H: Report of the Planning Commission
- Section I: Report of Community Outreach Efforts
- Section J: Statement of Conformance to the General Plan
- Section K: Environmental Documentation
- Section L: Report of the County Fiscal Officer
- Section M: Neighborhood Impact Report
- Section N: Summary of the Agency's Consultations with Affected Taxing Entities and a Response to Said Entities' Concerns Regarding the Plan
- Appendix A: Photo Locator Map

SECTION A

Reasons for Amending the Redevelopment Plan

Exhibit A

Redevelopment Law Section 33352(a) requires this Report to describe the reasons for the Plan Amendment, a description of the specific projects proposed by the Agency, and a description of how these projects will improve or alleviate the conditions described in Section B of this Report.

PROJECT AREA LOCATION AND LAND USE

The Project Area is one of sixteen redevelopment project areas in the City and the County of Sacramento ("City" and "County," respectively). It is located in the northeast portion of the City, generally bordered by the Interstate 80 freeway on the north, Norwood Avenue on the west, Marysville Boulevard on the east, and Arcade Creek on the south. A map of the Project Area is provided as Exhibit A-1. The Project Area is 1,037 acres more or less¹ and is primarily a residential neighborhood with single family homes. It also has a mix of public, commercial, industrial and miscellaneous land uses. Table A-1 displays the types of land uses within the Project Area by acreage.

Land Use Del Paso Heights Redevelopment Project Area		
Land Use	Acres	% Total
Residential	459	44%
Public	203	20%
Vacant	97	9%
Unknown	57	6%
Industrial	20	2%
Commercial - Office	19	2%
Commercial - Retail	5	0.5%
Social/Inst/Misc	5	0.5%
Right-of-Way (estimated)	172	17%
Total	1,037	100%
 Total Parcels	 3,336	

Note: Unknown land uses were not available from our data sources

Source: First American Title Metroscan Information Service

¹ Many of the Agency's documents state that the Project Area is 1,071 acres; however the source of this figure is unknown and other values have been used in various reports relating to the Project Area. The State Board of Equalization does not have the Project Area acreage on file. The original Project Area legal description does not define the acreage and is written in a way that leaves it up to interpretation. For the purposes of this Report, RSG (the Agency's redevelopment consultant) hired a civil engineer to calculate the Project Area acreage based on a closure of an electronic map file that has spatial data. The engineer estimates the acreage to be 1,037 acres, more or less, based on this method. This figure essentially matches the acreage declared in the Report to City Council for the Sixth Amendment, which found the Project Area to be 1,037.76 acres.

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
Report to the City Council

Exhibit A

Some notable places within the Project Area include the Del Paso Nuevo neighborhood, Grant High School, Hagginwood Park, the Robertson Community Center and an office of the Sacramento County Department of Human Assistance.

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
Report to the City Council

Exhibit A

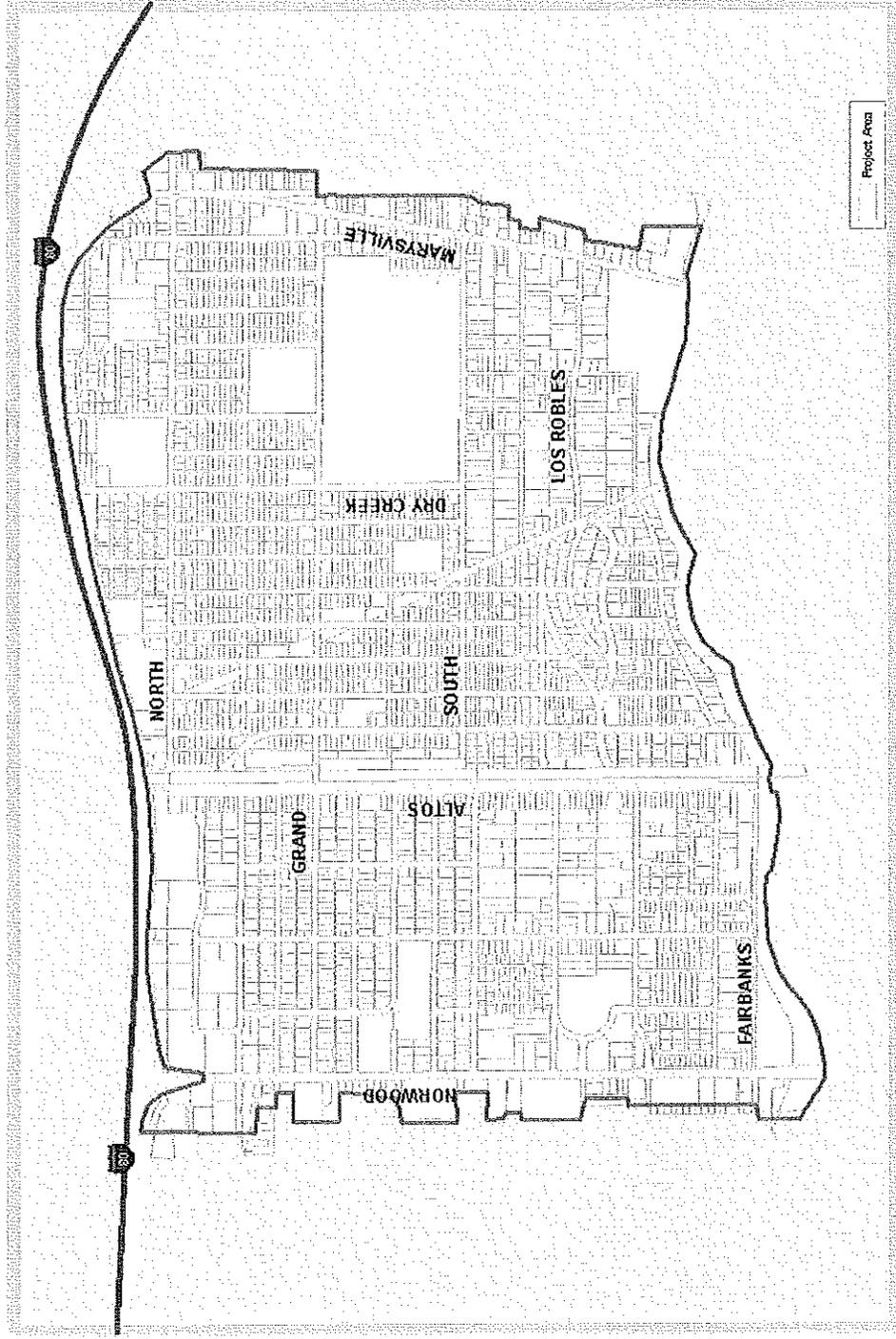


Exhibit A-1 Del Paso Heights Redevelopment Project Area

Source: City of Sacramento GIS

PROJECT AREA HISTORY & BACKGROUND

HISTORY

The Del Paso Heights area dates back to the 1840s when the Mexican government granted “Rancho Del Paso” to Eliab Grimes. The land was farmed and ranched until the early 1900s when it began to urbanize as a result of being subdivided into smaller parcels by the North Sacramento Land Company. The area boomed during the Second World War due to its proximity to the McClellan Air Force Base and need for worker housing. During the 1950s and 1960s, the wartime economy slowed. Del Paso Heights began to show signs of economic decline as workers left McClellan Air Force Base. The area remained semi-rural in character with little infrastructure development until the City annexed Del Paso Heights in 1964. The City formed and adopted the Project Area in 1970 to provide necessary infrastructure and address emerging urban problems. The Project Area has been amended ten times since its adoption, summarized in Table A-2 below.

Plan Adoption & Amendment History **Table A-2**
Del Paso Heights Redevelopment Project Area

Amend. No.	Date Adopted	Ordinance No.	Approved Action
--	5/12/1970	2884	Adoption of redevelopment plan
I	8/6/1970	2913	Added lot area restrictions and off-street parking regulations
II	5/21/1985	85-047	Changed land use designations
III	11/18/1986	86-108	Extended eminent domain and time and financial limits
IV	10/4/1994	94-046	Amended time limits
V	10/27/1998	98-045	Amended time and financial limits, extended eminent domain
VI	6/24/2003	2003-029	Amended time and financial limits, amended inclusionary housing requirements, increased housing set-aside amount
VII	11/13/2003	2003-066	Extended plan duration by one year per SB 1045
VIII	4/5/2005	2005-028	Extended plan duration by one year per SB 1096
IX	10/6/2005	2005-079	Extended plan duration by one year per SB 1096
X	5/8/2007	2007-035	Made an eminent domain statement per SB 53 and added an Eminent Domain Program description
XI	Proposed	TBD	Amend financial limits, extend eminent domain

Since the Project Area was adopted, the Agency focused on providing the infrastructure necessary to make the area a functioning, modern neighborhood. More than \$8 million of tax increment and federal Community Development Block Grant funds were invested in upgrading and installing streets, curbs, gutters, sidewalks, lighting, drainage, water, and sewer systems. During the 1980s, the Agency began programs to focus on improving housing stock and providing community facilities in the Project Area. From the 1990s, the Agency worked to support economic development, continue public facility improvements, and facilitate and assist private development, particularly along Marysville Boulevard. These and other accomplishments are detailed in the Amended Implementation Plan in Section C of this Report.

CURRENT CONDITIONS

Despite the Agency's efforts, the Project Area continues to suffer from physical and economic blighting conditions, including:

- Unsafe and Unhealthy Buildings
- Factors that Prevent Economically Viable Use
- Adjacent or Nearby Incompatible Uses
- Depreciated Property Values, Including Properties Containing Hazardous Waste
- Abandoned Buildings and Excessive Vacant Lots
- Residential Overcrowding
- A High Crime Rate that Constitutes a Serious Threat to The Public Safety and Welfare

These blighting conditions are described in detail in Section B of this Report. Redevelopment is necessary to alleviate these blighting conditions and make the neighborhood a safer place to live.

SOCIO-ECONOMIC BACKGROUND

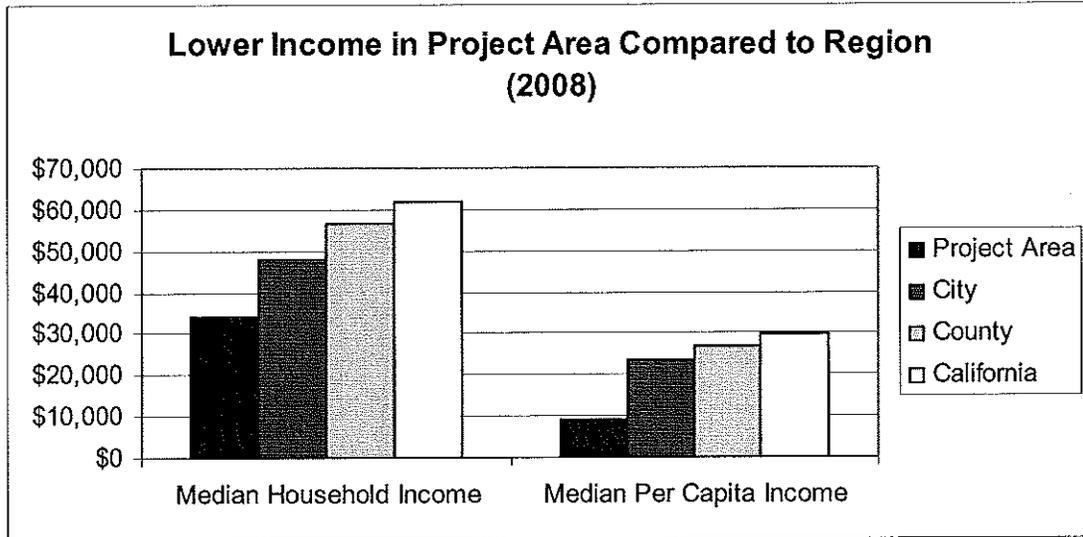
Blighting conditions, particularly unsafe and unhealthy buildings and depreciated property values, may be caused by the inability of some residents to pay for property maintenance and improvements. The Project Area has a lower median income, higher level of poverty, and lower levels of educational attainment compared to the City and other regions.

The Project Area's median household income, at \$33,836, is 30% lower than the City's median household income of \$48,029. The Project Area's median per capita income, at \$9,242, is 61% lower than the City's median per capita income of \$23,678². The wide gap between household income and per capita income indicates that Project Area households tend to have more income earners than City households, yet individual residents make significantly less than the City average. The chart below illustrates differences in income between the Project Area and other regions.

² Source: ESRI Business Analyst projections based on U.S. Census 2000

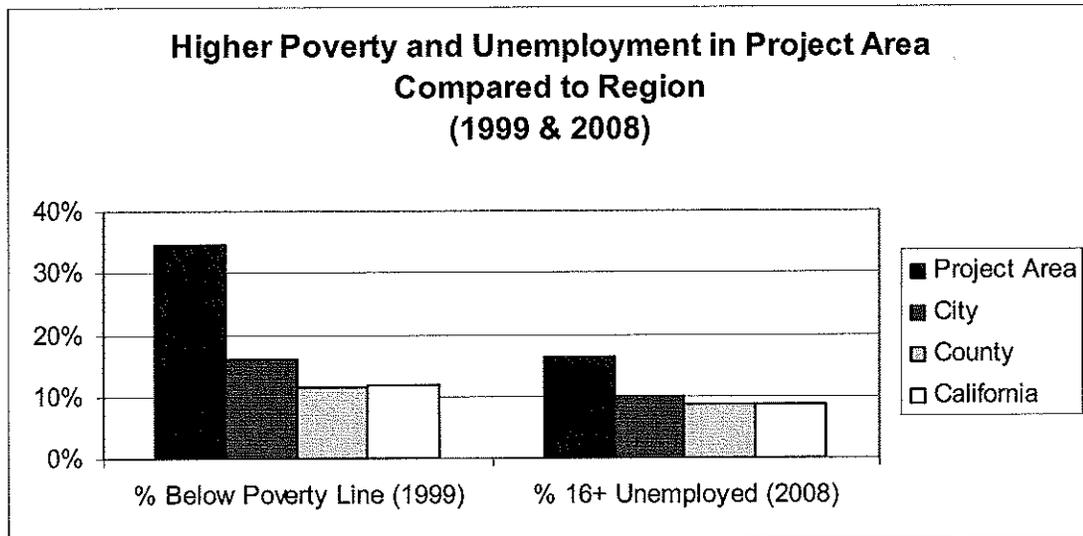
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
Report to the City Council

Exhibit A



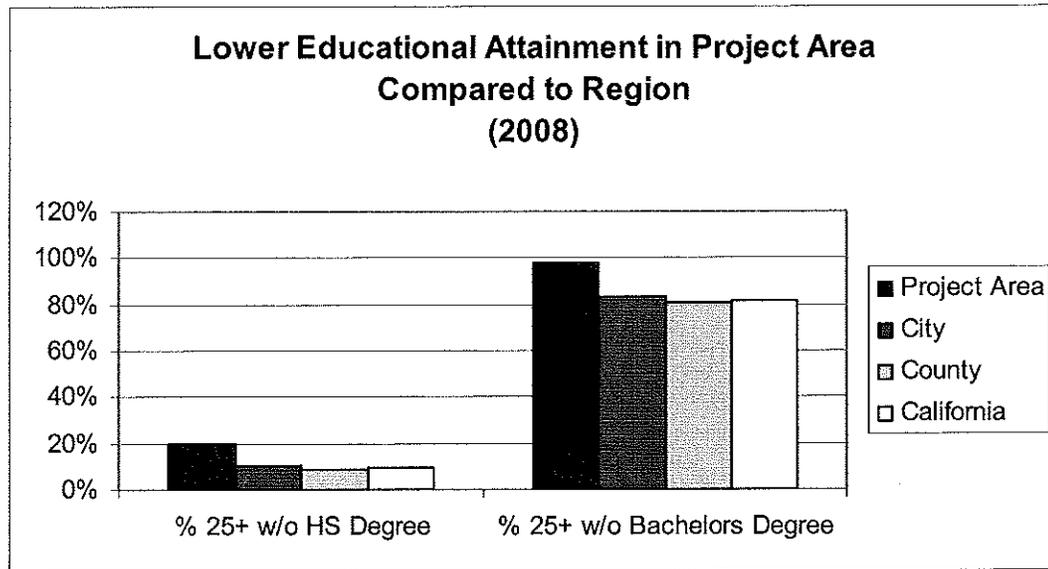
Source: ESRI Business Analyst based on U.S. Census 2000

The chart below illustrates differences in poverty level and unemployment between the Project Area and other regions. Thirty-five percent of Project Area residents live under the federal poverty line and 16% over the age of 16 are unemployed. These rates are 54% and 39% higher compared to the City, respectively.



Source: U.S. Census 2000 (poverty level) and ESRI Business Analyst based on U.S. Census 2000 (unemployment)

Lower incomes may be attributed to a lower level of educational attainment within the Project Area. As shown in the chart below, nearly 20% of Project Area residents over the age of 25 do not have a high school degree, compared to 11% of City residents. Nearly 98% of Project Area residents over the age of 25 do not have a college degree, compared to 83% of City residents. The lack of a high school degree often limits employment opportunities, and in many cases confines people to low wage jobs.



Source: ESRI Business Analyst based on U.S. Census 2000

Residents within the Project Area have lower incomes, higher poverty and higher unemployment compared to the overall City, thus are less likely to be able to afford maintaining and improving their property compared to the average City resident.

Foreclosure Crisis

The financial challenges faced by Project Area residents are exemplified by the disproportionate amount of foreclosures occurring in the Project Area. In the second quarter of 2008, the Project Area had the highest foreclosure rate out of all City and County redevelopment project areas. This is based on an analysis of homes that have received a notice of default (“NOD”), or are bank owned or are up for auction (“REO”). In the same time period, the Project Area had a higher foreclosure rate than all Sacramento neighborhoods except for South Oak Park. The Project Area also had a higher foreclosure rate than the City overall. Based on Agency sources, the City has the tenth highest foreclosure rate in the nation; the fact that the Project Area has an even higher rate shows the severity of the problem. Table A-3 and the following chart detail the total number of foreclosures in the Project Area compared to other areas.

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
Report to the City Council

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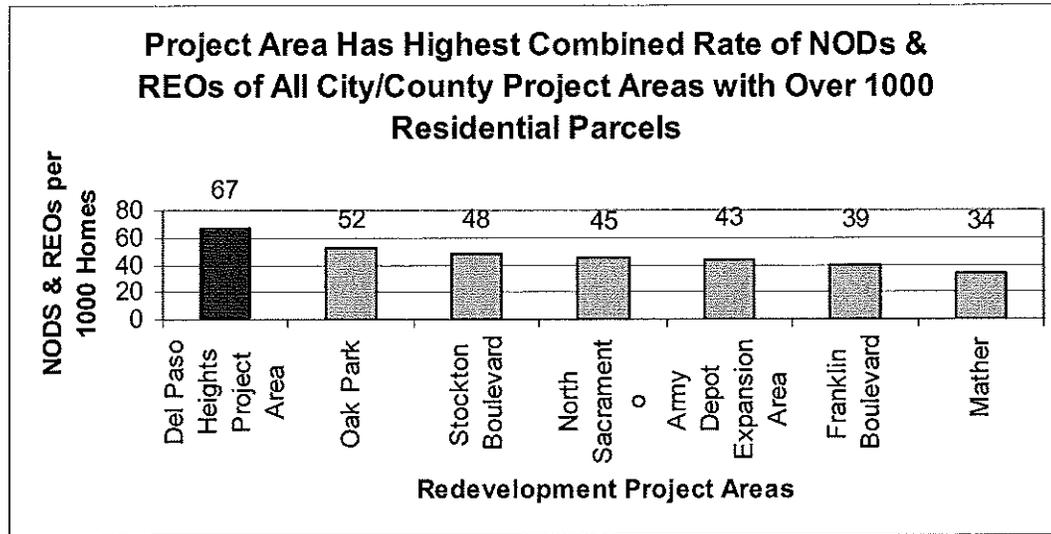
Table A-3
Pre-Foreclosure and Foreclosure Rate Comparison, Second Quarter 2008
Del Paso Heights Redevelopment Project Area vs. Other Project Areas and City Neighborhoods

Redevelopment Project Areas	Notice of Real Estate		Total Parcels	NOD per 1000 parcels	REOs per 1000 parcels	Total per 1000 parcels
	Default	Owned				
Del Paso Heights Project Area	110	59	2,527	44	23	67
Oak Park	129	98	4,326	30	23	52
Stockton Boulevard	61	40	2,102	29	19	48
North Sacramento	35	34	1,529	23	22	45
Army Depot Expansion Area	139	80	5,090	27	16	43
Franklin Boulevard	49	34	2,136	23	16	39
Mather	30	13	1,277	23	10	34
Top 10 Neighborhoods /1						
South Oak Park	66	33	1,361	48	24	73
Parkway	141	84	3,557	40	24	63
Glenwood Meadows	41	27	1,085	38	25	63
Meadowview	253	152	6,555	39	23	62
Valley Hi / North Laguna	343	254	9,985	34	25	60
Natomas Creek	50	13	1,128	44	12	56
South Hagginwood	42	33	1,352	31	24	55
Robla	64	42	1,971	32	21	54
Central Oak Park	38	53	1,765	22	30	52
Village 11	44	27	1,490	30	18	48
City	1,904	1,153	96,262	32	21	54

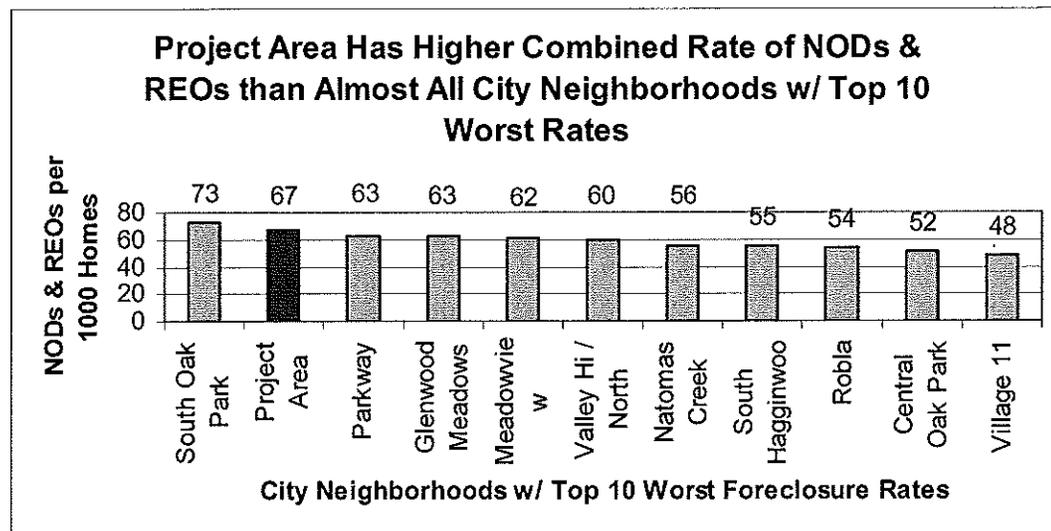
1/ Excludes neighborhoods that are part of the Project Area.

Source: Agency/DataQuick





Source: Agency/DataQuick, Second Quarter 2008



Note: Excludes neighborhoods that are part of the Project Area

Source: Agency/DataQuick, Second Quarter 2008

The Woodstock Institute, a policy advocacy and research organization based in Chicago, conducted a study in 2005 finding that foreclosures decrease neighboring property values and increase violent crime within a neighborhood. The study also found that foreclosures have a larger negative impact in low and moderate income neighborhoods. Other negative impacts cited in the report include:

- Increases in vacant and abandoned buildings, which attract crime and harbor decay;
- Vacant homes are havens for trash, rats, other stray animals, squatters, and criminals;

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
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- Vacant homes may be used for selling drugs or by predatory criminals;
- Vacant homes are targets of vandalism, theft of wiring, and arson;
- A lack of collective concern by neighborhood residents resulting from the presence of boarded and abandoned buildings;
- A loss in individual home equity and damaged credit for future homeownership, rental housing, insurance, and other markets; and
- Reduced tax revenue for cities, counties and school districts.

Phil Velez and Grace Bettencourt, two local real estate brokers who represent residential property in the Project Area, were interviewed about their experience with the Project Area for this Report. Mr. Velez stated that many properties in the Project Area are vacant due to foreclosures and are often vandalized and deteriorate very quickly. Both realtors said that squatters, vandalism and theft are issues they face on a regular basis at vacant properties. The picture below is one example of a vacant foreclosed property within the Project Area that has been vandalized.

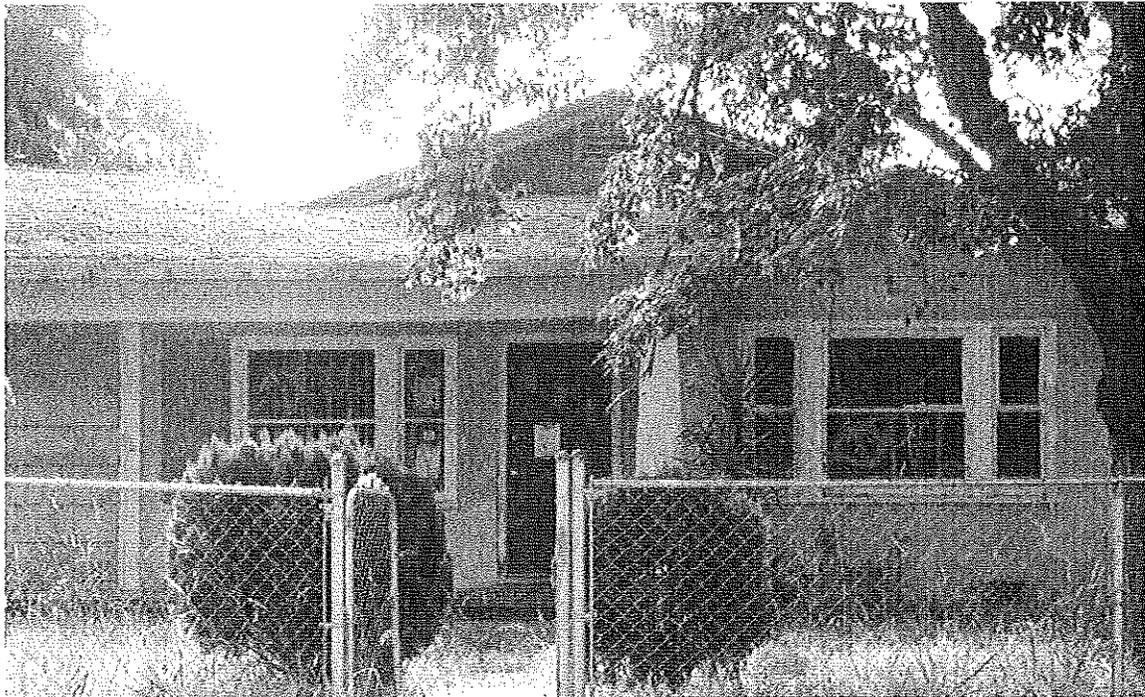


Photo A-1³: This vacant foreclosed home in the Project Area has been vandalized.

Mr. Velez further stated the Project Area residents have significantly low morale and there is extreme disinvestment by property owners to improve their properties. Deferred maintenance resulting from disinvestment can lead to physical deterioration and lower property values.

Although a high rate of foreclosures is not blight in and of itself as defined by Redevelopment Law, the circumstances experienced by Mr. Velez and Ms. Bettencourt contribute to blighting conditions such as unsafe and unhealthy buildings, depreciating property values, and a high rate of serious crime that poses a serious threat to the public safety and welfare. These blighting conditions are present in the Project Area and are discussed in Section B of this Report.

³ Appendix A provides a map showing the location of photos shown throughout this Report

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
Report to the City Council

Exhibit A

The troubling rise in foreclosures throughout the Project Area and the negative impacts that result are problems that the Agency is addressing. The Agency has partnered with the City and County to create a Foreclosure Taskforce to facilitate efficient local response to the foreclosure crisis. It co-sponsors monthly workshops with other agencies on mortgage default and foreclosure prevention, and sends letters to homeowners who are in danger of foreclosure to warn about fraud and list resources for homeowner counseling. The Plan Amendment would be one of many tools to provide sufficient funding to continue these programs and facilitate proactive programs to avoid foreclosure problems in the future.

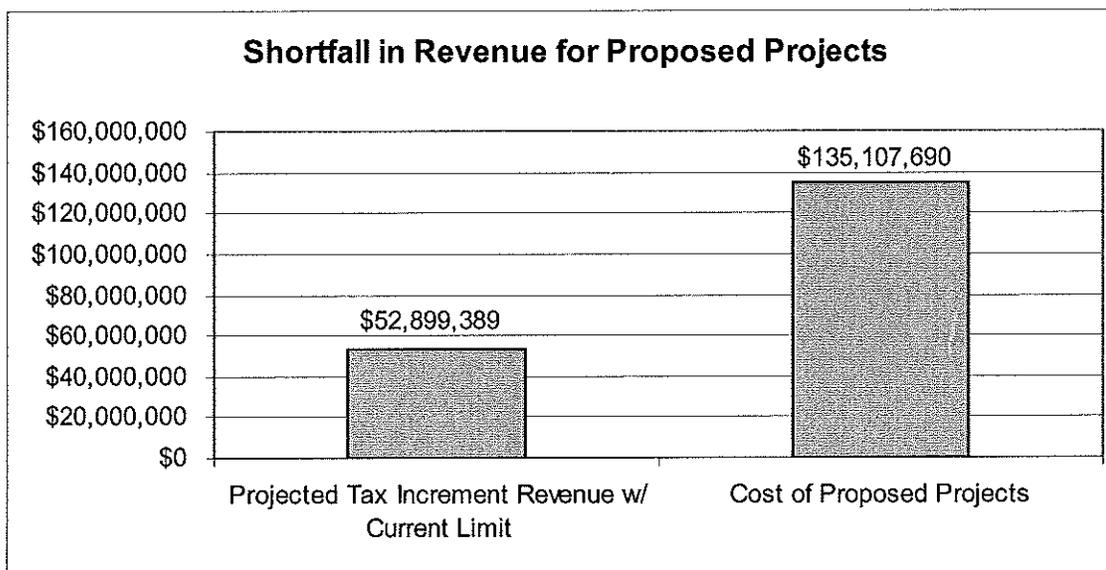
REASONS FOR AMENDING THE REDEVELOPMENT PLAN

The proposed Plan Amendment is necessary to give the Agency the financial and administrative resources necessary to alleviate blight and carry out the goals of the Redevelopment Plan.

INCREASING THE TAX INCREMENT LIMIT

The cost of proposed projects, which total approximately \$136 million, exceeds available revenue within the Redevelopment Plan’s current financial limits by \$82.2 million. The Redevelopment Plan permits the Agency to collect \$131 million in tax increment generated by the Project Area over the life of the Redevelopment Plan, or approximately \$52.9 million available for projects over the next 25 years. Based on estimates explained in Section E of this Report, the Agency will reach its tax increment limit in fiscal year 2023-24, which is nine years prior to the time limit on when the Agency may collect tax increment.

The chart below shows the shortfall in revenue available to fund proposed projects based on current Redevelopment Plan limits and the estimated cost of proposed projects and programs that will help eliminate blight.



A more detailed financial analysis is included in Section E of this Report. Increasing the limit on the amount of tax increment the Agency may collect to \$250 million will ensure that sufficient funding may be received to fund proposed projects.

INCREASING THE BONDED INDEBTEDNESS LIMIT

The Agency needs to increase the Redevelopment Plan’s bonded indebtedness limit in order to secure advanced funding to implement redevelopment projects in a timely manner. The current bonded indebtedness limit is \$41 million. The Plan Amendment would increase this limit to \$100 million

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commensurate with the increase in the amount of tax increment that may be received. Bonds give the Agency maximum financial capacity and flexibility to fund redevelopment projects at the time they are needed, rather than wait for tax increment revenue to accumulate over a long period of time. Bonds are repaid with tax increment revenues generated from the Project Area up to ten years after the effectiveness of the Redevelopment Plan expires.

RESCINDING THE TIME LIMIT TO INCUR DEBT

The Plan Amendment would repeal the May 2010 time limit to incur debt to ensure that the Agency has the capacity to issue bonds when they are needed to fund redevelopment projects.

EXTENDING EMINENT DOMAIN

The Plan Amendment will also extend the time limit to commence eminent domain proceedings on property that is not occupied as a residence by an additional twelve (12) years. Section B of this Report details the presence of several blighting conditions that make it necessary for the Agency to continue to have the power of eminent domain. Specifically, the Report identifies properties within the Project Area that are severely dilapidated and owned by persons or entities that have neglected the responsibilities of ownership regarding functional, financial and physical upkeep, vacant residential parcels that do not meet minimum lot size standards for future development, excessive vacant lots, and buildings that harbor serious crime that pose a threat to public safety and welfare. The use of eminent domain may be necessary to consolidate vacant lots as well as redevelop buildings that pose a threat to public safety and welfare. Without the power of eminent domain, the Agency would be unable to undertake all projects necessary for the elimination of the conditions of blight described in Section B of this Report.

Table A-4 shows the current and proposed time and financial limits of the Redevelopment Plan.

Type	Current Limit	Proposed Limit
Plan Duration	5/11/2023	Same
Establish Indebtedness	5/11/2010	No Limit
Receive Tax Increment/Repay Indebtedness	5/11/2033	Same
Eminent Domain	11/26/2010	11/26/2022 ¹
Amount of Bonded Indebtedness	\$41 million	\$100 million
Amount of Tax Increment	\$131 million	\$250 million

¹The Eleventh Amendment will extend the time limit to commence eminent domain proceedings for an additional twelve (12) years from the date of the prior limit, but its use will be restricted to real property that is not occupied as a residence

The government and private sector cannot be reasonably expected to alleviate blight in the Project Area without continued redevelopment. The private sector has a limited interest and ability to invest in the area. The Agency has come across this challenge while seeking to develop many projects in the Project Area. For example, a developer planned to develop a national drug store chain at the Del Paso Nuevo Town Center, but they could not get tenants due to a lack of population, insufficient traffic counts on Norwood Avenue, and the economic makeup of the community. Another developer has been unable to complete a phase of residential development in Del Paso Nuevo, a mixed income residential development commissioned by the Agency as a result of rapidly depreciating land and housing values in the community. The bank stopped issuing construction loans to the developer because the value of the project became less than the loan amount, turning the project upside down. The developer was unable to make up the difference in value with his own

equity and has since filed for bankruptcy on the property. The Agency may need to take over a bank note on the project to ensure its completion. New development is also hindered by environmental contamination. A site on Rio Linda Boulevard, between South and Roanoke Avenues, suffers contamination from many years as a debris field and gas station. The private sector will not clean the site and the Agency has needed to step in to ensure the site is remediated. The Plan Amendment is necessary to give the Agency the financial and administrative capacity to facilitate new investment in the Project Area in ways that the private sector and government cannot.

DETERMINATION AS TO WHETHER THE PROJECT AREA IS PREDOMINANTLY URBANIZED

At the time the Project Area was adopted in 1970, redevelopment project areas were not required to be predominantly urbanized. Because the Plan Amendment is not changing the boundaries of the Project Area, a determination as to whether the Project Area is predominantly urbanized is not required.

A DESCRIPTION OF SPECIFIC PROJECTS THE AGENCY MAY PURSUE & HOW POTENTIAL PROJECTS WILL ADDRESS CONTINUING REDEVELOPMENT OF THE PROJECT AREA

The following identifies and discusses unfunded projects the Agency may consider to complete as a part of the revitalization efforts of the Project Area. Specific projects and programs anticipated from 2008 to 2012 are also identified in an Amended Five Year Implementation Plan contained in Section C of this Report.

NON-HOUSING FUND

Proposed projects need \$40.5 million in funding out of the non-housing fund, or \$91 million after accounting for interest and administrative costs. These projects will revitalize commercial development, remediate environmental hazards preventing development, improve pedestrian and vehicular circulation, provide new public facilities, improve unsafe and unhealthy buildings, and prevent crime. The projects will result in an increase in Project Area property values and lease rates by fostering new development and making property improvements, thereby increasing future tax increment for the Project Area. Proposed projects are described below; the cost listed next to each project is the amount anticipated after interest and administrative costs are added.

Development and Environmental Remediation

Rio Linda Superblock (\$3.8 million)

The Agency owns all but three parcels on Rio Linda Boulevard between Roanoke Avenue and South and Altos Avenues. The site has fractured ownership and suffers contamination from many years as a debris field and a former gas station on the southeast corner. The private sector will not clean the site and the Agency completed a cost analysis for clean up, which is estimated to cost \$600,000 to \$800,000. Acquisition of the three remaining parcels will cost \$800,000, totaling \$1.6 million to purchase and clean up the properties. Once the sites are deemed clean for development, additional costs will be incurred related to the disposition and development of the proposed housing project.

Grand Avenue Superblock (\$3.8 million)

In an effort to promote an east-west synergy between Marysville Boulevard and Norwood Avenue, the area bound by Rio Linda Boulevard, Grand Avenue, Cypress Street and Roanoke Avenue will be redeveloped for mixed-use or residential use to create an additional commercial node between the these two parallel commercial corridors on the eastern and western boundaries of the Redevelopment Area. In October 2008, the Agency purchased three vacant parcels on the southwest corner of Rio Linda Boulevard and Roanoke Avenue. These properties were targets for illegal dumping and drug dealing. They are adjacent to a 40-unit senior multifamily housing project owned by the Housing Authority and are near a library on Grand Avenue and Cypress Street. Staff will work with the Housing Authority and Library, who currently occupy the block, on a comprehensive redevelopment strategy, including possible reconfiguration of properties. The site also

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consists of a mixed use commercial building, a vacant church and vacant lot. An architectural consultant is developing conceptual development scenarios.

Marysville Boulevard Town Center (\$4.8 million)

The Agency is focusing on redeveloping a commercial node on Marysville Boulevard between Grand and Roanoke Avenues. As part of these efforts, the Agency assisted in the development of the Urban League building to the northwest corner of Marysville Boulevard and Grand Avenue. The Agency is in the process of cleaning a former gas station site located on the southeast corner of Marysville Boulevard and Grand Avenue. A recent parking and circulation plan recommended widening Marysville Boulevard for on-street parking and the Agency may implement a land use program for the new town center. The focus on the town center at Marysville Boulevard and Grand Avenue is meant to encourage the establishment of neighborhood-serving businesses, provide housing opportunities in the area, and create a sense of place in the Project Area.

Del Paso Center (\$4.8 million)

The Agency is concentrating efforts and resources to redevelop the vacant Agency-owned property located at 3801 Marysville Boulevard with a mixed-use office or retail building. A Disposition and Development Agreement was approved in October 2006, however the developer cannot find tenants thus cannot find financing. The Agency will continue to work on developing this property.

Del Paso Nuevo Town Center (\$550,000)

The Agency will facilitate neighborhood-serving, civic and/or retail development adjacent to the Del Paso Nuevo housing development. The Agency initially began planning for this project in 2005; in 2008, the Agency purchased an additional commercially zoned parcel located on Norwood Ave to create a larger and more complete development site.

Del Paso Nuevo Housing Development (\$12 million)

The Agency will use \$5 million of non-housing funds to pay for infrastructure and other supporting components related to the Del Paso Nuevo housing development.

Marysville and Los Robles Development Site (\$1.2 million)

The Agency is pursuing 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.

Development of Agency Owned Vacant Parcels (\$1.2 million)

The Agency owns one acre of land on the southwest corner of Norwood and Fairbanks Avenues and five vacant residential parcels located on Altos, Grand and Carroll Avenues. The Agency issued an RFP to develop the sites in 2008, however given the current housing market, the Agency will reissue an RFP for single family residential development of the sites pending the ability of the market to reasonably support such development.

Public Facilities and Infrastructure

Marysville Boulevard Urban Design Plan Phase III (\$3.6 million)

A Streetscape and Circulation Enhancement Plan is being prepared to determine ways to improve pedestrian circulation and examine traffic patterns on the corridor between Interstate 80 and Arcade Creek to continue to improve the appearance and safety of the commercial corridor. It focuses on the feasibility of diagonal and/or parallel parking on Marysville Boulevard from Harris to Roanoke Avenues, examines the potential closure or limited access to Balsam Street to accommodate parking needs, and examines circulation patterns for the future Marysville Town Center. Project highlights include increased street lighting, tree wells in sidewalks, on-street parking and bus shelters. The Agency will identify and allocate appropriate funds for the implementation of specific improvement projects once the plan is complete.

Hagginwood, Robertson and Mama Marks Park Improvements (\$3.6 million)

The Agency, in partnership with the City's Department of Parks and Recreation, will undertake improvements at Hagginwood Park to increase safety and address high crime in the area. As discussed in Section B, Hagginwood and Robertson Parks have high drug activity and the addition of expanded community facilities will encourage residents and youth to use the new facilities with the intention of discouraging negative behavior.

Public Facilities and Infrastructure (\$30 million)

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 development of a teen center or multicultural events center, enlarging the library branch, improving park facilities, and adding more street lights on Marysville Boulevard to improve public safety and increase beautification.

Ongoing Programs

Commercial Revitalization/Exterior Rebate Program (\$4.4 million)

This program helps businesses and property owners invest in improvements to outdated and/or dilapidated storefronts and other commercial properties. Future development and exterior revitalization efforts are to be compatible with new and existing development.

Developer Assistance (\$17.4 million)

This program provides gap financing to commercial and mixed use projects that revitalize the Project Area. Particular focus will be given to Marysville Boulevard, Norwood Avenue and Rio Linda Boulevard at Grand Avenue. It provides assistance to existing and new property owners who plan to develop and improve neighborhood-serving businesses such as restaurants, grocery stores, banks, food-coops, a movie theater, mini-mall, or hotel.

HOUSING FUND

Proposed projects and programs require \$44 million in funding out of the housing fund. Projects include developing affordable ownership and rental units for families and seniors and providing assistance to homebuyers, developers and property owners to develop and rehabilitate property. Housing projects will alleviate conditions of unsafe and unhealthy buildings and residential overcrowding by providing more affordable homeownership and rental opportunities, assisting residents with home improvements, and increasing new housing stock. Proposed projects are described below; the cost listed next to each project includes interest and administrative costs.

Development

Del Paso Nuevo Phases IV-VII (\$10 million)

Del Paso Nuevo is a 154-acre residential neighborhood located in the southwest portion of the Project Area, bound by Norwood, Altos, South and Carroll Avenues. The Agency has a contractual obligation with HUD to construct 300 single family owner occupied housing units; however current market conditions have limited the production of the remaining units. The Agency is currently overseeing three phases of development and will issue debt in 2009 primarily to support this project. Del Paso Nuevo is planned as a mixed-income community, enabling the Agency to utilize housing and non-housing funds. The Agency will use \$10 million out of the housing fund and \$5 million out of the non-housing fund to pay for this project. As of June 2008, 81 homes, two parks, and the majority of off-site infrastructure have been completed. The Agency needs additional funding for Phases IV to VI, which are currently underway. A seventh phase may be implemented

Exhibit A

in the future depending on available funding. This project will ultimately bring a total of 300 new homes into the community, with 147 market rate units and 153 units affordable to low income persons.

Phase IV (\$1.5 million): Located between Taylor Street and Norwood, South and Hayes Avenues. The developer, New American Communities, is actively building homes. Four model homes have been framed and are nearing completion. The production of ten new homes began in April 2008 (pictured below). Phase IV will consist of 81 single family homes, 41 of which will be sold to low-income buyers.

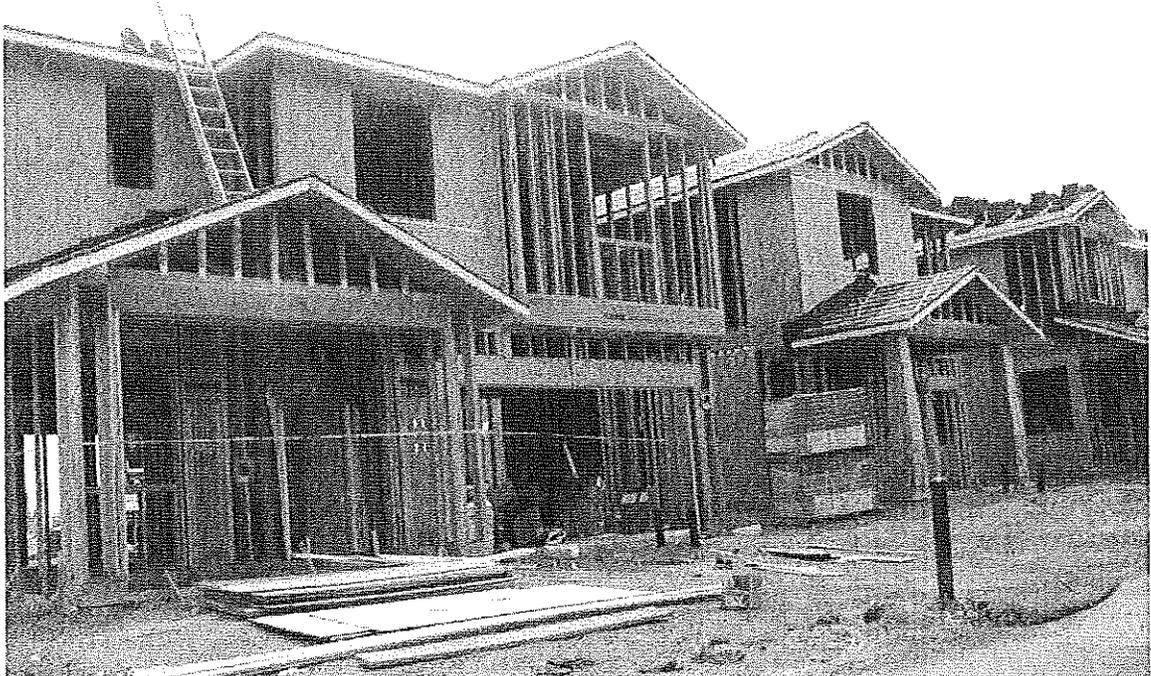


Photo A-2: Del Paso Nuevo Phase 4 under construction

Phase V (\$1.7million): Located between Taylor Street, Ford Road, and Altos and Carroll Avenues. The developer, New Faze Development, has built roads, infrastructure, and four model homes. Total improvements are worth \$3-4 million. In mid-October 2008, the developer declared bankruptcy and next steps related to this project are currently being determined. The Agency will focus efforts to complete this redevelopment project in addition to other efforts in the Project Area. There are a total of 95 single-family lots, 48 of which will be sold to low income buyers. The site is pictured below.



Photo A-3: Site for Del Paso Nuevo Phase 5

Phase VI (\$6.8 million): Located on Hayes Avenue between Taylor Street and Altos Avenue. The Agency has been acquiring property and needs to acquire four more parcels. An \$800,000 budget has been approved for acquisition. The Agency also needs to invest \$7 million into roadway improvements to get the area ready for development. Phase VI is anticipated to consist of at least 68 units.

A DDA for Phases IV and V is anticipated to return \$10,000 to \$12,000 per lot to the Agency. The Agency has secured down payment assistance from the State of California that provides a 20 percent down payment of up to \$30,000 per home for all 89 low income units in Phases IV and V. The loans have a 3% interest rate and there is no payment for 30 years.

Rio Linda Superblock Housing Development (\$750,000)

A nearly vacant city block on the west side of Rio Linda Boulevard between Roanoke and South Avenues will be improved with affordable single-family owner occupied homes 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.

Grand Avenue Superblock Housing Development (\$1 million)

A block that currently consists of a large Housing Authority complex, a branch of the library, a small cluster of commercial buildings, a former church that is vacant and boarded, and a vacant lot may be reconfigured to build a new residential and limited mixed use development project. It is located on the east side of Rio Linda Boulevard and bound by Grand, Cypress, and Roanoke Avenues.

Development of Agency Owned Vacant Parcels (\$500,000)

The Agency owns one acre of land on the southwest corner of Norwood and Fairbanks Avenues and five vacant residential parcels located on Altos, Grand and Carroll Avenues. The Agency issued an RFP to develop the sites in 2008, however given the current housing market, the Agency will reissue an RFP for single family residential development of the sites pending the ability of the market to reasonably support such development.

Marysville and Los Robles Housing Development (\$500,000)

This project consists of 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. One of the goals of the project is to build an environmentally sustainable "green" project.

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Ongoing Programs

Homebuyer, Development and Rehabilitation Assistance (\$31 million)

The Amended Implementation Plan in Section F of this Report describes several programs that offer financial assistance to homebuyers, developers, and property owners, for which the Agency anticipates spending approximately \$2.9 million over the next five years. Total costs are expected to be \$31 million over the remaining life of the Redevelopment Plan.

PROJECTS COSTS & OUTCOMES

The Agency's unfunded projects will require an estimated \$135 million in funding. They are summarized in Table A-5 below.

Table A-5				
Unfunded Projects				
Del Paso Heights Redevelopment Project Area				
Project	Direct Cost	Financing Interest	Administrative Cost	Total Cost
Non-Housing Funds	\$ 40,450,000	\$ 46,638,771	\$ 4,045,000	\$ 91,133,771
<i>Development & Environmental Remediation</i>				
Rio Linda Superblock	1,600,000	2,075,717	160,000	3,835,717
Grand Avenue Superblock	1,600,000	2,075,717	160,000	3,835,717
Marysville Blvd Town Center and Del Paso Center	2,000,000	2,594,647	200,000	4,794,647
Del Paso Town Center	2,000,000	2,594,647	200,000	4,794,647
Del Paso Nuevo Town Center	500,000	-	50,000	550,000
Del Paso Nuevo Housing Development Funding	5,000,000	6,486,616	500,000	11,986,616
Marysville & Los Robles Development Site	500,000	648,662	50,000	1,198,662
Development of Agency Owned Vacant Parcels	500,000	648,662	50,000	1,198,662
<i>Public Facilities & Infrastructure</i>				
Marysville Blvd Urban Design Plan	1,500,000	1,945,985	150,000	3,595,985
Hagginwood, Robertson & Mama Marks Parks	1,500,000	1,945,985	150,000	3,595,985
Public Facilities & Infrastructure	12,500,000	16,216,541	1,250,000	29,966,541
<i>Ongoing Programs</i>				
Commercial Revitalization/Exterior Rebate Program	4,000,000	-	400,000	4,400,000
Developer Assistance	7,250,000	9,405,594	725,000	17,380,594
Housing Funds	\$ 43,973,919			
<i>Development</i>				
Del Paso Nuevo Phases IV-VII	10,000,000			
Rio Linda Superblock Housing Development	750,000			
Grand Avenue Superblock Housing Development	1,000,000			
Development of Agency Owned Vacant Parcels	500,000			
Marysville & Los Robles Housing Development	500,000			
<i>Ongoing Programs</i>				
Homebuyer, Development & Rehabilitation Assistance	31,223,919			
Total Unfunded Projects	\$ 135,107,690			

SUMMARY

Since its adoption in 1970, the Project Area has evolved to have new social conditions and physical and economic challenges. The Agency has completed many successful redevelopment projects, however further redevelopment is necessary to address significant remaining blight within the Project Area. Lower incomes, higher poverty, and lower levels of education attainment make it less likely that residents can fund improvements on their own. Economic challenges are exemplified by the high amount of foreclosures occurring in the Project Area. Businesses and developers lack interest in investing in the Project Area due to its physical and economic depreciation. Redevelopment is necessary to assist residents, property owners, businesses and developers to make property improvements, foster new development, increase homeownership, provide more affordable homes, prevent crime, and provide other services that alleviate blight. The Plan Amendment is necessary to secure the financial and administrative tools that will enable the Agency to implement proposed projects that are necessary for the elimination of blight.

Proposed non-housing projects require \$91 million in funding, after accounting for financing interest and administrative costs, and housing projects require \$44 million. The proposed projects will alleviate physical blight by improving or replacing unsafe and unhealthy buildings, consolidating lots or facilitating development on properties that have conditions hindering viable use, and creating defined commercial corridors to prevent incompatible uses. They will also alleviate economic blight by increasing new building stock and making property improvements to increase property values and lease rates, acquiring and replacing or facilitating improvements on abandoned buildings, providing more affordable housing stock and increasing homeownership opportunities to alleviate overcrowding, and making improvements to streets and parks to prevent crime. New homeownership opportunities will also help alleviate physical blight by creating more neighborhood pride and incentive to maintain properties.

SECTION B

Exhibit A

A Description of the Blighting Conditions Present in the Project Area

INTRODUCTION

The Redevelopment Plan was adopted in 1970 to address the blighting conditions present in the Project Area as defined by Redevelopment Law at the time. The Redevelopment Plan would have expired in 2010, but, in 2003, the Agency adopted the Sixth Amendment to the Redevelopment Plan ("Sixth Amendment"), pursuant to Section 33333.10 of the Redevelopment Law, extending the life of the Redevelopment Plan by an additional ten years. Three subsequent amendments to the Redevelopment Plan extended its duration by one year each, as permitted by Senate Bills 1045 (Stats. 2003, Chap. 260) and 1096 (Stats. 2004, Chap. 211), to compensate for the Agency making required payments to the Educational Revenue Augmentation Funds.

The Section 33333.10 amendment required a finding that significant blight remained within the Project Area according to the then-current definition of blight and a specific definition of the term "significant." The adoption of the Sixth Amendment, and the ten-year extension of the life of the Redevelopment Plan, was allowable only if the Project Area suffered from conditions of blight as defined in 2003, which were as follows:

- (a) This subdivision describes physical conditions that cause blight:
 - (1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors.
 - (2) Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors.
 - (3) Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area.
 - (4) The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.
- (b) This subdivision describes economic conditions that cause blight:
 - (1) Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of agency authority as specified in Article 12.5 (commencing with Section 33459).
 - (2) Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities.
 - (3) A lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
 - (4) Residential overcrowding or an excess of bars, liquor stores, or other businesses that cater exclusively to adults, which has led to problems of public safety and welfare.
 - (5) A high crime rate that constitutes a serious threat to the public safety and welfare.

For purposes of determining the significance of blight conditions remaining in the Project Area, Section 33333.10 defined "significant" as being "important and of a magnitude to warrant agency assistance," and noted that significant blight can exist in a project area even if blight is not prevalent. The Sixth Amendment found that the vast majority of the Project Area remained blighted under the 2003 definitions of blight, as shown on Exhibit B-1. Blighting conditions in the Project Area at the time included:

- Buildings in which it is unsafe or unhealthy for persons to live or work;

- Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots;
- Adjacent or nearby incompatible land uses that prevent economic development;
- Subdivided Lots of Inadequate Size in Multiple Ownership;
- Depreciated or stagnant property values or impaired investments;
- Abnormally high business vacancies, abnormally low lease rates, and abandoned buildings;
- A lack of necessary commercial facilities that are normally found in neighborhoods;
- Residential overcrowding; and
- A high crime rate that constitutes a serious threat to the public safety and welfare.

Because the ten-year extension of the Redevelopment Plan was based on blight under the 2003 definitions listed above, for the purpose of this Amendment, this Report must again identify and evaluate the existence of blighting conditions in accordance with the 2003 definitions of blight.

This section of the Report describes the physical and economic blighting conditions that remain in the Project Area, as defined by Redevelopment Law in 2003 when the Sixth Amendment was adopted.

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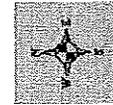
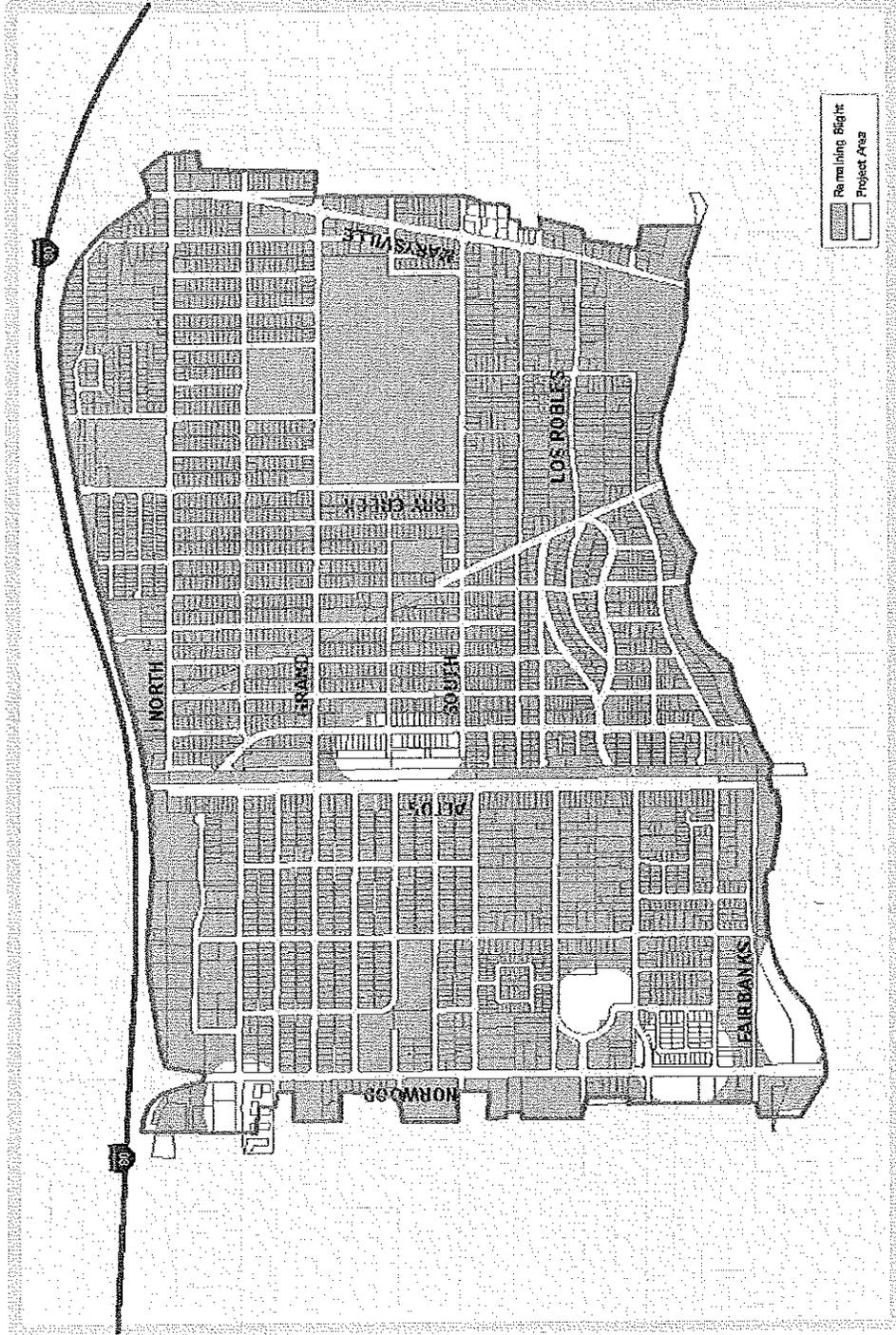


Exhibit B-1 Remaining Blight Found by the Sixth Amendment



Source: City of Sacramento GIS, SH/RA

FINDINGS & METHODOLOGY

Blighting conditions that were found to exist in the Project Area at the time of this Plan Amendment include:

- Unsafe and Unhealthy Buildings
- Factors that Prevent Economically Viable Use
- Adjacent or Nearby Incompatible Uses
- Depreciated Property Values, Including Sites Containing Hazardous Waste
- Abandoned Buildings and Excessive Vacant Lots
- Residential Overcrowding
- A High Crime Rate that Constitutes a Serious Threat to The Public Safety and Welfare

Several data sources were used to make these findings. Rosenow Spevacek Group, Inc. ("RSG"), the Agency's redevelopment consultant, undertook an analysis of the physical and economic conditions in the Project Area based on the requirements of the Redevelopment Law. This Report utilizes many quantitative and qualitative research tools developed by RSG to make determinations for the formation of redevelopment project areas throughout the state. Specifically, the methodology used to determine blighting conditions are as follows:

Field Reconnaissance: Trained staff conducted a parcel-by-parcel field survey of the Project Area from June 23 to 25, 2008, documenting and photographing examples of blighting conditions that could be observed from the public right-of-way. Both physical and economic indicators of blight were noted, such as deterioration and dilapidation, possible abandoned buildings, vacancies, and crime such as vandalism and graffiti.

Code Enforcement Research: RSG collected a database of open code enforcement violations in the Project Area as of August 6, 2008, from the City Code Enforcement Department. Serious code violations that make a property unsafe or unhealthy were identified based on the definition of dangerous and substandard buildings in the City's Municipal Code.

Property Tax Research: RSG searched the County Department of Tax Collection and Licensing's Property Tax Bill Information System to use as an indicator that a vacant and neglected building is abandoned.

Investigation of Development Standards: RSG reviewed the City's General Plan and Zoning Code to identify development standards. This information was used as a basis to determine whether properties have conditions that hinder economically viable use or have irregular shapes and sizes for proper usefulness and development.

Analysis of Property Information: RSG used First American Title Metroscan Information Service to obtain County Assessor's data on property information such as parcel shape, size, ownership, assessed value land use, and zoning. Parcel location, shapes, sizes and other information was also available from GIS files provided by the City. RSG used this data to analyze conditions throughout this Report.

Land Use Analysis: RSG analyzed existing land uses and spoke to local real estate brokers to identify adjacent or nearby incompatible land uses within the Project Area that prevent economic development.

Real Estate Market and other Economic Analysis: RSG collected data from local real estate agents and Sacramento real estate market reports to establish a baseline expectation of lease rates, vacancy rates, and property values. Statistics particular to the Project Area were obtained through LoopNet and Metroscan, online real estate databases, and field reconnaissance. These were compared to regional values to determine whether the Project Area has depreciated or stagnant property values.

Survey of Real Estate Brokers: RSG surveyed ten local real estate brokers that represent single and multifamily residential and industrial property in the Project Area about market factors and trends in the Project Area compared to the greater Sacramento region. Questions addressed vacancy, lease and turnover rates, foreclosures, crime, building age, client preferences and perceptions, and broker recommendations.

Hazardous Waste Research: RSG researched environmental databases from the Environmental Protection Agency, California Water Resources Control Board, and California Department of Toxic Substances Control to determine whether the study area has hazardous waste sites that have impaired property values and may be eligible for Agency intervention pursuant to the Polanco Act. The Agency also provided information on hazardous waste sites that they have acquired or will attempt to acquire to remediate.

Commercial Facilities Research: RSG analyzed whether there is a lack of necessary commercial facilities in the Project Area that are normally found in neighborhoods (such as grocery stores, drug stores, banks and health services), as well as whether there is an excess of adult businesses. Field survey observations and a general internet search of such businesses showed that these conditions are not present in the Project Area.

Residential Overcrowding Analysis: 2000 U.S. Census data was utilized to analyze whether the Project Area has residential overcrowding based on standards identified by the U.S. Department of Housing and Urban Development.

Crime Analysis: RSG drove through the Project Area with Lieutenant Gardner of the Sacramento Police Department in June 2008 to learn about crime in the Project Area. RSG also analyzed crime statistics in the area as reported by the City of Sacramento Police Department.

PHYSICAL BLIGHT

Physical blighting conditions within the Project Area consist of Unsafe and Unhealthy Buildings, Factors that Prevent Economically Viable Use, and Adjacent or Nearby Incompatible Uses. These are described in detail below.

UNSAFE & UNHEALTHY BUILDINGS

Buildings in which it is unsafe or unhealthy for persons to live or work are a physical blighting condition per Redevelopment Law Section 33031(a)(1). Based on 2003 Redevelopment Law, these conditions may be caused by serious building code violations and dilapidation and deterioration, among other things. The Project Area has 60 unsafe and unhealthy buildings; 21 have serious code violations and 40 have dilapidation and deterioration (one building has both conditions).

Serious Building Code Violations

Properties with serious code violations are found throughout the Project Area. Table B-1 summarizes the number and type of open code enforcement cases within the Project Area as of July 2008. Over half of all open code enforcement cases are unsafe and unhealthy buildings. According to Ron O'Connor, Chief of Housing and Dangerous Buildings within the City's Code Enforcement Department, 99% of code enforcement data is compiled on a complaint basis, thus more violations are likely to exist beyond what is recorded.

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Exhibit A

Summary of Open Code Enforcement Cases by Type **Table B-1**

Del Paso Heights Redevelopment Project Area		
Type of Violation	Incidences	% of Total Cases
<i>Unsafe & Unhealthy</i>		
Dangerous Building	2	3.0%
Dangerous Vacant Building	7	10.4%
Substandard Building	2	3.0%
Substandard Vacant Building	10	14.9%
Total unsafe & unhealthy building cases	21	23.9%
<i>Other</i>		
Other Cases	67	76.1%
Total Cases in Project Area	88	100.0%

Source: City of Sacramento Code Enforcement, 8/6/2008

The City of Sacramento Code Enforcement Department reported 21 cases of “dangerous” or “substandard” buildings as defined by the Chapters 8.96 and 8.100 of the Sacramento City Code. Dangerous buildings are in danger of collapsing, have buckled walls or other structures, damage from fire and other natural disasters, or other conditions to the point that they endanger the life, health, property, or safety of the public or its occupants. Substandard buildings lack proper plumbing, heating, electrical equipment and other utilities, lack minimum amounts of natural light and ventilation, have general dilapidation, or other conditions to the point that endanger the life, limb, health, property, safety, or welfare of the public or the occupants of the building. The Project Area’s unsafe and unhealthy buildings and their code violations are identified in Table B-2 below.

Serious Building Code Violations Table B-2
Del Paso Heights Redevelopment Project Area

Site Address	Description
800 Block of Brae Ave	Dangerous Vacant Building
700 Block of Carroll Ave	Dangerous Building, Fire
3700 block of Cypress St	Substandard Vacant Building
3800 Block of Elm St	Substandard Vacant Building,
800 Block of Ford Rd	Substandard Vacant Building
1000 Block of Grand Ave	Dangerous Vacant Building
1400 Block of Grand Ave	Substandard Vacant Building
3900 Block of Huron St	Substandard Vacant Building
1100 Block of Jean Ave	Dangerous Vacant Building
500 Block of Kesner Ave	Substandard Vacant Building
3900 Block of May St	Dangerous Vacant Building
600 Block of Morey Ave	Substandard Building
1200 Block of Nogales St	Substandard Building
1300 Block of North Ave	Dangerous Vacant Building
1300 Block of North Ave	Substandard Vacant Building
3600 Block of Rio Linda Blvd	Substandard Vacant Building
3600 Block of Rio Linda Blvd	Substandard Vacant Building
900 Block of Rivera Dr	Dangerous Vacant Building
1100 Block of Rivera Dr	Substandard Vacant Building
3400 Block of Taylor St	Dangerous Building
800 Block fo Union St	Dangerous Vacant Building

Source: City of Sacramento Code Enforcement, 8/6/2008

The location of unsafe and unhealthy properties with serious code violations are shown in Exhibit B-2.

Dilapidation and Deterioration

The Project Area has 40 unsafe and unhealthy residential and nonresidential buildings resulting from dilapidation and deterioration based on RSG’s field survey observations. Many cases are serious and caused by long term neglect. Conditions include:

Roofs, eaves and overhangs that are sagging, broken, cracking, rotted, peeling, and/or otherwise deteriorated to a point of endangering the health and safety of occupants.

Damaged exterior building materials such as cracking and chipped walls, rotting wood, buckling columns, wood panels out of alignment, rusting metal roofs and walls, and other conditions that endanger health and safety of building occupants.

Unsafe and unhealthy buildings are found throughout the Project Area, however there are four areas of concentration between:

- Norwood Avenue, Kesner Avenue, Taylor Street and Hayes Avenue;

Exhibit A

- Clay Street, Harris Avenue, Dry Creek Road and South Avenue;
- Elm Street, North Avenue, Balsam Street, and Grand Avenue; and
- Rio Linda Boulevard, Silvano Street, Belden Street, and Rivera Drive.

The first three photos below are examples of unsafe or unhealthy non-residential properties throughout the Project Area with the above conditions. The remaining photos show examples of unsafe or unhealthy residential properties with dilapidation and deterioration. Appendix A provides a map showing the location of photos shown in this Report.

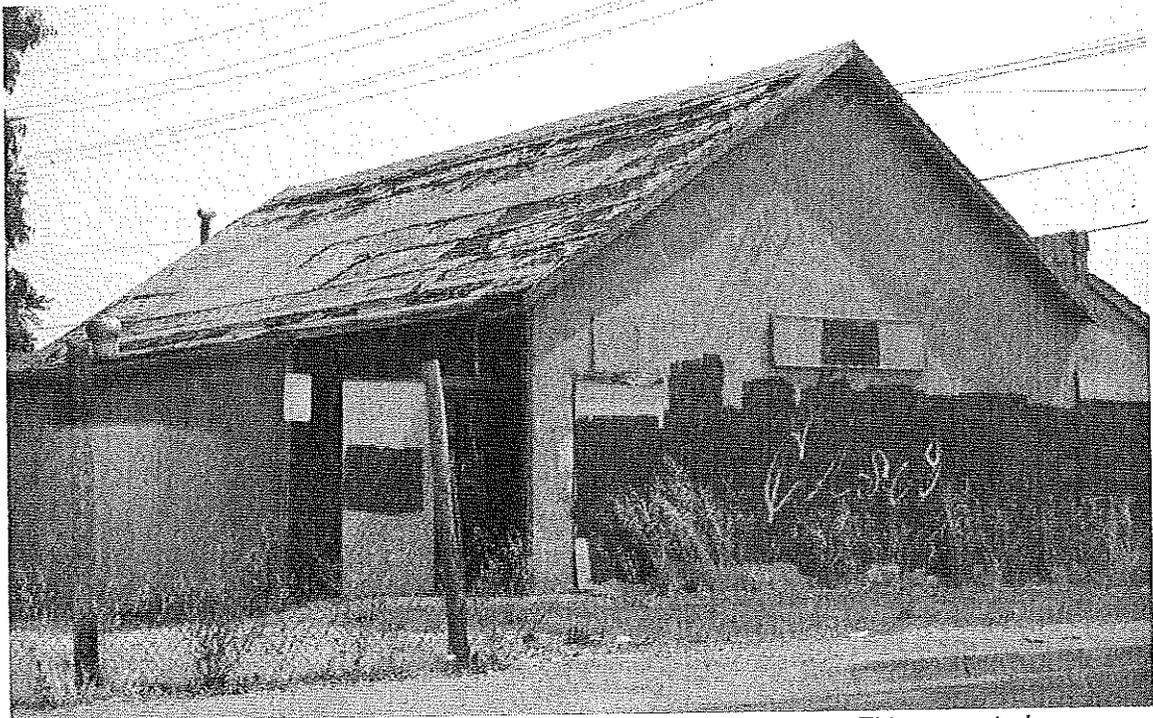


Photo B-1: 3400 Block of Rio Linda Boulevard, APN 251 0191 017: This property has a severely damaged roof that is broken and rotting. Parts of the eaves and overhangs are missing and the remaining eaves have cracks and holes due to stress from the roof. The exterior is damaged and rotting from faulty weather protection and neglect. The open wall may attract squatters or persons who may use the building for illegal activity. The County Tax Collection & Licensing Department records show that this property has delinquent property taxes as of September 19, 2008. The property owner has failed to maintain the building functionally, physically, and financially.



Photo B-2: 3400 Block of Rio Linda Boulevard, APN 251 0191 020: This vacant property has a damaged exterior and is molding along the bottom due to faulty weather protection and neglect. It also has delinquent property taxes as of September 19, 2008. The owners have not maintained the property's physical, functional, and financial upkeep.

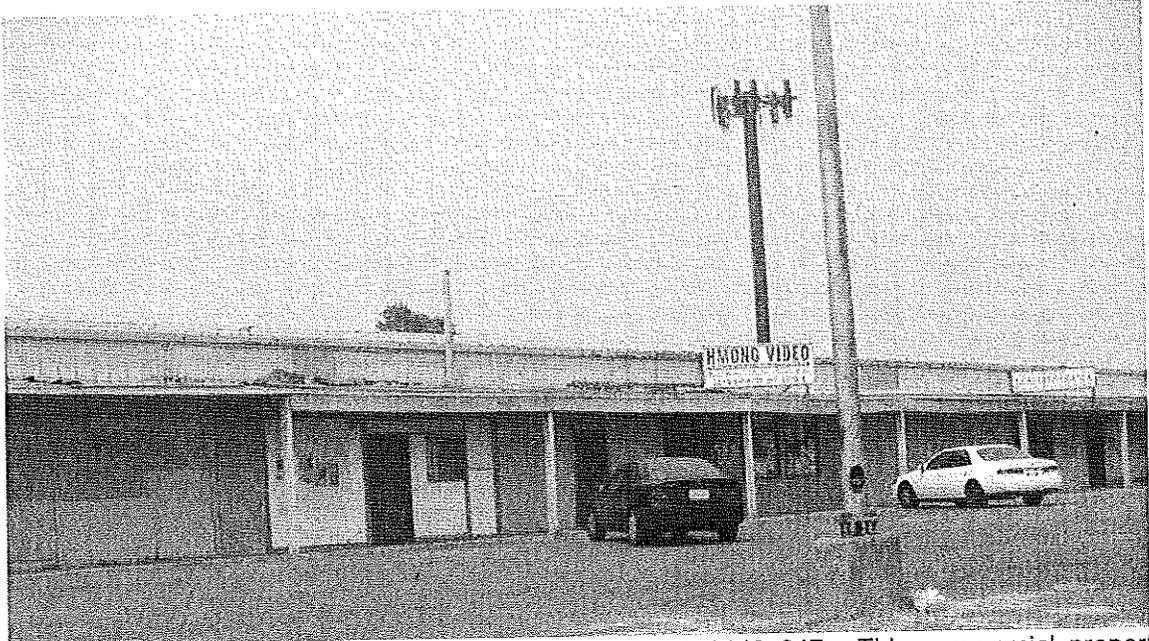


Photo B-3: 3500 Block of Norwood Avenue, APN 250 0140 047: This commercial property is seriously dilapidated. The roof, eaves, and overhangs are peeling and sagging. The roof is made of corrugated sheet metal and prone to rust. The exterior building materials are damaged and cracking at the foundation due to faulty weather protection and neglect. Although the building has some operating tenants, several units have boarded windows. This property also has delinquent property taxes as of September 19, 2008. The property owner has neglected to maintain the physical, functional and financial aspects of this building.

The non-residential properties pictured above are examples of buildings that are unsafe and unhealthy due to dilapidation and deterioration. Non-residential dilapidated properties tend to be concentrated on Rio Linda Boulevard and Taylor Street, with some on Norwood Avenue and Haywood Street. The Plan Amendment would provide sufficient financial resources to assist property owners with improvements and, in some cases, acquire properties.

The photos below show examples of unsafe and unhealthy residential properties within the Project Area.

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
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Exhibit A

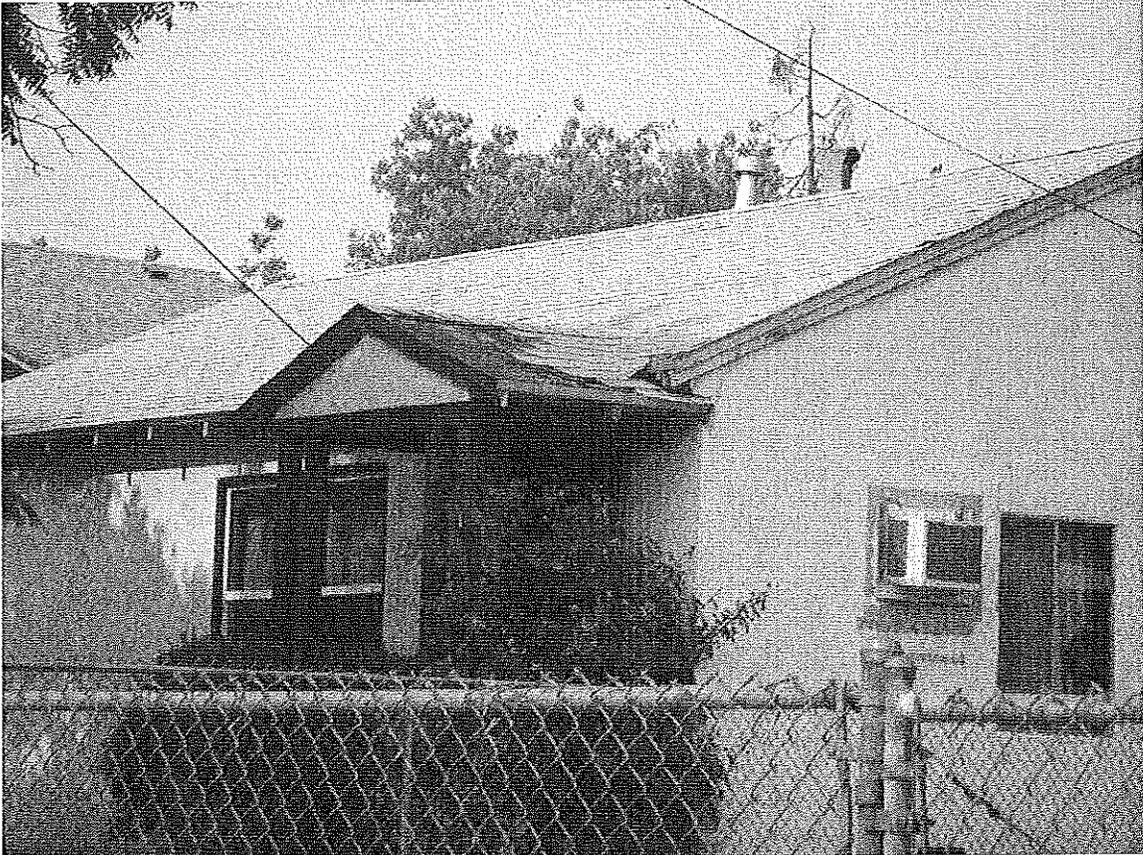


Photo B-4: 3300 Block of May St, APN 251 0252 027: The roof on this property is damaged and has missing asphalt shingles, exposing the unprotected roof to the elements and increasing the rate of damage and decay.



Photo B-5: 3300 Block of May Street, APN 251 0251 021: This property's roof is peeling and severely deteriorated. Deteriorated roofing materials can allow moisture to seep through the roof and affect the interior of the building, causing problems such as mold and deteriorating building materials.



Photo B-6: 400 Block of Kesner Avenue, APN 250 0101 009: This property has deteriorated eaves and the wood panels at the base of the building are cracking due to faulty weather protection and are susceptible to damage and rot.

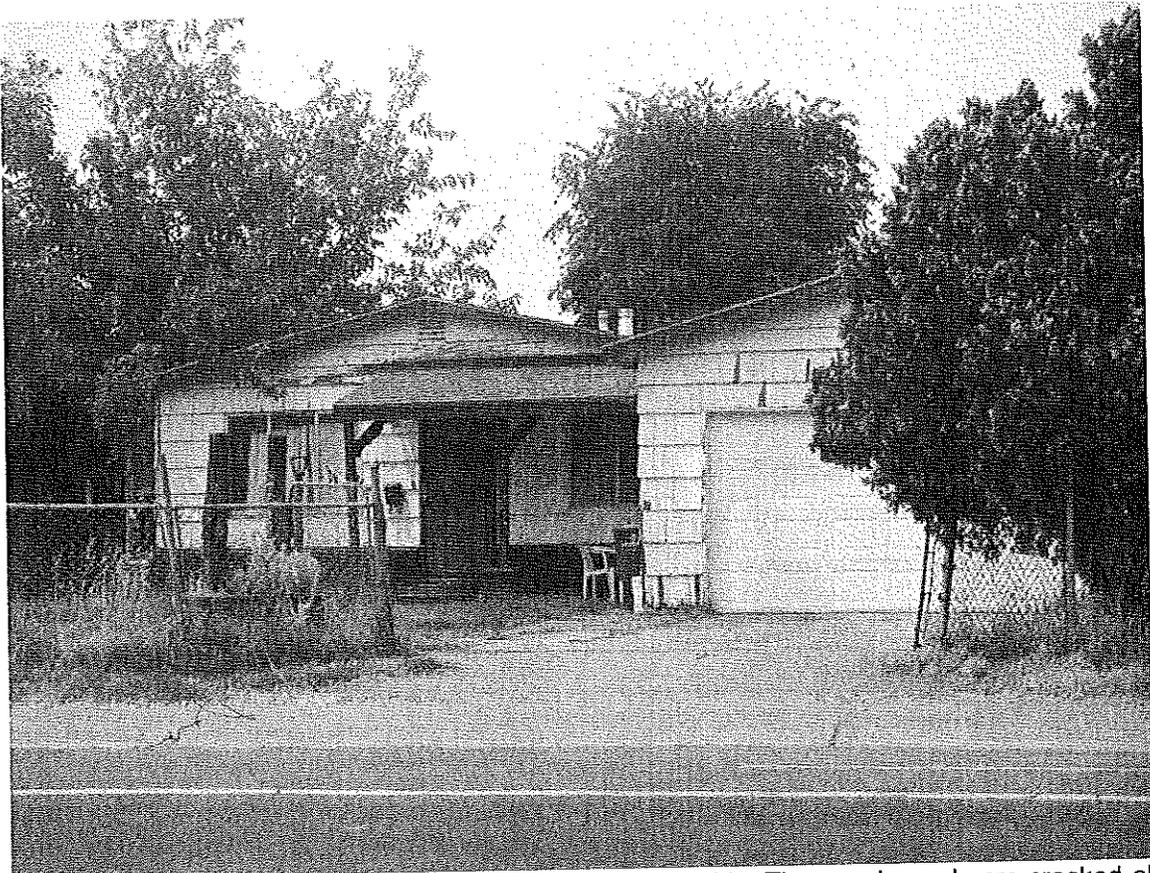


Photo B-7: 500 Block of Grand Avenue, APN 250 0063 022: The wood panels are cracked above the doorway and around the garage due to faulty weather protection and neglect. The left column holding the overhang above the door is beginning to buckle. Buckling vertical supports are a common code violation according to the City Code Enforcement Department.



Photo B-8: 3400 Block of Cypress Street, APN 251 0192 009: This roof is peeling and damaged, leaving the exposed materials underneath more susceptible to damage and rot.



Photo B-9: 3300 Block of Branch Street, APN 251 0244 009: The property pictured has deteriorating wood panels from faulty weather protection and a damaged roof. The wood is exposed to the elements, increasing the rate of damage and decay.



Photo B-10: 3300 Block of Branch Street, APN 251 0251 016: The wood panels are severely deteriorated and rotting, compromising the building's structural integrity.

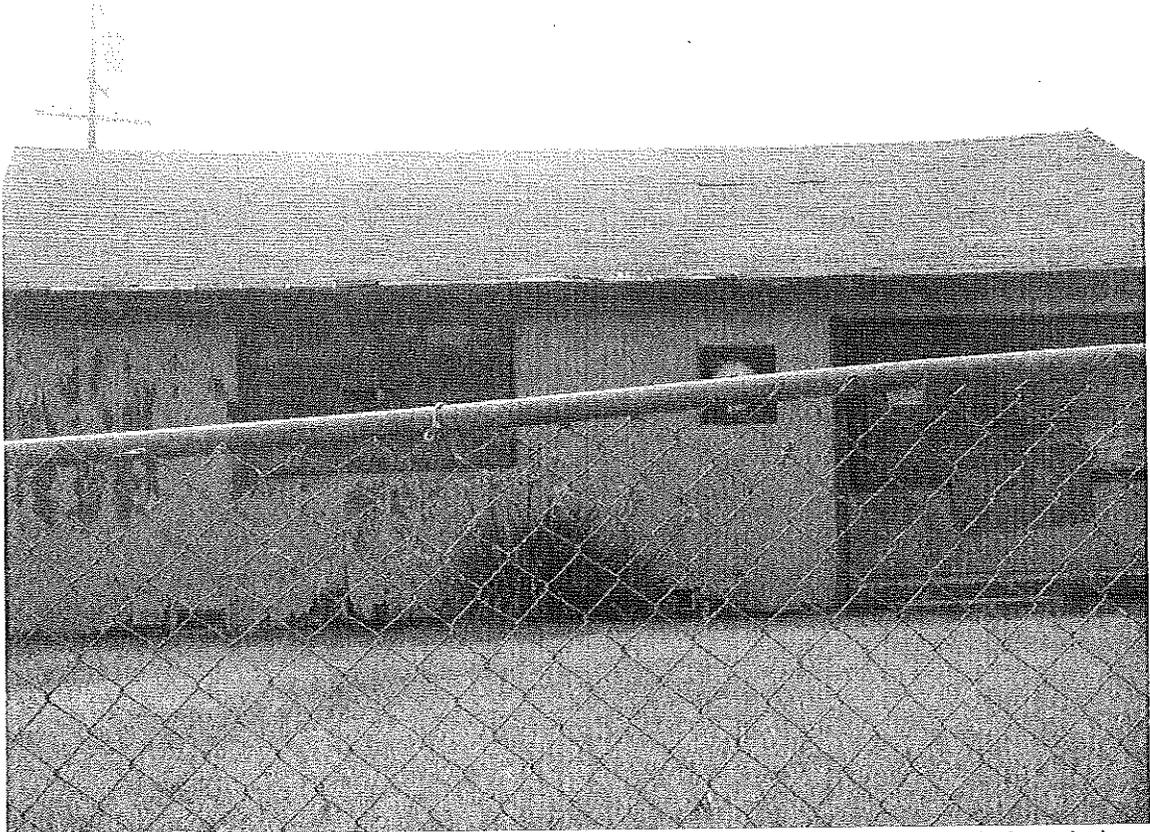


Photo B-11: 3900 Block of Palmetto Street, APN 251 0011 007: This property is boarded up and appears to be uninhabited. The exterior is damaged from faulty weather protection and the roof sags in the middle, causing damage to eaves. A sagging roof could be accompanied by a damaged support wall or beam and are a common code violation according to the City Code Enforcement Department



Photo B-12: 3300 Block of Rio Linda Boulevard, APN 251 0282 010: The wood tiles are splitting and cracking and are susceptible to rot from faulty weather protection.

Exhibit A

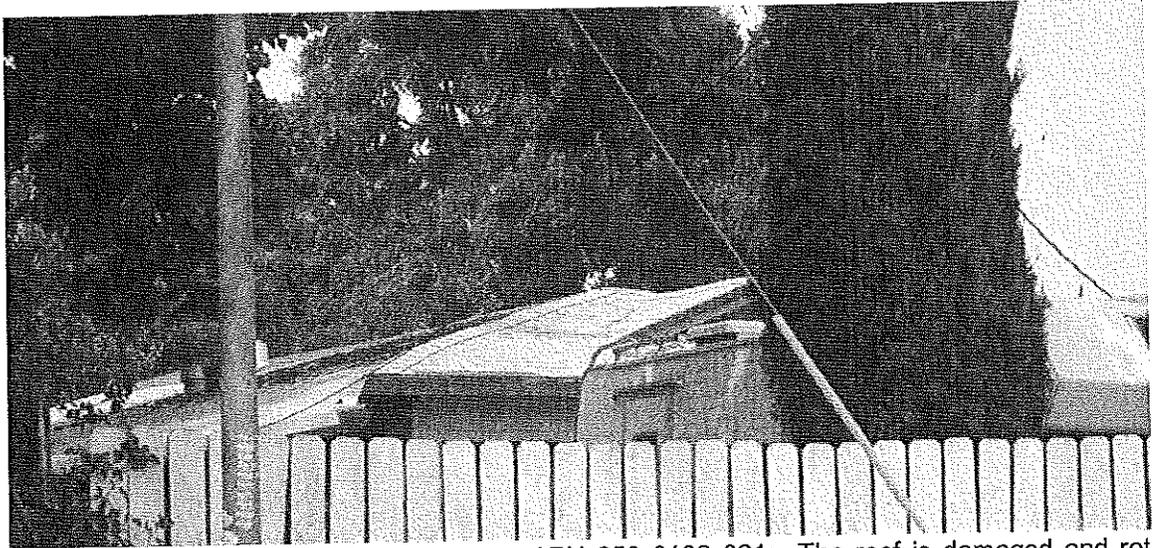


Photo B-13: 500 Block of South Avenue, APN 250 0102 021: The roof is damaged and rotting, creating a safety hazard for residents.



Photo B-14: 3200 Block of Taylor Road, APN 250 0480 001: The property suffers from deteriorated eaves and overhangs. The overhang above the door sags on the left.



Photo B-15: 3400 Block of Altos Avenue, APN 250 0210 018: Just as many other properties within the project area, this residence has a damaged roof with missing tiles and the overhang above the door sags in the middle. Wood panels at the base of the building are cracked, which indicates a poor foundation.



Photo B-16: 3900 Block of Palmetto St: The wood panels at bottom right of the building on Palmetto Street are broken and out of alignment, leaving holes in the exterior and exposing the interior to weather induced damage.



Photo B-17: 3800 Block of Haywood Street, APN 251 0071 016: The wood panels on this building are cracked and peeling, exposing the material to weather damage.

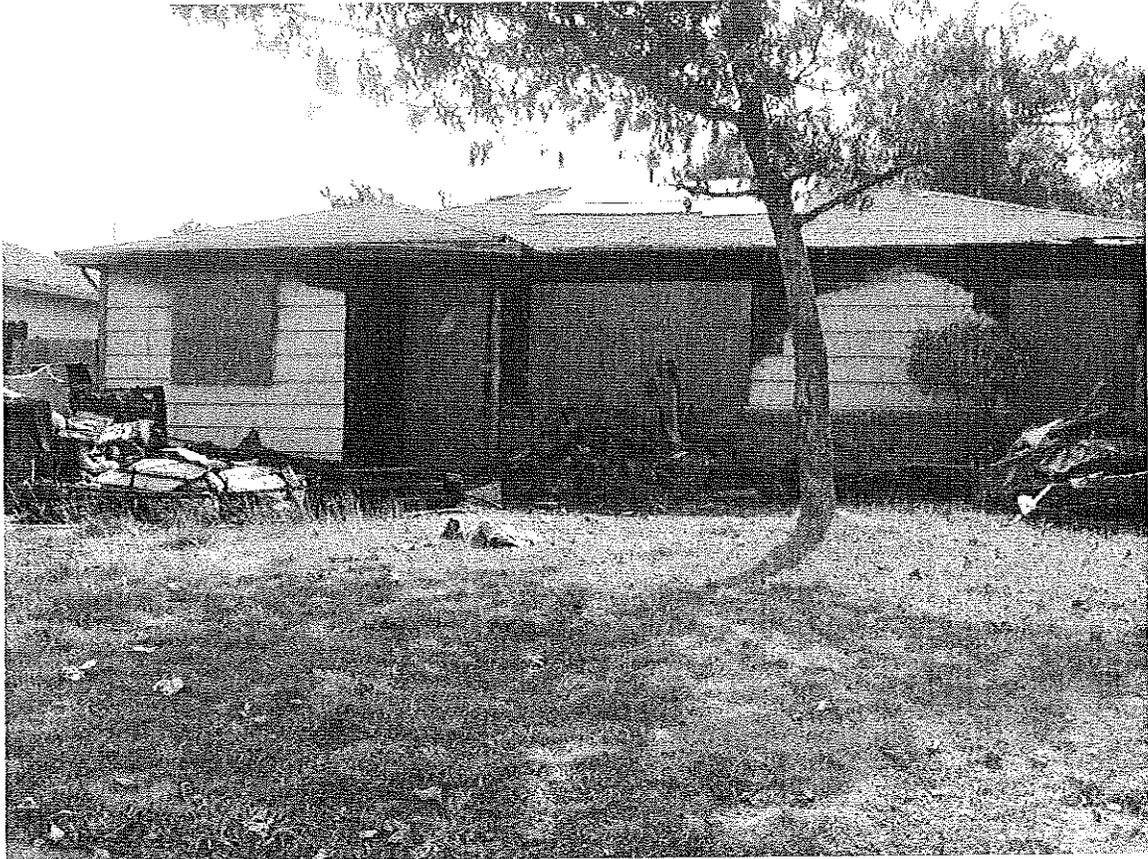


Photo B-18: 3900 Block of Huron Street, APN 251 0041 023: This single family residence has sustained major fire damage and is currently uninhabited. The roof, eaves, overhangs, and exterior are badly damaged, and debris covers the front yard.



Photo B-19: 3900 Block of Elm Street, APN 251 0042 018: The exterior building materials of this property are damaged, as are the roofing materials and eaves. The eaves are buckling above the doorway due to pressure from the roof.

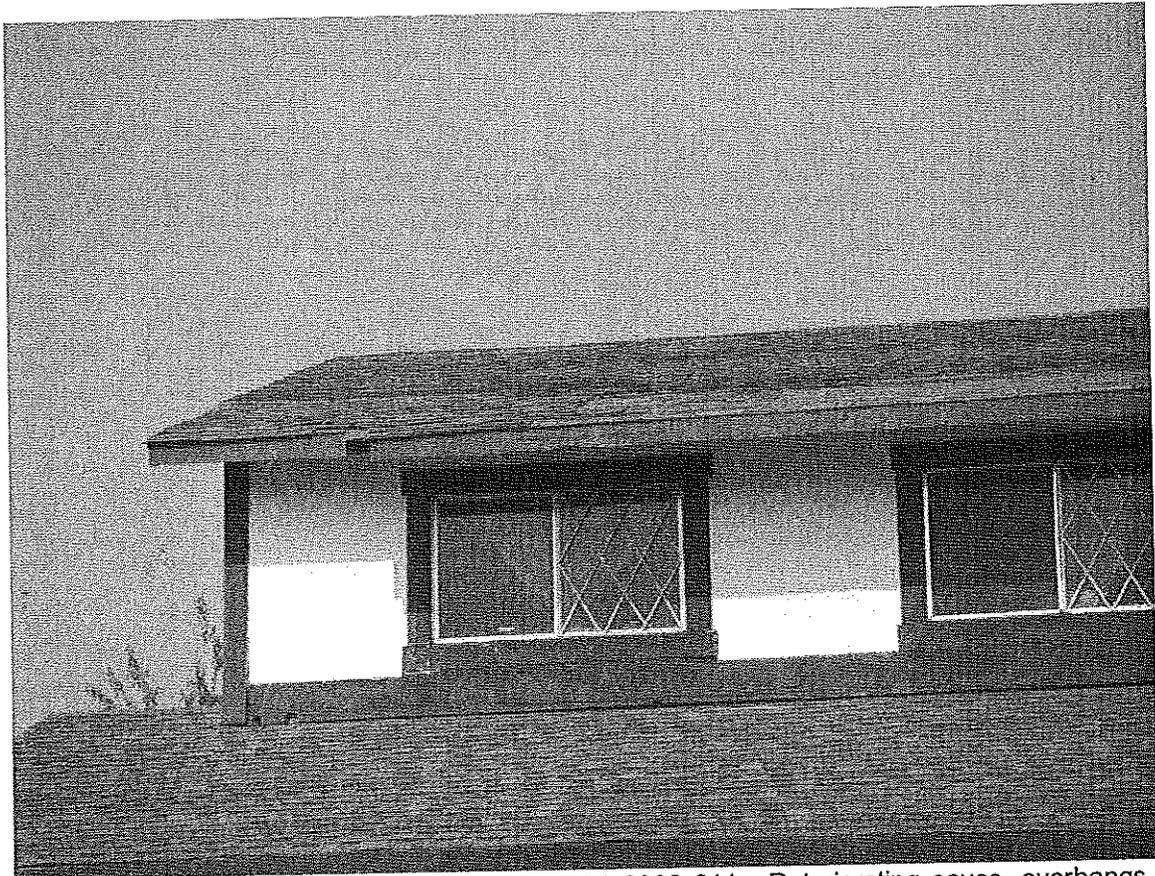


Photo B-20: 3800 Block of Fig Street, APN 251 0082 011: Deteriorating eaves, overhangs, and roofing materials are an issue at this property. The roof is peeling and tiles are missing, exposing the roof to weather induced damage.



Photo B-21: 3800 Block of Fig Street, APN 251 0082 010: Like many other properties within the project area, the residence's roofing materials, eaves, and overhangs are damaged and deteriorating. The wooden eaves are cracking and susceptible to rot from faulty weather protection.

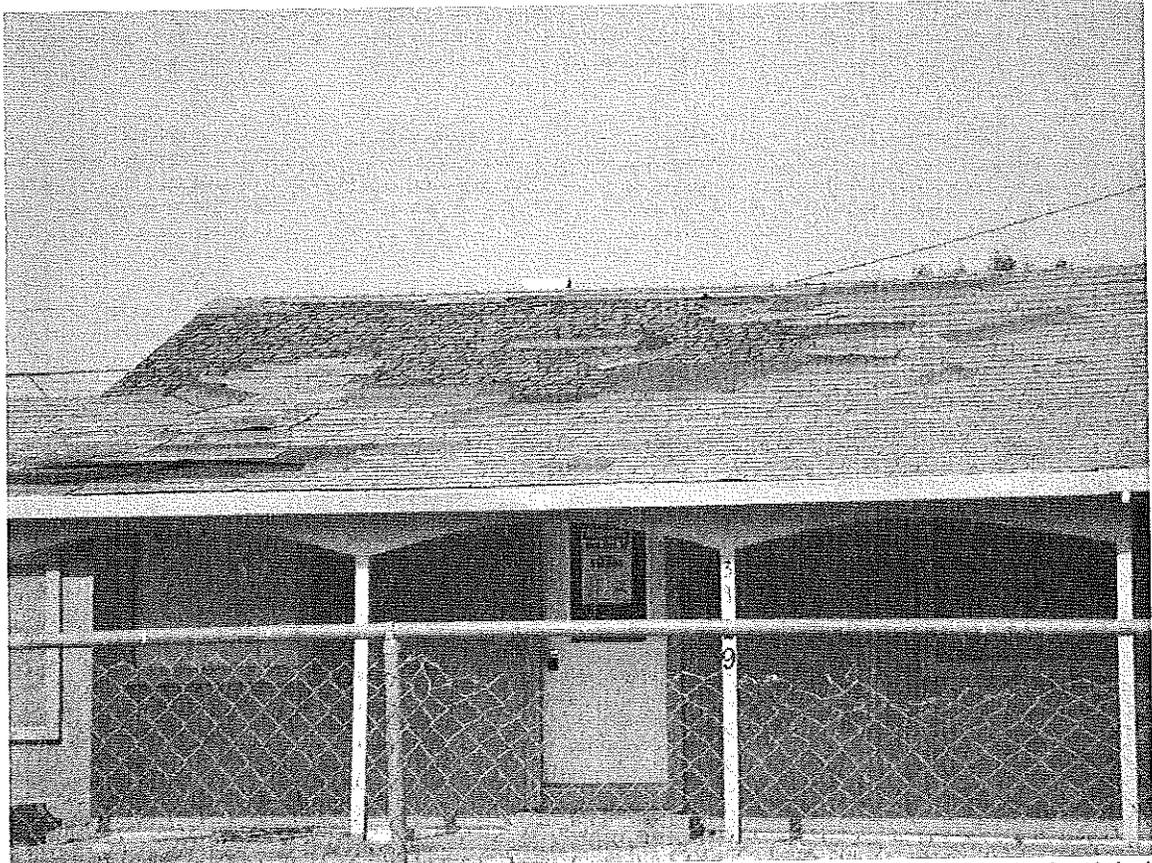


Photo B-22: 3900 Block of Fig Street, APN 251 0042 007: The roof at this boarded and uninhabited residence is damaged and peeling.

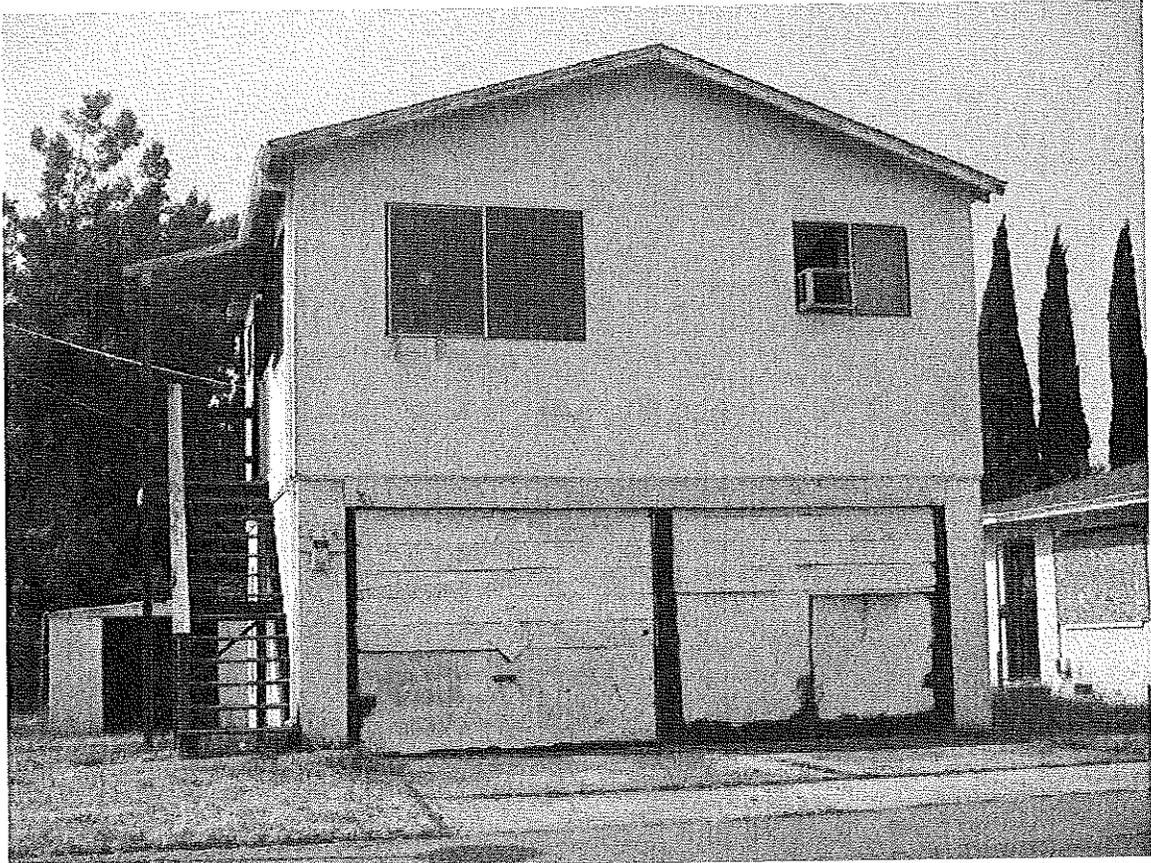


Photo B-23: 1200 Block of Roanoke Avenue, APN 251 0105 015: The garage doors of this property are severely deteriorated. The wooden stairwell at the side of the building and the eaves of this property are deteriorating. The side entrance has been boarded up with plywood and the County Tax Collection and Licensing records show the property has delinquent property taxes as of September 19, 2008.

Exhibit A

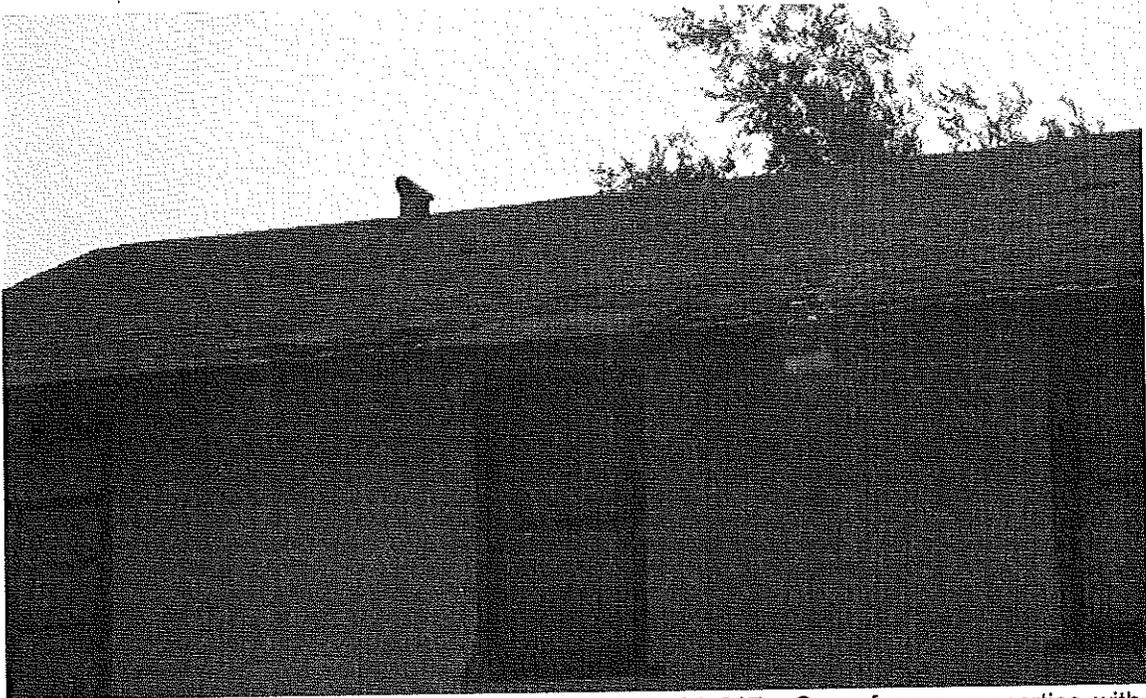


Photo B-24: 3800 Block of Huron Street, APN 251 0081 017: One of many properties with roof damage.

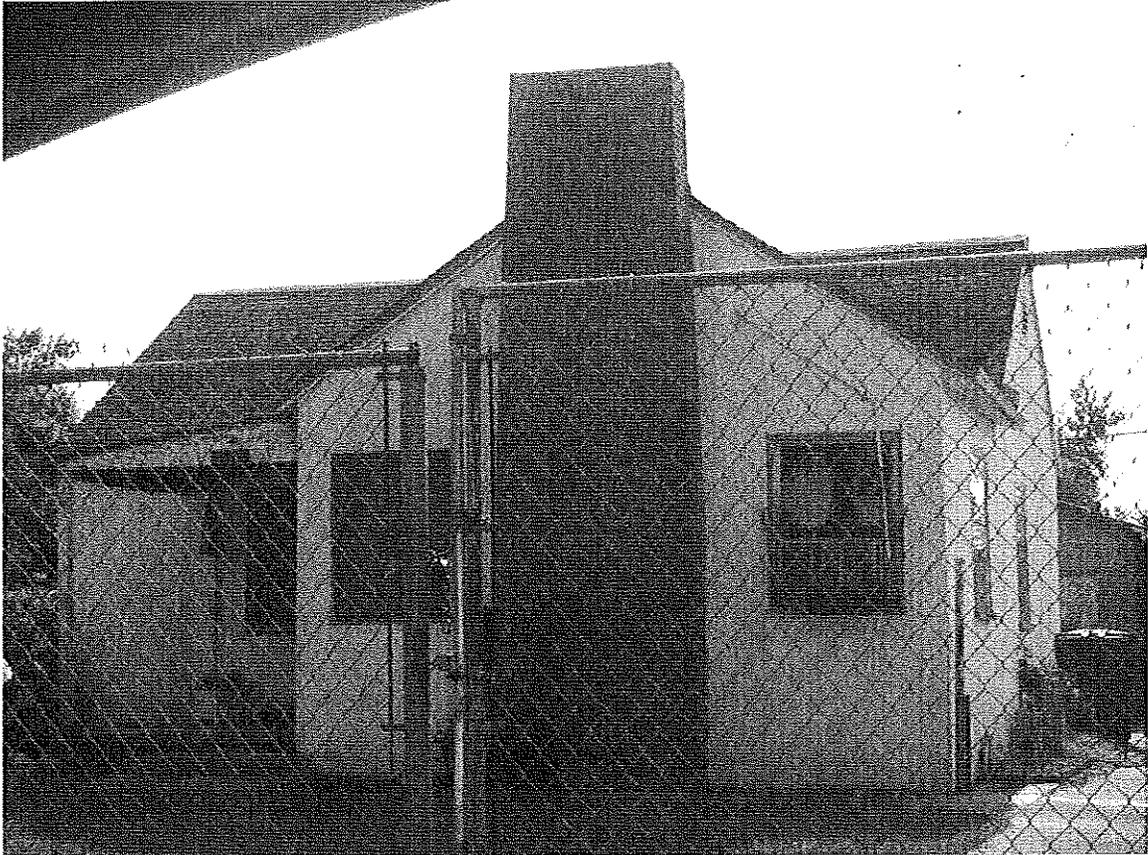


Photo B-25: 3900 Block of Haywood Avenue, APN 251 0023 016: The exterior of this home is damaged and deteriorating. Wood paneling above the doorway is cracked. Two front windows are boarded with wood.

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
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The 22 residential properties shown above are examples of properties that have dilapidation and deterioration and endanger the health and safety of occupants. Dilapidated and deteriorated residential properties are scattered throughout the Project Area, as shown in Exhibit B-2. Five real estate brokers that represent single family residential property in the Project Area feel that dilapidation and deterioration are caused by neglect from absentee property owners and renters who do not maintain their properties. The older age of many homes in the Project Area makes them more susceptible to damage from neglect. As shown in Table B-3 below, over half (57%) of homes are over 30 years old and 40% of homes are older than 50 years.

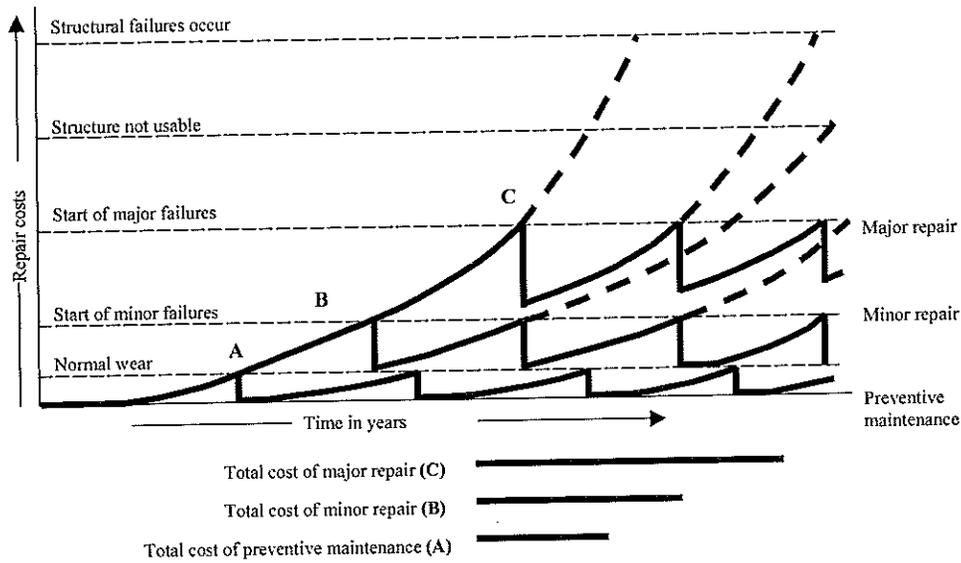
Age of Residential Properties **Table B-3**
Del Paso Heights Redevelopment Project Area

Year Built	# Properties	% Total
Prior to 1940	177	7%
1940-1949	422	17%
1950-1959	405	16%
1960-1969	275	11%
1970-1979	153	6%
1980-1989	228	9%
1990-1999	284	11%
2000-2008	335	13%
Unknown	217	9%
Total	2,496	100%
Older than 50 Years	1,004	40%
Older than 30 Years	1,432	57%

Source: First American Title Metroscan Information Service

Deferred maintenance can be a result of declining or stagnant property values and/or aging building stock. Property owners are reluctant to invest if they do not realize a return on investments from the rehabilitation and as a result, necessary preventive maintenance is neglected. Poor building conditions indicate limited reinvestment in building stock through renovation and rehabilitation, and reflect a weak environment for private sector development. Aged building stock also contributes to deferred maintenance. By nature, older structures are difficult to rehabilitate, because as the structures age, rehabilitation is more expensive due to the need to bring the structures up to current building code requirements.

As demonstrated in the figure below, if proper regular maintenance is not done, first minor, and then major failures will result over time. As the cost of renovating the building goes up exponentially over the years, structural failures occur and the building cannot be recovered. If property owners fear that they will not realize a return on an investment in rehabilitation, buildings are often neglected.



PREVENTIVE MAINTENANCE (bottom line) not only costs markedly less in aggregate than repairing building failures, it reduces human wear and tear. A building whose systems are always breaking or threatening to break is depressing to the occupants, and that brings on another dimension of expense. This diagram is adapted from *Preventive Maintenance of Buildings* (New York: Van Nostrand Reinhold, 1991), p.3.

Source: "How Buildings Learn, What Happens After They're Built" by Stewart Brand

The process of deterioration and dilapidation can be self-perpetuating. The presence of properties which exhibit signs of deterioration may deter owners of neighboring properties from improving and maintaining their properties because it appears to the property owner that any benefit which might accrue to the value of their properties will be diminished due to the condition of surrounding properties. When deteriorating conditions are prevalent throughout an area, it is often difficult for a properly maintained property to attract a buyer because the area's degenerating conditions send a message of apathy to potential investors, which presents a risk in terms of possible decrease in property values if these conditions continue to persist. Vacant homes resulting from foreclosures are another cause of dilapidation and deterioration, as they are often targets of vandalism and theft.

The Agency has several proposed projects that would improve unsafe and unhealthy buildings, such as financial assistance for property owners to upgrade properties. In some cases, the Agency purchases severely damaged properties to rehabilitate or replace. The Agency would also implement projects that increase homeownership opportunities and, in turn, increase the number of owner occupied properties. This would increase neighborhood investment and alleviate unsafe and unhealthy conditions caused by neglect from absentee property owners. The Plan Amendment would give the Agency the funding necessary to implement these projects. Proposed projects are discussed in Section A of this Report.

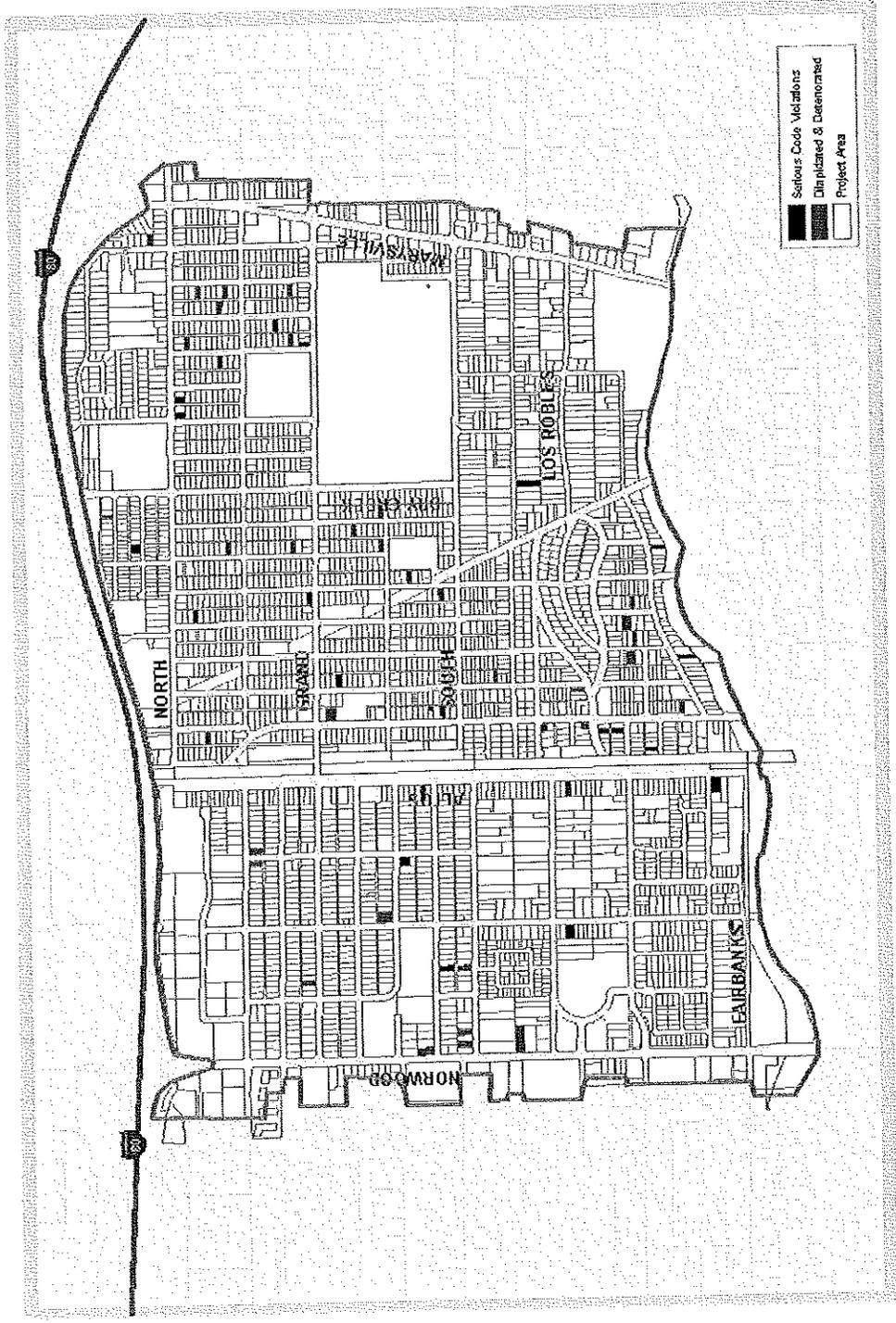


Exhibit B-2 Unsafe & Unhealthy Buildings

Source: City of Sacramento GIS, RSG Field Survey June 2008

FACTORS THAT PREVENT ECONOMICALLY VIABLE USE

Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots is a physical blighting condition according to Section 33031(a)(2) of 2003 Redevelopment Law. The condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors.

The Project Area has 48 vacant residential lots that do not meet the City's minimum lot size standards. Table B-4 summarizes the number of parcels, acreage, and zoning of vacant substandard lots.

Table B-4

Vacant Substandard Residential Lots
Del Paso Heights Redevelopment Project Area

Zone		Min. Lot Size (s.f.)	Substandard Parcels	Substandard Acreage
R-1	Standard Single Family	5,200	46	3.06
R-2A	Multifamily (17 du/ac)	2,500	2	0.03
Total			48	3.09

Source: City of Sacramento Zoning Code and GIS

The lots are scattered throughout the Project Area and are in multiple ownership, causing them to remain undeveloped. No owner owns more than three parcels, and 84% of the owners own only one vacant lot. Mixed ownership limits opportunities to consolidate lots to form more developable parcels. Exhibit B-3 shows the location of vacant substandard residential lots.

A 2001 Infill Strategy report by the City Planning Department analyzed physical and economic constraints for infill development. It found that infill development is often more costly, time consuming, and difficult to market. Lots that are small or single parcels cannot benefit from the economies of scale that larger new developments achieve. They often require upgraded or expanded infrastructure due to the age of existing infrastructure, or to meet current building, fire or other codes that have changed since the infrastructure was originally developed. Infill development must often undergo additional design review and becomes a lengthy process. Many infill areas are difficult to market, especially when compared to newly developed neighborhoods. Real or perceived issues of public safety, the appearance of the neighborhood, the availability and quality of public and neighborhood facilities and services, particularly schools, affect the desirability and marketability of areas. Lenders are also more cautious to lend money for infill projects without a demonstrated local track record for the specific type of infill development.

Frank Vogui, a broker who represents residential land in the Project Area said that low resale prices make it difficult to make a profit from resale housing and imposes a significant challenge to selling residential land within the Project Area. The older homes and infrastructure in the Project Area affect the market value of the neighborhood. He and Sean Mahoney, another broker who represents industrial properties for lease in the Project Area, said that new housing stock and other buildings would improve the overall appearance of the Project Area and attract new investors. Developing vacant land with affordable housing was also recommended because market rate housing is difficult to sell for an acceptable profit.

The Agency has proposed projects to consolidate land by purchasing adjacent lots that are in multiple ownership. The Agency has also proposed to develop affordable housing and implement homeownership programs to help people purchase homes in the Project Area, which would address concerns of making enough profit on small lots. The Agency's efforts to consolidate land and develop affordable housing can facilitate development of vacant lots of substandard size within the Project Area. The Plan Amendment would provide the necessary funding, land acquisition authority, and administrative tools to accomplish these goals.

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
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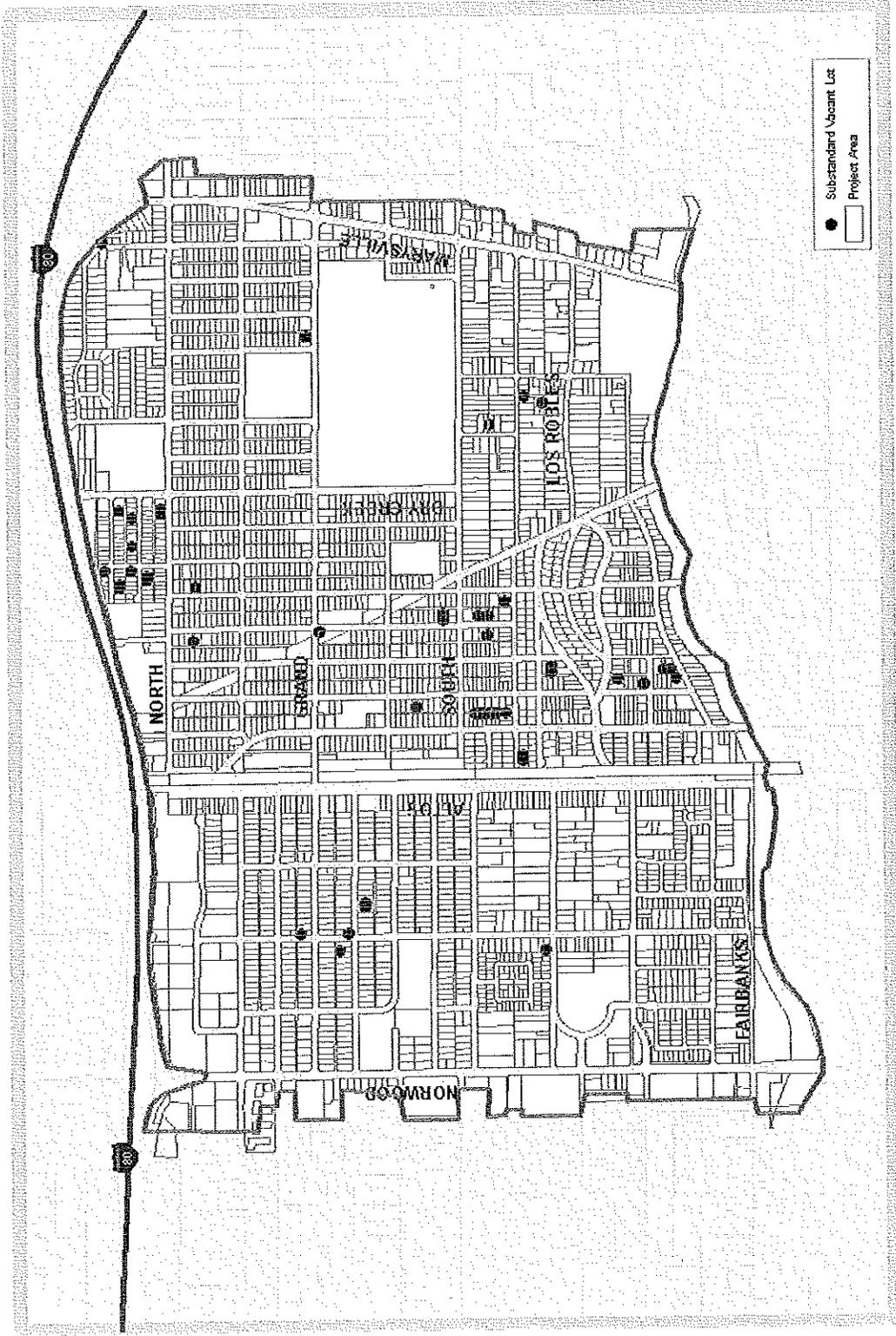


Exhibit B-3 Lots with Factors Hindering Economically Viable Use

Note: Parcels are not drawn exactly to scale
Source: City of Sacramento GIS, City of Sacramento Zoning Code

ADJACENT OR NEARBY INCOMPATIBLE USES

Redevelopment Law in 2003 defined incompatible adjacent or nearby uses that prevent the economic development of those parcels or other portions of the project area as a physical blighting condition. This existed when the Sixth Amendment was adopted and continues to exist today.

The Project Area has incompatible uses on Harris Avenue east of Norwood Avenue and just east of Taylor Street, shown in Exhibit B-4 and the aerial photo below.

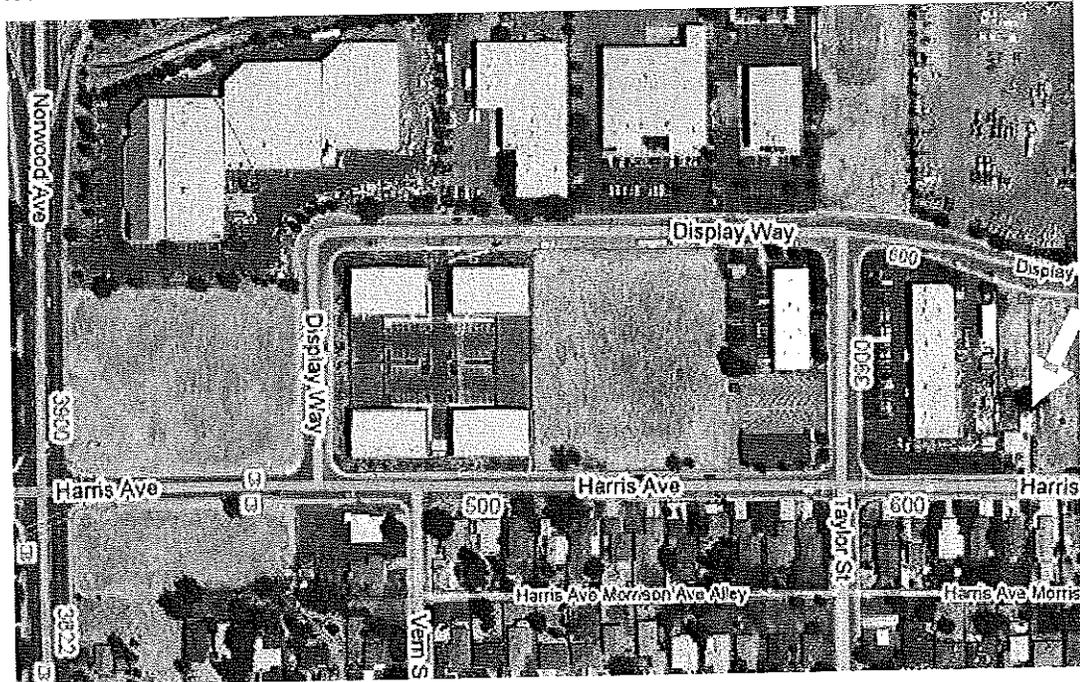


Photo B-26: Aerial satellite image of industrial uses near residential homes. *Source: Google Maps*

Industrial uses north of Harris Avenue are directly across the street from residential homes south of Harris Avenue. The arrow in the aerial image above points to a home that is adjacent to an industrial property with no buffer except a retaining wall, pictured below.

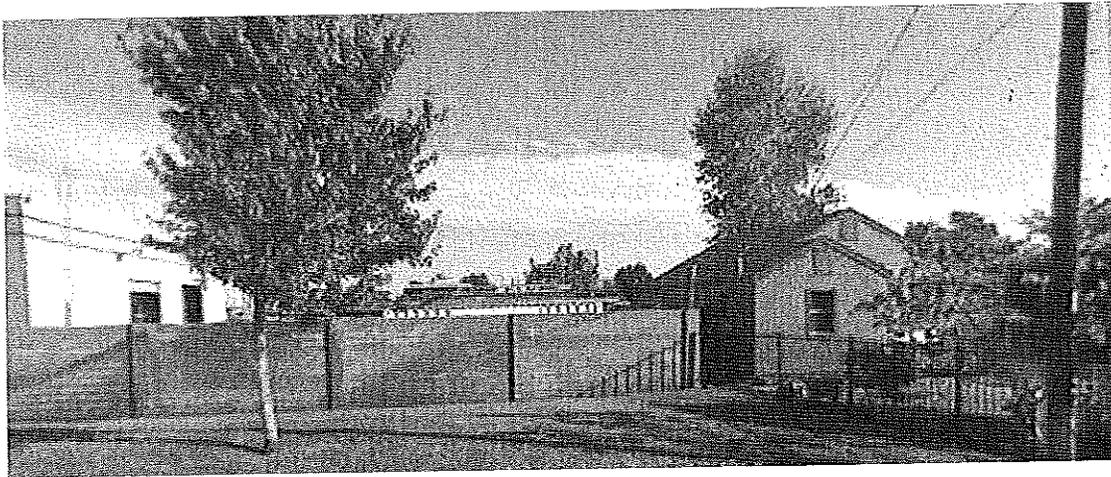


Photo B-27: An industrial property at the 3900 Block of Taylor is adjacent to residential property at the 600 Block of Harris Avenue

The mix of residential and industrial land uses is incompatible because of conflicting traffic patterns, noise impacts, odors, and other nuisances that impact quality of life and property values. Businesses are also hesitant to locate in the Project Area due to the perception that nearby public services will create a nuisance. This was identified as a challenge to leasing industrial property on Harris Avenue by a real estate broker representing industrial property for lease within the Project Area (who asked to remain anonymous). A methadone clinic treating heroin addiction is one block away from the industrial properties on Harris Avenue. According to the City Police Department, drug dealers sell heroin near the methadone clinic. This is further described in the *High Crime* section of this Report. An office of the County Department of Human Assistance is also one block from industrial businesses on Harris Avenue, which administers programs for welfare, food stamps, and homelessness.

The Agency will focus on redeveloping the Project Area, being mindful of the above issues when trying to attract future tenants to the area.

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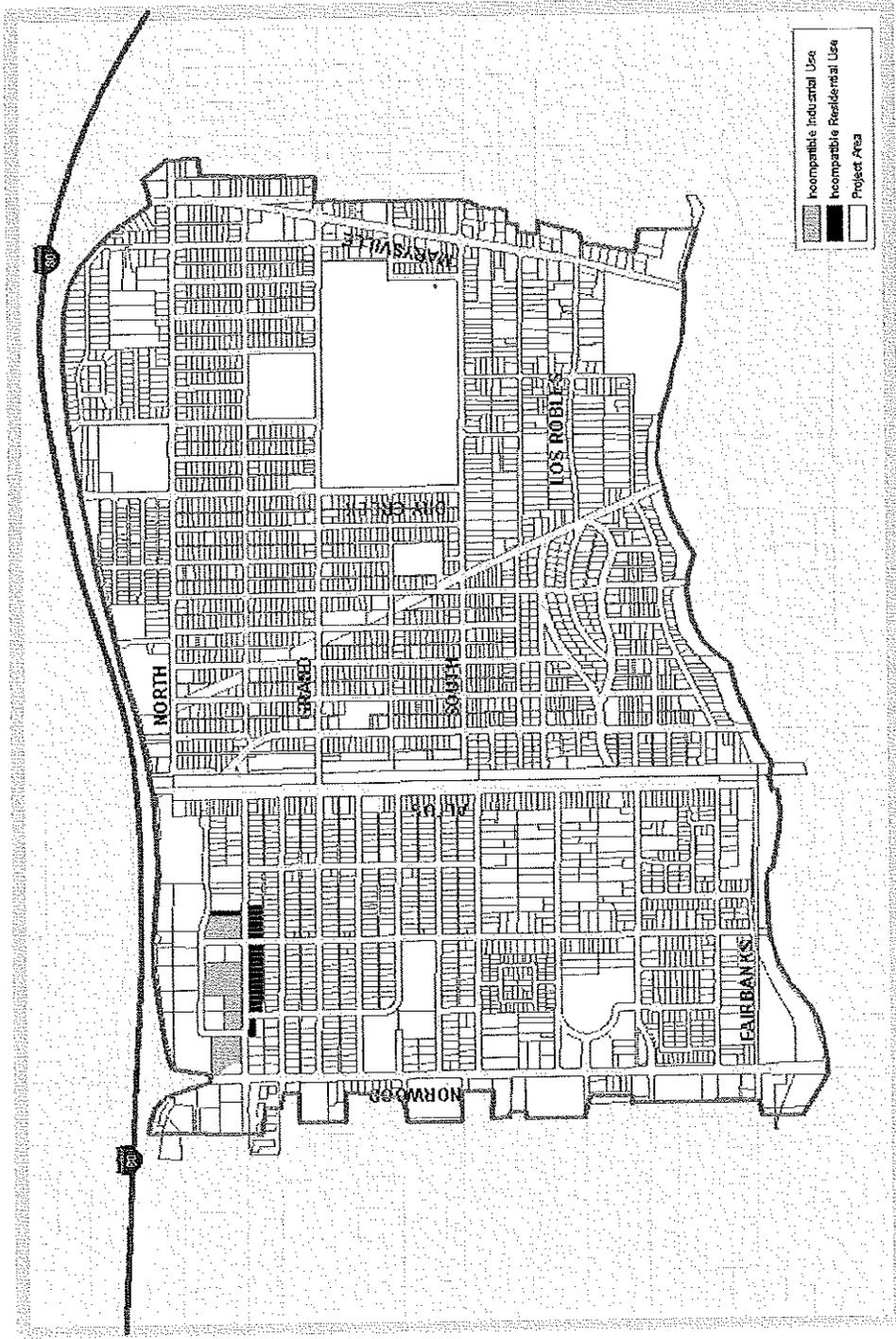


Exhibit B-4 Lots with Adjacent or Nearby Incompatible Uses

Source: City of Sacramento GIS, City of Sacramento Zoning Code

ECONOMIC BLIGHT

Economic blight in the Project Area consists of depreciated property values, abnormally low lease rates, the presence of abandoned buildings, residential overcrowding, and a high crime rate that constitutes a serious threat to public safety and welfare.

DEPRECIATED OR STAGNANT PROPERTY VALUES, INCLUDING PROPERTIES CONTAINING HAZARDOUS WASTES

Depreciating or stagnant property values are a blighting condition per Section 33031(b)(1) of Redevelopment Law. Not only are Project Area property values depreciating after a seven year bubble, they are depreciating at a significantly faster rate than property values of the City as a whole.

The findings are the result of a comprehensive analysis of three-bedroom home sales in the Project Area and the encompassing City. To best ensure that the analysis was comparing similar statistics, the sales data (from January 1999 to June 2008) was limited to single family, three bedroom homes on individual lots that were sold to new owners and not transferred to a family member. Sales prices were further normalized by dividing the total sales price by the floor area of homes, thus controlling for the range in size of properties sold. Additionally, the sales prices for prior years were converted to current (2008) dollar values according to the Consumer Price Index.

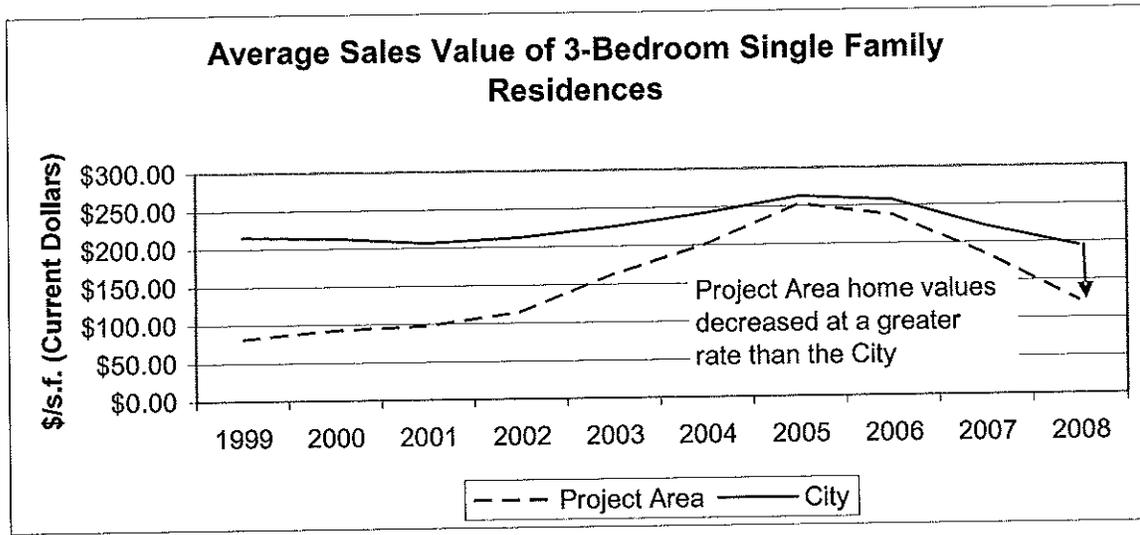
Table B-5 and the chart below show that the average sales price per square foot for a three-bedroom home in the Project Area declined two times faster than the City in the last four years. The 2008 average sales price per square foot is 37% lower than the City.

3-Bedroom Residential Sales Value Comparison Table B-5
Project Area vs. City of Sacramento

Year	Average Sales Price per S.F. /1		Difference	
	Project Area	City	\$	%
1999	\$81.62	\$215.39	-\$133.77	-164%
2000	92.62	213.19	-120.57	-130%
2001	97.40	206.30	-108.90	-112%
2002	114.56	212.43	-97.87	-85%
2003	162.81	225.32	-62.51	-38%
2004	201.28	242.19	-40.91	-20%
2005	252.10	262.63	-10.53	-4%
2006	237.00	256.85	-19.85	-8%
2007	184.35	221.47	-37.12	-20%
2008	121.87	194.57	-72.71	-60%

1/ Values adjusted to current dollars based on the Consumer Price Index for all urban areas in the Western United States.

Source: First American Title Metroscan Information Service



Although Project Area property values are 37% lower than the City, Project Area residents have a 42% lower median household income compared to their City counterparts, which are derived from larger household sizes than the City. Because incomes are disproportionately lower relative to household costs, Project Area households are less likely to be able to afford homes. Exhibit B-5 shows the location of homes in the Project Area that have a significantly lower property value compared to the City based on sales within the last ten years.

Depreciating property values are a problem experienced by local real estate brokers that represent property in the Project Area. Phil Velez and Grace Bettencourt, who are local brokers that were interviewed who represent single family residential property, and one anonymous broker said that the Project Area is the worst market for single family homes in the City, with the exception of Oak Park (another redevelopment project area). Mr. Velez says all sale properties are currently being sold for an amount lower than the asking price. Nearly all the brokers stated that property values are lower due to poorly maintained and neglected properties, disinvestment by owners, and high crime (gang activity, drug use, vandalism and theft). The Project Area's older housing stock compounds the problem of neglect, as older homes require more maintenance and new owners have to deal with extensive repairs. Ms. Bettencourt says foreclosures are also a huge problem in the Project Area. The brokers recommend implementing programs that increase homeownership in order to have more owner occupied homes in the Project Area, which would increase neighborhood investment. They also recommend improving crime prevention efforts.

Properties containing hazardous wastes that require the use of agency authority to clean the site, as specified in Redevelopment Law Section 33459, are also an economic condition that causes blight based on 2003 Redevelopment Law. The Project Area has seven properties with open cases of leaking underground storage tanks that currently or could potentially require Agency involvement, listed in Table B-6 below.

Hazardous Waste Sites **Table B-6**
Del Paso Heights Redevelopment Project Area

Site Address	Facility	Cleanup Status as of 10/10/08	Contaminant	Potential Media Affected
1200 Block of Grand Ave	Former gas station (vacant lot)	Open - Site Assessment	Other solvent or non-petroleum hydrocarbon	Soil
3600 Block of Rio Linda Blvd	Service station (owned by Agency)	Open - Site Assessment	Diesel, gasoline, lead	Soil
3700 Block of Marysville Blvd	Gas station (owned by Agency)	Open - Site Assessment	Gasoline	Aquifer used for drinking water supply
3800 Block of Marysville Blvd	Former gas station (vacant lot)	Open - Site Assessment	Gasoline	Aquifer used for drinking water supply
3600 Block of Marysville Blvd	Former service station (vacant lot)	Open - Site Assessment	Gasoline	Soil
3700 Block of Marysville Blvd	Liquor store	Open - Site Assessment	TCE, PCE	Other groundwater (not drinking water)
3200 Block of Marysville Blvd	Convenience Store	Open - Site Assessment	Other solvent or non-petroleum hydrocarbon	Aquifer used for drinking water supply

Note: Open cases as of October 10, 2008

Source: California Water Resources Control Board Geotracker Database

These sites are mainly concentrated on Marysville Boulevard, which is the Project Area's main commercial corridor. All cases involve soil and groundwater contamination due to gasoline and other hazards.

According to William Kinnard, author of *Measuring the Effects of Contamination and Pollution on Property Values*, "It is generally accepted that environmental contamination impairs a property's values due to a number of factors such as cost to correct, reduced marketability, inability to obtain financing, reduced net operating income, and higher capitalization rate." Contamination also impairs the value of the property due to the fact that the liability follows the sale of the property. California law dictates that contamination is the responsibility of the property owner or of a responsible party determined by a court of law. An investor is unlikely to purchase a property that may cost more than it is worth to clean, in addition to the liability of unknown plumes migrating from the property to surrounding properties. Clean up costs of contaminated properties could range anywhere between thousands and millions in consultant fees, clean up crews and legal fees, preventing properties from being developed or redeveloped.

The Agency has currently identified three sites with environmental contamination that require Agency involvement. The "Rio Linda Superblock," between Rio Linda Boulevard, Roanoke Boulevard, South Avenue, and Altos Avenue, suffers contamination from many years as a debris field and a former gas station (the gas station is the second property listed in Table B-6). The site has fractured ownership and the private sector will not clean the site. The Agency has acquired all but three parcels that require environmental remediation. The Agency has also purchased a former gas station near the proposed Marysville Boulevard Town Center to remediate (the third property in Table B-6). Exhibit B-6 shows the location of the above sites and the properties listed in Table B-6.

The Plan Amendment will provide funding to purchase contaminated parcels and clean sites with environmental hazards. Once the sites are clean, they will be marketed for development. The Plan

Exhibit A

Amendment would also increase funding to implement projects that increase homeownership, prevent crime, and create more neighborhood investment. Section A describes projects that assist property owners with improvements, increase homeownership opportunities, and deter crime, addressing many of the problems that lead to depreciating property values.

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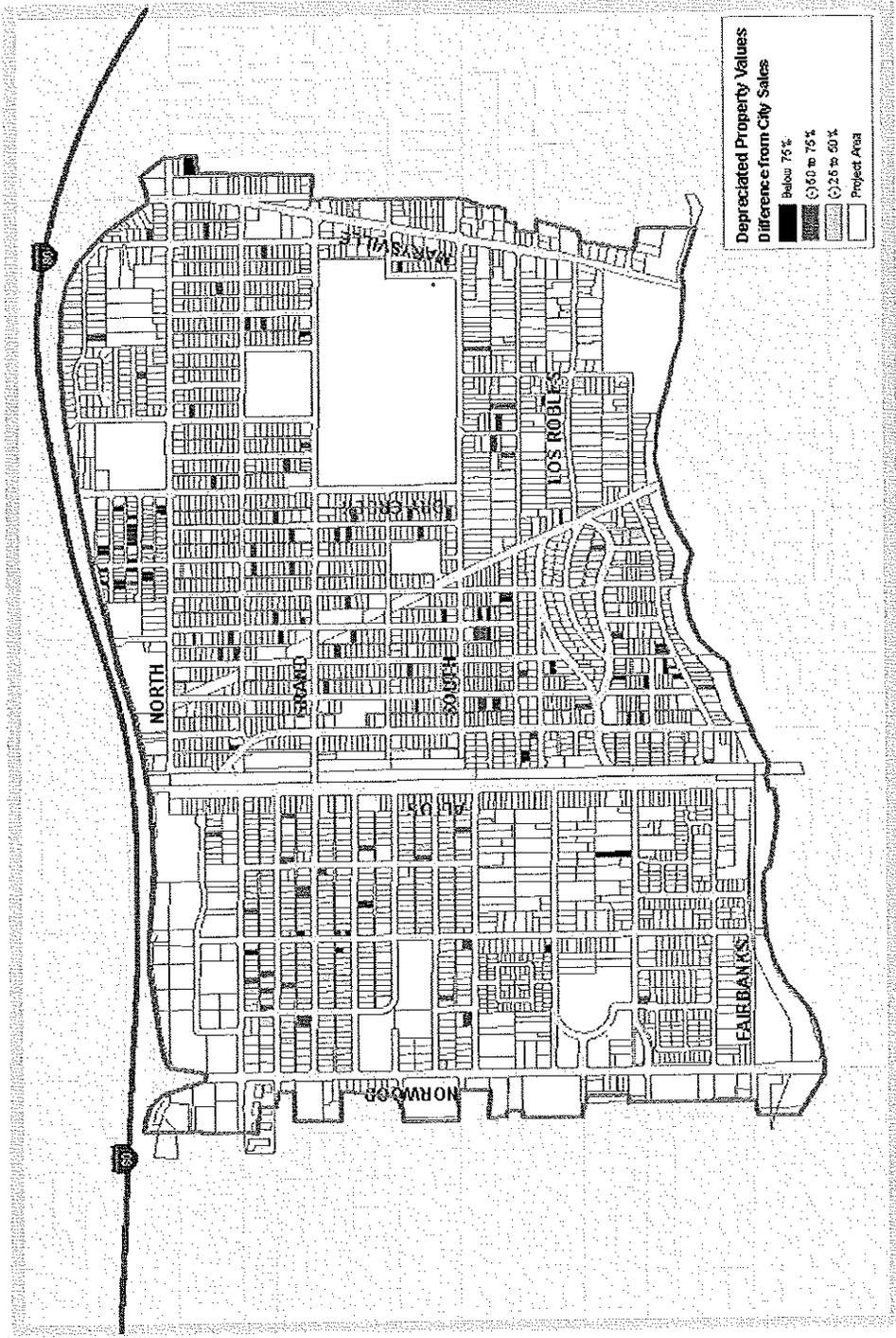


Exhibit B-5 Difference in Home Sale Values From the Project Area Compared to City of Sacramento Average Sales Value

Source: City of Sacramento GIS, First American Title/Metroscan Information Service

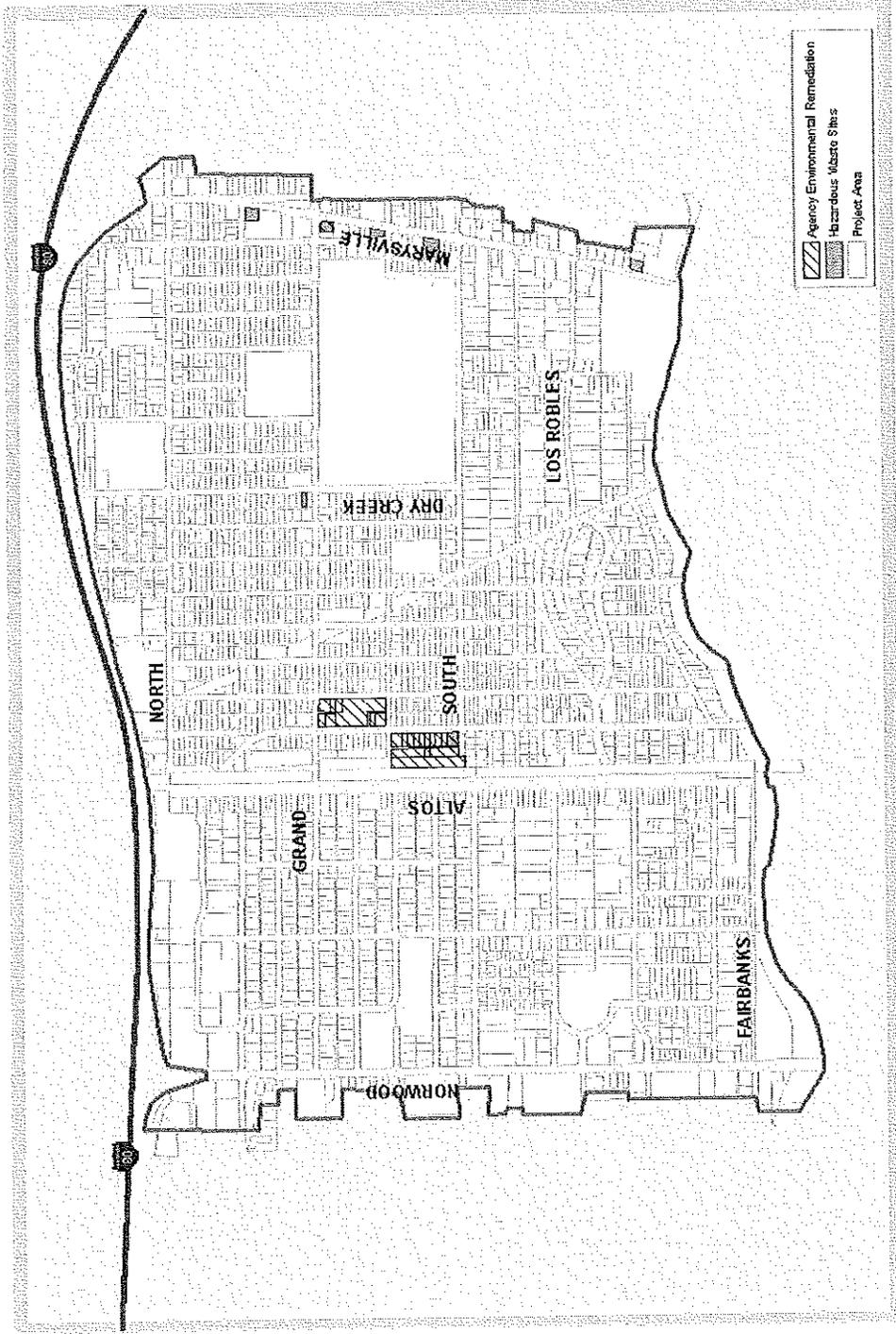


Exhibit B-6 Sites Containing Hazardous Waste & Agency Environmental Remediation Projects

Source: City of Sacramento GIS, SHRA, Geotracker

ABANDONED BUILDINGS AND EXCESSIVE VACANT LOTS

The presence of abandoned buildings and excessive vacant lots within an area developed for urban use and served by utilities are blighting conditions based on Section 33031(b)(2) of 2003 Redevelopment Law.

As of June 2008, the Project Area has eight abandoned buildings. According to the Brookings Institution's Center on Urban and Metropolitan Policy, there is no one acceptable definition of abandoned, but for the purpose of this analysis we have defined an abandoned building as one that appears to be vacant and where the owner has neglected the responsibilities of ownership regarding functional, financial, and physical upkeep. Table B-7 lists buildings that meet this definition and Exhibit B-7 shows the location of each building.

<u>Abandoned Buildings</u>	<u>Table B-7</u>
Del Paso Heights Redevelopment Project Area	
<u>Non-Residential</u>	
3400 Block of Rio Linda Blvd	Unsafe & unhealthy vacant building with severe neglect and delinquent property taxes.
3400 Block of Rio Linda Blvd	Unsafe & unhealthy vacant building with severe neglect and delinquent property taxes.
<u>Residential</u>	
3900 Block of Palmetto St	Boarded unsafe & unhealthy property.
3900 Block of Altos Ave	Boarded unsafe & unhealthy property.
3900 Block of Huron St	Boarded unsafe & unhealthy property with fire damage.
1200 Block of Roanoke Ave	Boarded unsafe & unhealthy property with delinquent property taxes.
3900 Block of Haywood Ave	Boarded unsafe & unhealthy property.

Source: RSG, County of Sacramento Department of Tax Collection and Licensing

The properties listed above have boarded windows and/or doors and are unsafe and unhealthy due to neglect, and in some cases the property owners have neglected to pay their property taxes. The properties are pictured throughout Section B under the *Unsafe and Unhealthy Buildings* analysis. As mentioned in Section A, vacant properties are often targets of vandalism and crime. Two local real estate brokers that represent single family residential property within the Project Area have had plumbing, wiring, copper tubing, and air conditioning units stolen from vacant units in the Project Area. Vacant homes can also be vandalized and have squatters. A third local real estate broker states that vacant, unmaintained properties lower neighboring property values.

Excessive vacant lots in an urban area served by utilities are also an economic blighting condition. The Project Area has 335 vacant parcels, which is over ten percent of all parcels contained within the Project Area. Many of these vacant parcels are surrounded on at least three sides by existing development. The presence of so many vacant parcels after almost 70 years of being an urban area indicates a lack of investment in the Project Area by the private sector.

The Plan Amendment would enable the Agency to purchase and maintain abandoned properties, both on its own and in collaboration with other public and private entities. It will also assist the Agency's efforts to consolidate vacant lots and encourage development. The Agency is currently facilitating the development of affordable housing on several vacant lots within the Del Paso Nuevo area (between Norwood, Altos, South and Carroll Avenues). The Plan Amendment would provide the funding and administrative authority necessary to continue this and other such projects.

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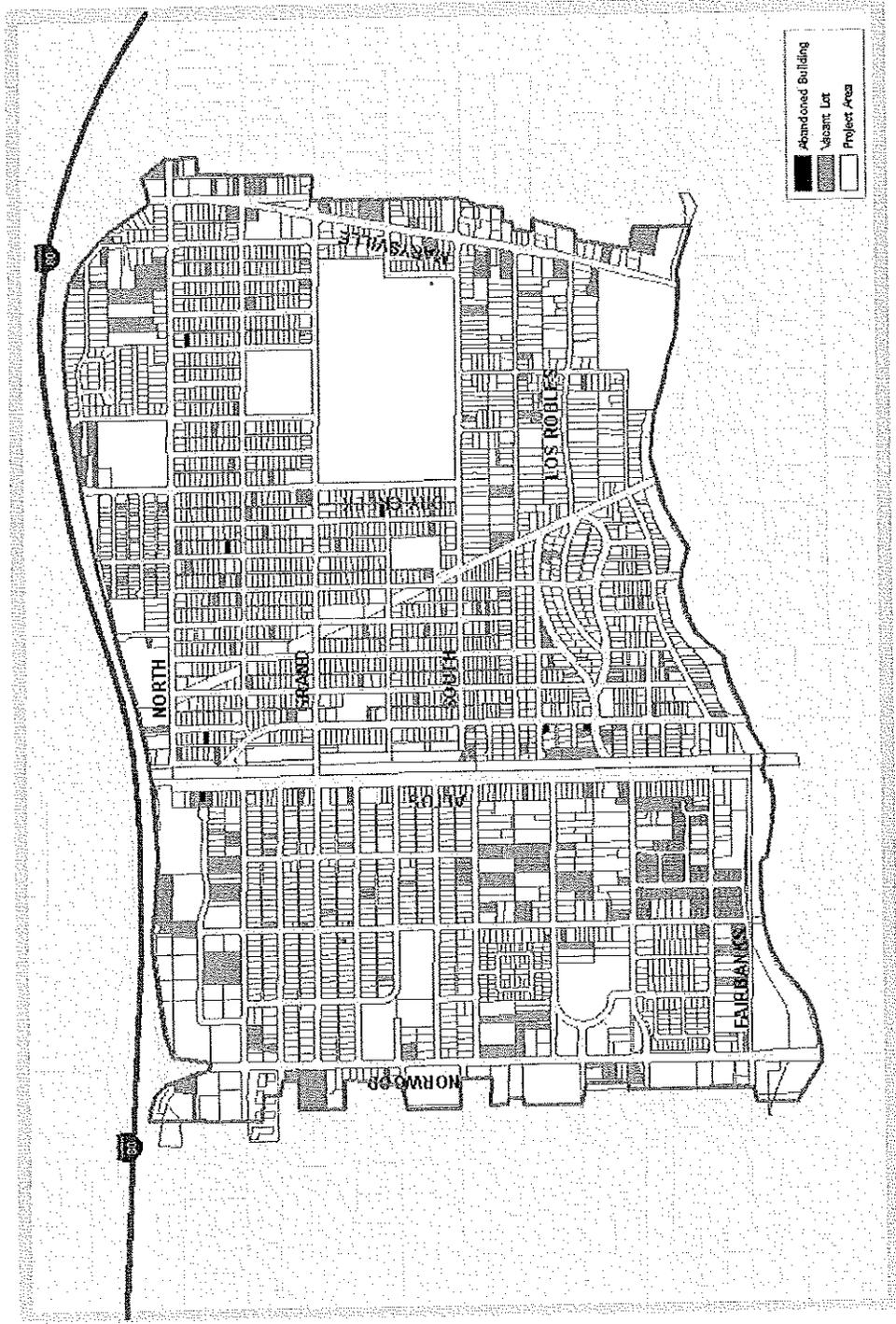


Exhibit B-7 Abandoned Buildings and Excessive Vacant Lots

Source: City of Sacramento GIS, RSG Field Survey June 2008,
First American Title/Metroscan Information Service,
County Department of Tax Collection and Licensing



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RESIDENTIAL OVERCROWDING

Residential overcrowding is an economic blighting condition pursuant to 2003 Redevelopment Law Section 33031(b)(4). The U.S. Department of Housing and Urban Development ("HUD") defines overcrowding as the condition of having more than one person per room per residence. Buildings that have more than 1.5 persons per room are considered severely overcrowded. Based on the U.S. Census 2000, 28% of the housing units in the Project Area are overcrowded and 16% are severely overcrowded, shown in Table B-8 below. Data is analyzed based on Census block groups that overlap the Project Area.

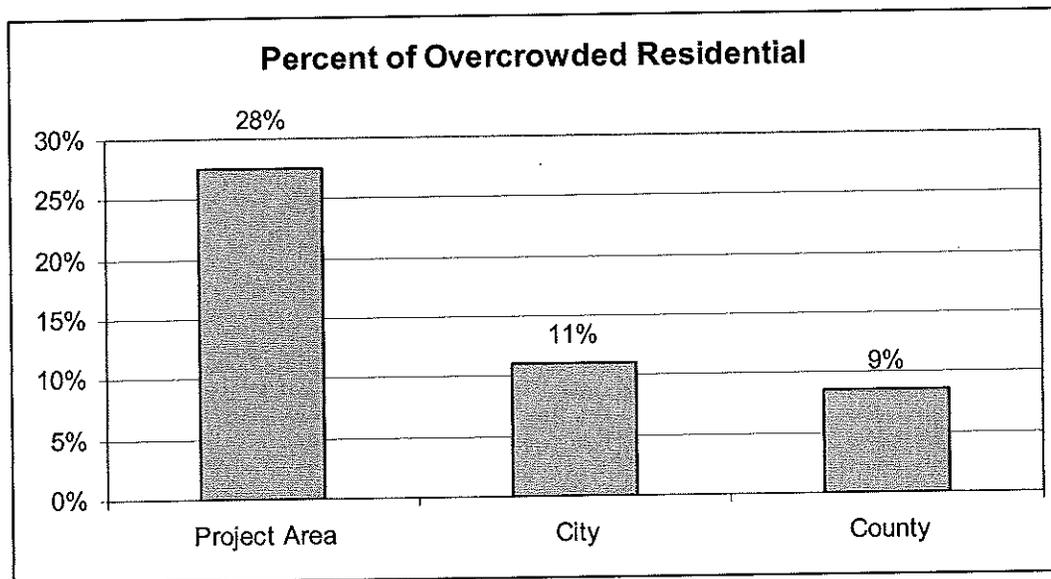
Occupants per Habitable Room **Table B-8**
Project Area vs. Region

Region	Occupants per Room						
	1 or Less	%	1.01 to 1.5	%	1.51 or More	%	Total
Project Area /1	1,793	72%	292	12%	391	16%	2,476
City	137,467	89%	8,390	5%	8,708	6%	154,565
County /2	414,764	91%	20,061	4%	18,777	4%	453,602

1/ Project Area figures are based on Census Block Groups within the Project Area
2/ Figures may not add up to 100% due to rounding decimals

Source: U.S. Census 2000

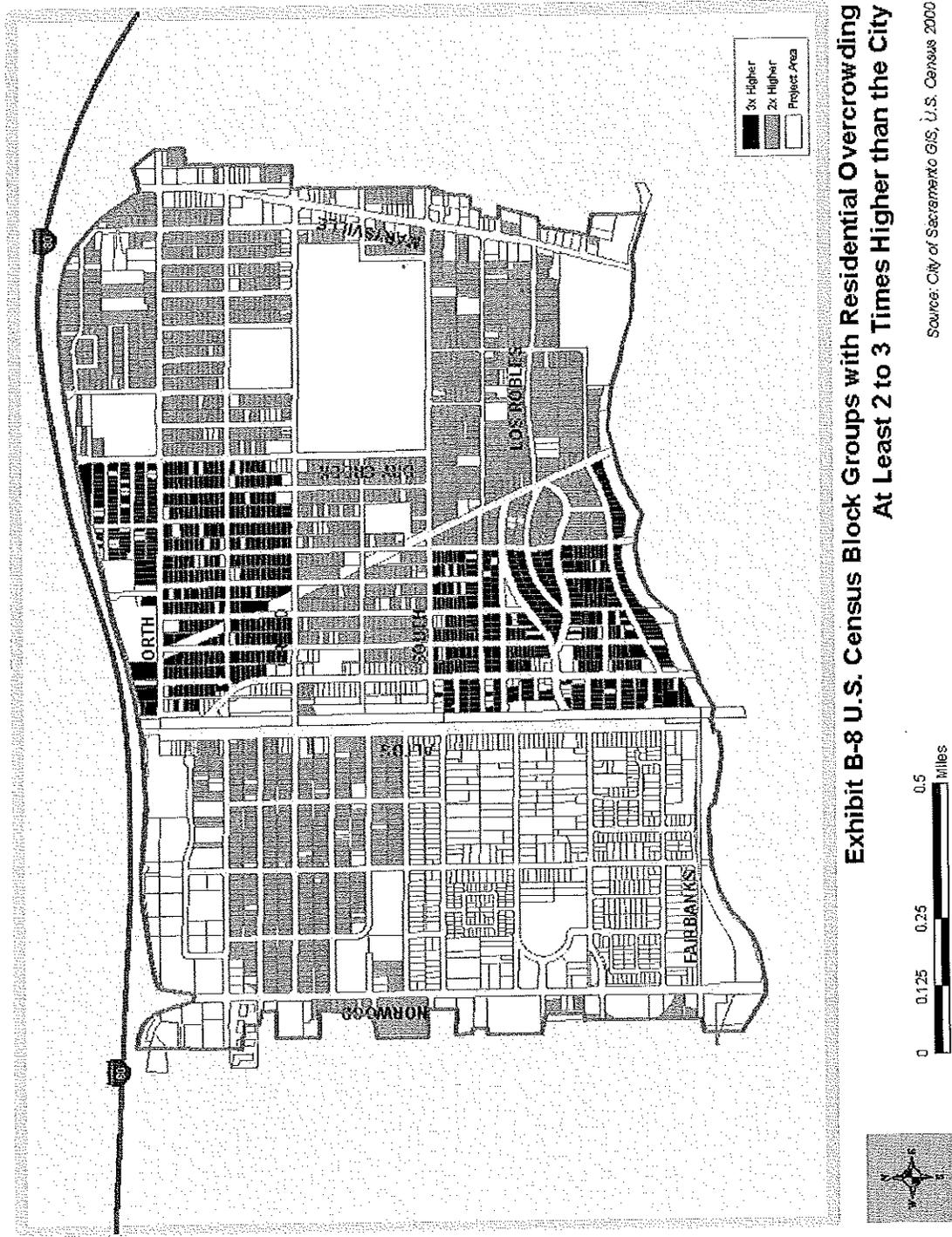
Overcrowding is a larger problem in the Project Area than the City or County, which have 11% and 9% overcrowding respectively.



All of the Census block groups within the Project Area have residential overcrowding at a rate at least two times higher than the City, with three Census block groups having a rate three times higher than the City. The residential properties within six of these seven block groups are shown in Exhibit B-8. One block group is not shown in Exhibit B-8, as the Agency has assisted with a new mixed-income housing development within that block group, changing the conditions within that area. Similarly, one multifamily property within an overcrowded block group, the North Avenue Apartments at 999 North Avenue, is not shown as overcrowded because the Agency assisted with a new low income housing development that was completed in 2007.

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**Exhibit B-8 U.S. Census Block Groups with Residential Overcrowding
At Least 2 to 3 Times Higher than the City**

Source: City of Sacramento GIS, U.S. Census 2000

Exhibit A

Overcrowding is difficult to document through field surveys, however indicators of overcrowding were observed throughout the Project Area in garage conversions and homes with multiple vehicles parked at a property. The picture below is one example of a garage that has been boarded, most likely to convert it into a habitable room.

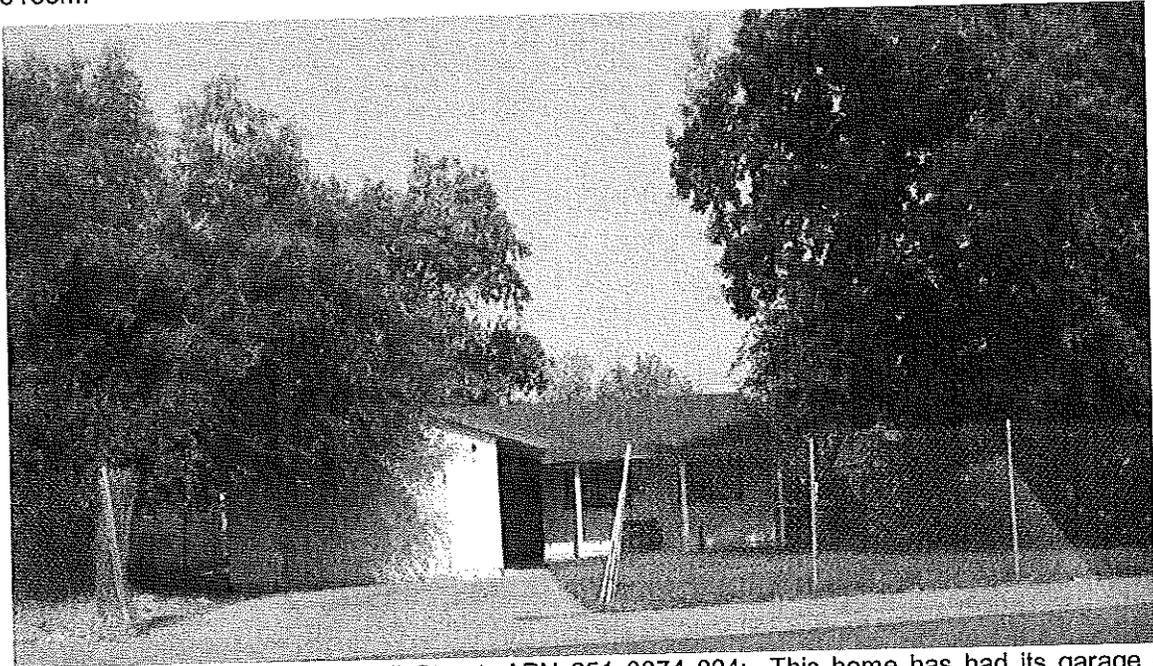


Photo B-28: 3800 Block of Fell Street, APN 251 0074 004: This home has had its garage door blocked by a sheet of wood, possibly to convert the garage into a bedroom.

A 2004 report released by the Office of the Deputy Prime Minister in the United Kingdom, entitled "The Impact of Overcrowding on Health and Education," found that overcrowding has negative impacts on physical and mental health. In a review of over 80 studies on the topic in 30 countries including the United States, the report concludes that overcrowding increases the risk of developing respiratory conditions and spreading diseases, particularly meningitis and tuberculosis. The social and psychological well being of residents are also compromised, especially for children. Children living in overcrowded conditions tend to do worse in school and have greater symptoms of psychological distress.

The Plan Amendment would increase funding for affordable housing projects and programs that provide more housing stock and assist residents to own or rent a home that is large enough to accommodate their household.

HIGH CRIME

A high crime rate that constitutes a serious threat to the public safety and welfare is a blighting condition pursuant to Redevelopment Law Section 33031(b)(7). The Project Area has a higher rate of crime compared to the City overall and other residential neighborhoods within the City. Crimes used in our analysis include homicide, burglary, robbery, sexual battery, assault, theft, arson, and possession of controlled substances, among others. Our analysis excludes less serious crimes such as mail fraud and traffic violations. Table B-9 and the accompanying chart show the number of crimes per 1000 persons during a two and a half year period from January 2006 to June 2008 in residential neighborhoods throughout the City. Exhibit B-9 shows the locations of serious crimes within the Project Area from January 2006 to June 2008.

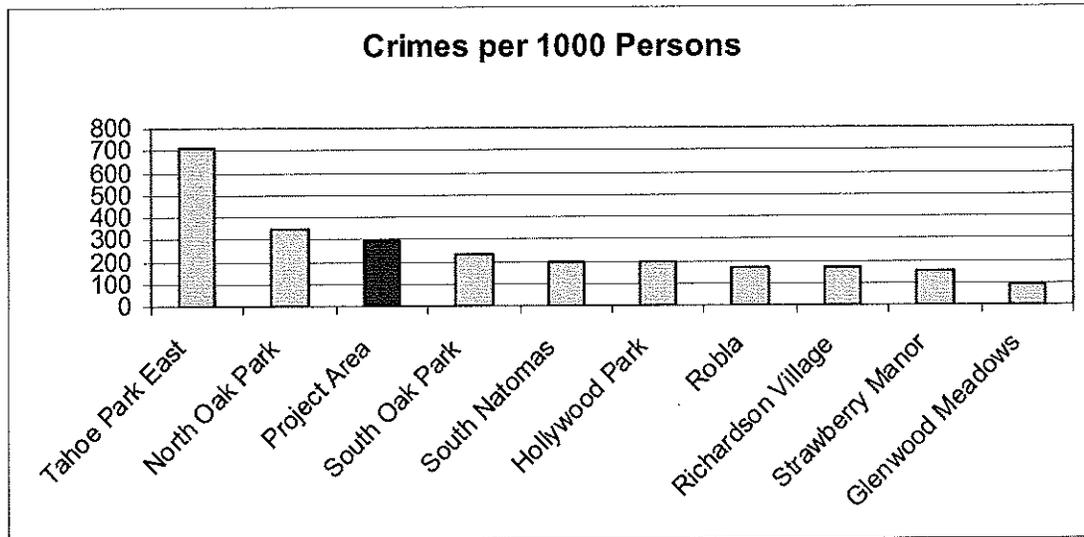
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Crime Comparison January 2006-June 2008 **Table B-9**
City of Sacramento Residential Neighborhoods

Neighborhood	# Incidents	Population	Crimes per 1000 persons
Tahoe Park East	484	681	710.72
North Oak Park	1759	5,116	343.82
Project Area	3105	10,624	292.26
South Oak Park	1266	5,386	235.05
South Natomas	4905	25,526	192.16
Hollywood Park	468	2,444	191.49
Robla	1267	7,418	170.80
Richardson Village	297	1,739	170.79
Strawberry Manor	537	3,616	148.51
Glenwood Meadows	711	8,042	88.41

Source: City of Sacramento Police Department and ESRI Business Analyst



The Project Area's high rate of crime poses a serious threat to public safety and welfare. Five local real estate brokers that represent single and multifamily properties within the Project Area (Phil Velez, Grace Bettencourt, Brett Swarts, and two brokers who wish to remain anonymous) identified the perception of crime as a major deterrent to investing in the Project Area. According to Lieutenant Kevin Gardner of the City of Sacramento Police Department ("Police Department"), the Project Area suffers from one of the highest crime rates within the City and is spread throughout the neighborhood.

On average, the Police Department responds to shootings in the Project Area at least once per week. Though injury or death is not a common result of shootings throughout Del Paso Heights, violent and reckless behavior involving firearms has the potential to escalate easily. Robertson Park at 187 Silver Eagle Road is the site of many gang related shootings. Shootings have also taken place in the parking lot of Rainbow Market on Marysville Boulevard and Grand Avenue, where the business owner quite often has to deal with crowds of up to 50 people drinking and loitering on the property. Proof of shootings can be seen in bullet holes that riddle the street sign at the intersection of Altos and Carroll Avenues. Furthermore, between January and June 2008, the Police Department has received 90 weapons calls of varying degrees, including calls related to suspicious circumstances involving weapons being displayed from vehicles.

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The Project Area is a hotbed of drug related crimes. A methadone clinic is located in the Project Area at 310 Harris Avenue to help addicts with heroin addiction. Unfortunately, Lieutenant Gardner states that many patients of the clinic are ongoing drug users who, after obtaining methadone, can easily find dealers selling heroin just outside of the clinic. Lieutenant Gardner also indicated increased police suspicion of criminal activity occurring at a commercial business in the Project Area. Although no official charges or evidence have been brought forth, the Police Department believes the business is a front for selling drugs. Some areas of noticeably high drug activity are Hagginwood Park, the intersection of Grand Avenue and Cypress Street, and Los Robles Boulevard.

Del Paso Heights is notorious for gang activity and is home to various criminal groups. While the Del Paso Heights Bloods are the predominant criminal organization to be dealt with in the Project Area, Crips can also be found within the Project Area's borders along Elm and Fig Street between North and Grand Avenues. The nature of the Bloods and Crips rivalry is an additional threat to the Project Area. The pictures below are examples of graffiti that is prevalent throughout the neighborhood.

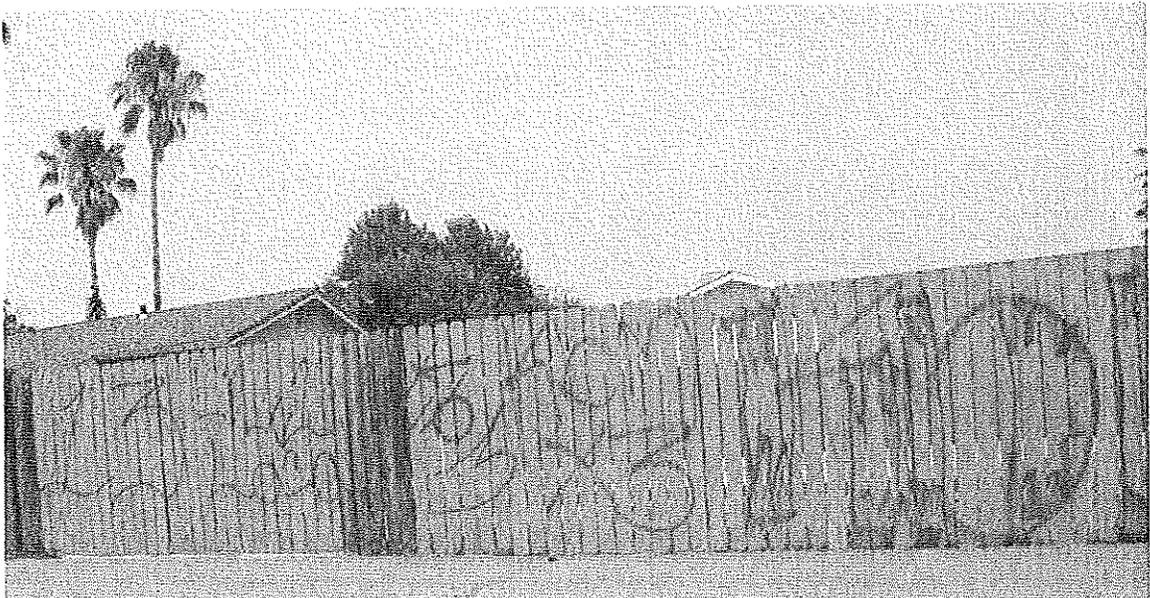


Photo B-29: Gang graffiti exists throughout the neighborhood.

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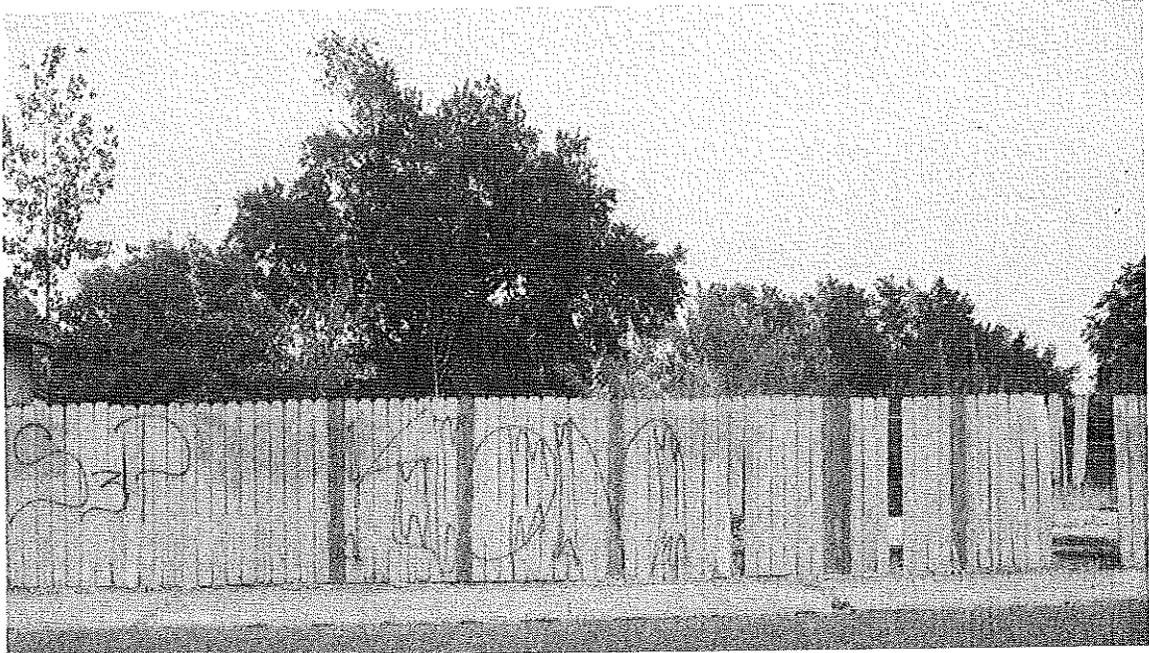


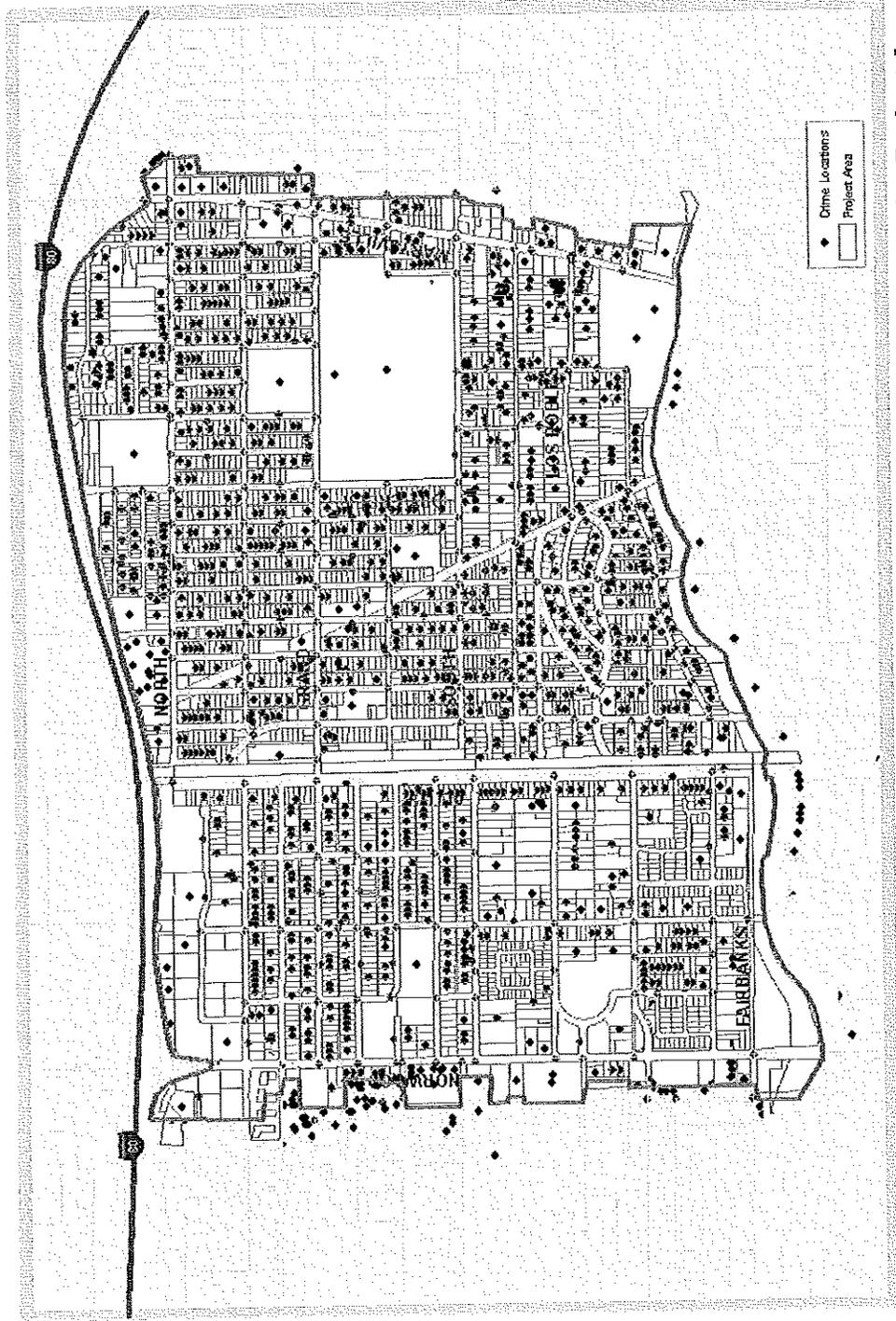
Photo B-30: This broken, vandalized fence stands on the corner of Taylor and Kesner.

Property crimes such as burglary occur frequently within the Project Area. For instance, residences near the intersection of Los Robles Boulevard and High Street typically report up to 11 burglaries per week. North Avenue Elementary School at 1281 North Avenue is also a frequent target of burglaries.

From January 2008 to June 2008, a total of 12,000 calls for police responses were reported.⁴ Of these calls, 60 were felony assault reports, 40 were misdemeanor assaults, 9 were kidnappings, 11 were instances of prostitution, 5 were rapes, 189 were burglaries, and 33 were reported acts of vandalism. Lieutenant Gardner believes that these numbers do not represent all the crimes occurring within the Project Area, as many crimes go unreported. One example of an area of high crime within the Project Area is the Village Park Apartments at 350 Morey Avenue. The Police Department has responded to the complex 19 times in 2008 as of September 30, 2008. Crimes at the complex include family violence, burglary, stolen automobiles, gang violence, and felony assaults. The property has also had some minor disturbance crimes. Additionally, while not within the Del Paso Heights project area, high crime in the nearby neighborhood of Strawberry Manor warrants attention for potential spillover effects that neighborhoods may have on the Project Area. Lieutenant Gardner indicated that patrol officers have mentioned how Strawberry Manor is receding back to the high crime era of the 1980s.

The Plan Amendment would enable the Agency to fund projects that alleviate crime by increasing lighting on public streets, making safety improvements in Hagginwood Park, and building community facilities that offer programs for residents that may deter crime, especially for youth.

⁴ Calls for response do not always result in a criminal charge, thus these figures vary from Table B-10 above.



**Exhibit B-9 Crime Incidents within the Project Area
January 2006 to June 2008**

0 0.125 0.25 0.5 Miles

Source: City of Sacramento GIS, City of Sacramento Police Department

SUMMARY

Physical blight in the Project Area consists of unsafe and unhealthy buildings, factors that prevent economically viable uses, and adjacent or nearby incompatible uses. Economic blight consists of depreciated property values, impaired investments on sites with hazardous waste, the presence of abandoned buildings and excessive vacant lots, residential overcrowding, and a high crime rate that poses a serious threat to the public safety and welfare. These conditions are intertwined and the presence of one condition strengthens another. For example, depreciated property values can be caused and exacerbated by unsafe and unhealthy buildings and high crime. The Project Area needs a multifaceted redevelopment program that fully addresses each blighting condition to prevent their reoccurrence. The Agency has proposed many projects that will address these problems and help eliminate blight in the Project Area, described in Section A of this Report. The Plan Amendment is necessary to enable the Agency to fund proposed projects necessary to eliminate blight and extend the Agency's authority to acquire properties that are not occupied as a residence in order to assist with the elimination of blight.

Exhibit B-10 shows the location of remaining blight within the Project Area, as well as parcels that are no longer blighted or necessary for effective redevelopment. Parcels that are necessary for effective redevelopment include the Del Paso Nuevo neighborhood, where the Agency is currently facilitating development of affordable housing, commercial and industrial corridors that are necessary to implement programs that foster economic development in the Project Area, and individual parcels that are overwhelmingly surrounded by blighted parcels.

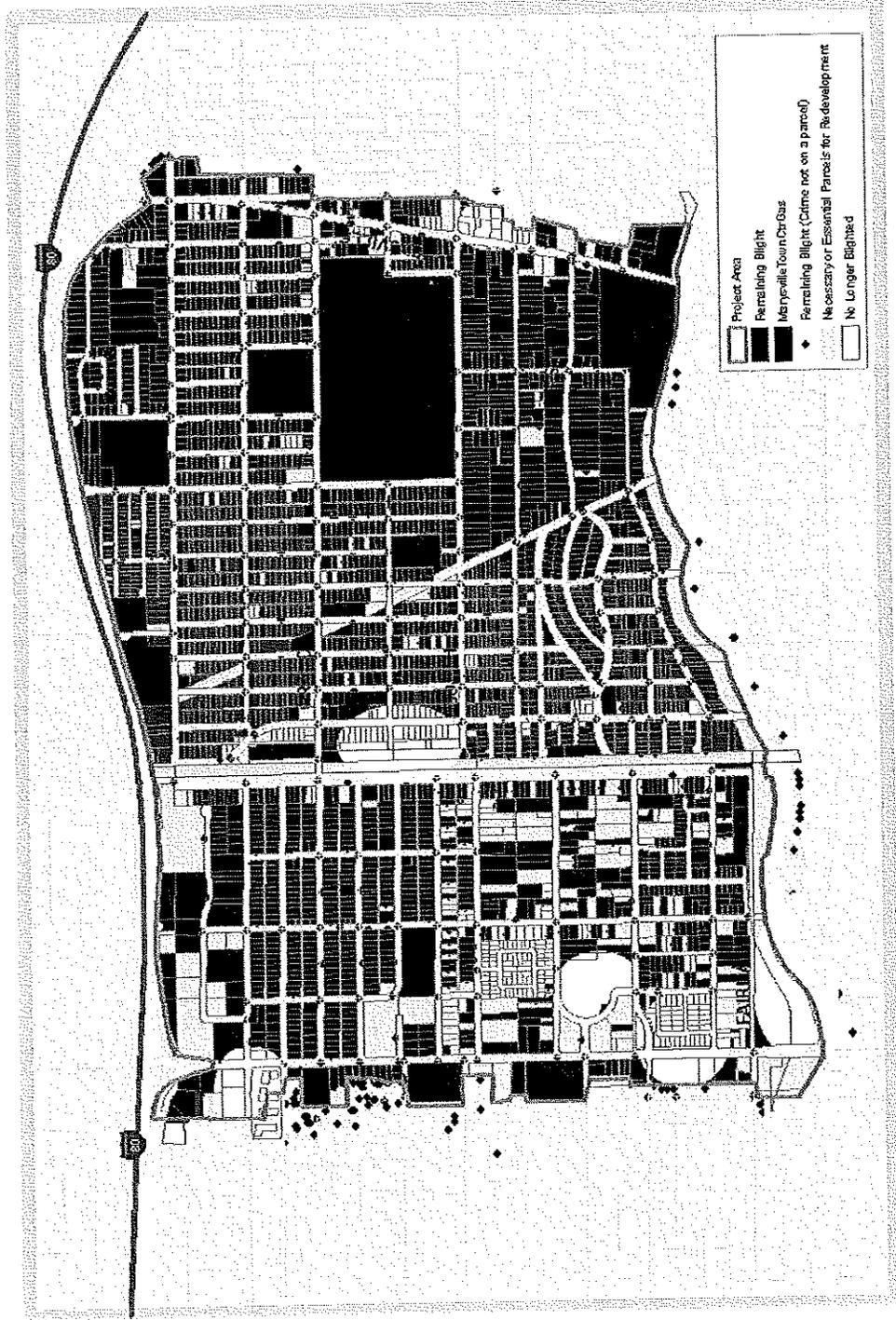


Exhibit B-10 Remaining Blight within the Project Area

Source: City of Sacramento GIS, RSG

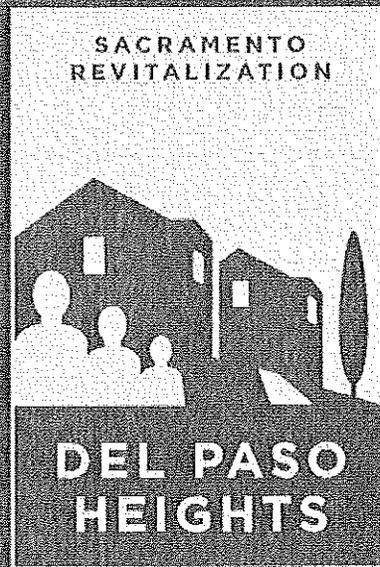
SECTION C

Amended Five-Year Implementation Plan

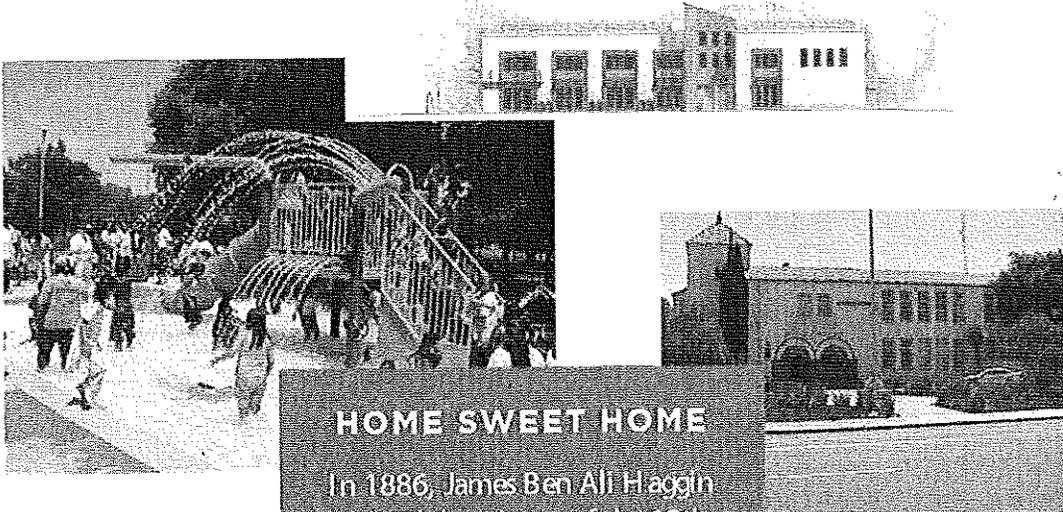
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Implementation Plans contain 1) specific goals and objectives for the Project Area, 2) the specific projects to be completed in the Project Area, 3) expenditures to be made during the five-year planning period, and 4) an explanation of how these goals, objectives, and expenditures will eliminate blight within the Project Area.

An Amended Implementation Plan for the Project Area, describing proposed projects from 2008 to 2012, is attached to this section as a separate document.

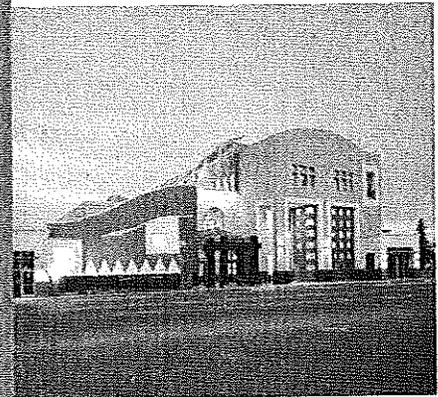
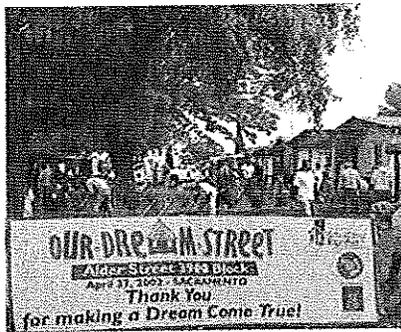


HOME SWEET HOME

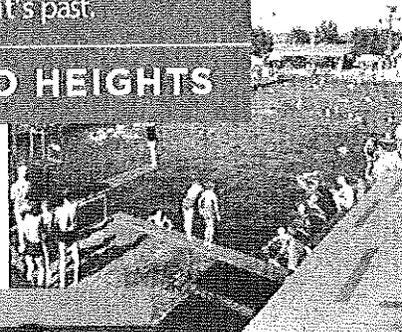


HOME SWEET HOME

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



2008 to 2012 Amended Implementation Plan

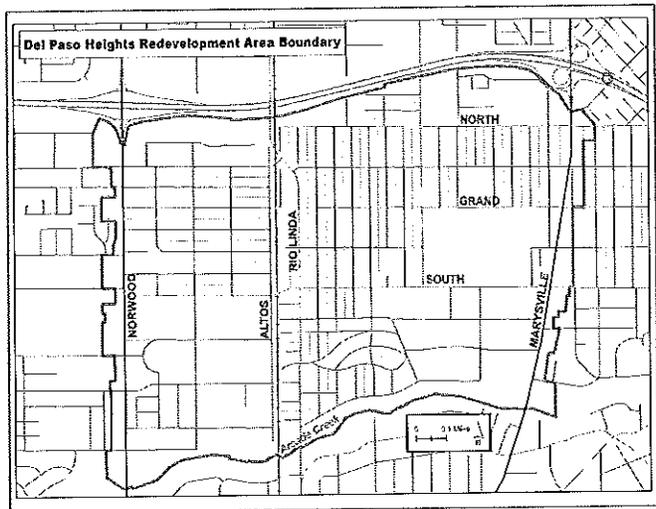


Exhibit A

ABOUT DEL PASO HEIGHTS

This document is an Amended Implementation Plan adopted in connection with the Eleventh Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project, adopted by Resolution _____ on May 5, 2009.

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 eleven times. Early on, more than \$8 million were 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?
<p>Redevelopment Plan</p> <p>Adopted FY 1970-71 Expires FY 2022-23</p> <p>Time Limit to Incur Indebtedness: None Time Limit to Commence Eminent Domain: FY 2022-23 Time Limit to Repay Indebtedness: FY 2032-33</p>	<p>1,037 Acres</p> <p>EXISTING LAND USE</p> <p>A pie chart titled 'EXISTING LAND USE' showing the distribution of land use types. The largest slice is 'Res' (Residential), followed by 'Public', 'Vacant', 'Comm/Ind' (Commercial/Industrial), 'Other', and 'ROW' (Right-of-Way).</p>
<p>Implementation Plan</p> <p>2008-2012</p> <p>Housing Compliance Plan (for affordable housing program planning): 2003-2012</p>	



Exhibit A

POSITIONING FOR THE FUTURE

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

- 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 apartments and townhomes, 68 of which are affordable. 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.

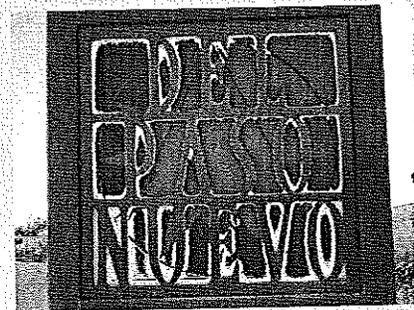
- Joe Mims Jr. Hagginwood Community Center:** Originally constructed in 1955, the community center's architecture and construction became antiquated overtime. In addition, it was too small a facility to meet the community's needs. As a result, the existing building was renovated and an additional building 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.

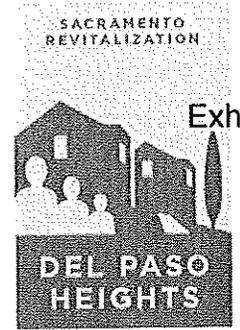
The Agency provided \$1 million to help fund this \$2.9 million renovation and new construction project. The new community center reopened in the fall of 2007. The center has a positive impact on the community by providing space for community events, activities, and programs for seniors, youth, and children.

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 low income levels and 49 percent at market rate. As of September 2008, 85 units had 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.





REDEVELOPMENT PLAN GOALS

The Redevelopment Plan goals reflect the overarching community goals that the Agency has and continues to use to guide the area's revitalization efforts.

- a. **Housing:** To provide standard housing for all families presently residing in Del Paso Heights and, at the same time to increase the housing supply. Rehabilitation will be fostered and encouraged where feasible and compatible with Plan objectives. Should clearance of existing structures be necessary, it will be coordinated with the availability of relocation housing. To provide for new housing construction.
- b. **Social:** To develop a superior level of community facilities providing for the cultural, health and social needs of the residents. Also, to develop a program maximizing citizen participation in the redevelopment process. To recognize and build upon the strengths and assets within the community by: (1) creating economic activity that supports both neighborhood-based employment opportunities and spending opportunities; (2) developing quality housing that encourages young, move-up families to stay in the neighborhood, provides affordable home ownership opportunities to residents vested in neighborhood revitalization, and provides a safe and healthy living environment for senior and disabled residents; (3) constructing, restoring and/or improving public facilities serving youth, families, neighborhood leadership groups, and seniors, thereby ensuring the growth and continuation of valuable community cultural, health and social activities; (4) continuing to value and support neighborhood leadership through on-going citizen participation in redevelopment initiatives aimed at neighborhood revitalization; and (5) engaging in partnerships and collaboratives that strengthen and uplift the human infrastructure that supports a safe and healthy living environment.
- c. **Environmental:** To improve the neighborhood environment and image. To eliminate blighted and blighting conditions. To provide all appropriate amenities to support the basic residential character of the area.
- d. **Economic:** To increase and develop economic activity in the area by attracting new business, assist existing business and enhancing property values. To provide for new housing within the means of the majority of area residents. To enforce a strong affirmative action program with all contractors working in the area. To effect a workable residential rehabilitation program maximizing the improvement of economically feasible properties.



IMPLEMENTATION PLAN STRATEGY

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 Del Paso Heights.

- 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.



PROPOSED REDEVELOPMENT PROGRAM – 2008 THROUGH 2012

Over the next five years, the Agency will implement the Del Paso Heights redevelopment strategy by undertaking the following projects and programs.

Project/Description	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<p>Del Paso Nuevo Development The Agency will use \$5 million of non-housing funds to pay for infrastructure and other supporting components related to the Del Paso Nuevo housing development.</p> <p>Completion of this project would result in reversing depreciating property values and factors hindering economically viable use.</p> <p><i>Anticipated Completion 2008 thru 2012</i></p>	<p>\$5,000,000</p>	<p>b, d</p>	<p>a and c</p>



Project/Description	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<p>Marysville Boulevard Town Center The Agency is focusing on redeveloping a commercial node on Marysville Boulevard between Grand and Roanoke Avenues. As part of these efforts, the Agency assisted in the development of the Urban League building to the northwest corner of Marysville Boulevard and Grand Avenue. The Agency is in the process of cleaning a former gas station site located on the southeast corner of Marysville Boulevard and Grand Avenue. A recent parking and circulation plan recommended widening Marysville Boulevard for on-street parking and the Agency may implement a land use program for the new town center. The focus on the town center at Marysville Boulevard and Grand Avenue is meant to encourage the establishment of neighborhood-serving businesses, provide housing opportunities in the area, and create a sense of place in the Project Area.</p> <p>Completion of this project would result in reversing depreciated property values and factors hindering economically viable use.</p> <p><i>Anticipated Completion 2008 thru 2015</i></p>	<p>\$2,000,000</p>	<p>b, c, d</p>	<p>a and b</p>
<p>Del Paso Center (Marysville/Grand Site) The Agency is concentrating efforts and resources to redevelop the vacant Agency-owned property located at 3801 Marysville Boulevard with a mixed-use office or retail building. A Disposition and Development Agreement was approved in October 2006, however the developer cannot find tenants thus cannot find financing. The Agency will continue to work on developing this property.</p> <p>Completion of this project would result in eliminating factors hindering economically viable use.</p> <p><i>Anticipated Completion 2008 thru 2012</i></p>	<p>\$2,000,000</p>	<p>b, c, d</p>	<p>a and b</p>

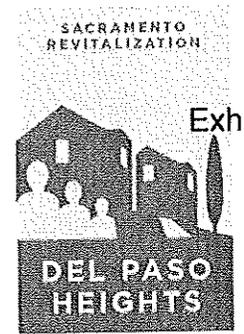


Exhibit A

Project/Description	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<p>Rio Linda Superblock (Bound by Roanoke and South Avenues)</p> <p>The Agency owns all but three parcels on Rio Linda Boulevard between Roanoke Avenue and South and Altos Avenues. The site has fractured ownership and suffers contamination from many years as a debris field and a former gas station on the southeast corner. The private sector will not clean the site and the Agency completed a cost analysis for clean up, which is estimated to cost \$600,000 to \$800,000. Acquisition of the three remaining parcels will cost \$800,000, totaling \$1.6 million to purchase and clean up the properties. Once the sites are deemed clean for development, additional costs will be incurred related to the disposition and development of the proposed housing project.</p> <p>Completion of this project would result in reversing depreciated property values and eliminating factors hindering viable use.</p> <p><i>Anticipated Completion 2008 thru 2012</i></p>	<p>\$1,600,000</p>	<p>c</p>	<p>a and c</p>



Exhibit A

Project/Description	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<p>Grand Avenue Superblock (Bound by Roanoke, Cypress and Grand Avenues) In an effort to promote an east-west synergy between Marysville Boulevard and Norwood Avenue, the area bound by Rio Linda Boulevard, Grand Avenue, Cypress Street and Roanoke Avenue will be redeveloped for mixed-use or residential use to create an additional commercial node between the these two parallel commercial corridors on the eastern and western boundaries of the Redevelopment Area. In October 2008, the Agency purchased three vacant parcels on the southwest corner of Rio Linda Boulevard and Roanoke Avenue. These properties were targets for illegal dumping and drug dealing. They are adjacent to a 40-unit senior multifamily housing project owned by the Housing Authority and are near a library on Grand Avenue and Cypress Street. Staff will work with the Housing Authority and Library, who currently occupy the block, on a comprehensive redevelopment strategy, including possible reconfiguration of properties. The site also consists of a mixed use commercial building, a vacant church and vacant lot. An architectural consultant is developing conceptual development scenarios.</p> <p>Completion of this project would result in reversing depreciated property values and eliminating factors hindering viable use.</p> <p><i>Anticipated Completion 2008 thru 2012</i></p>	<p>\$1,600,000</p>	<p>b, c, d</p>	<p>a and b</p>

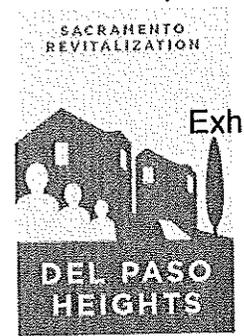


Exhibit A

Project/Description	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<p>Public Facilities and Infrastructure 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 • Improving park facilities • More street lights on Marysville Boulevard to improve public safety and for increased beautification. <p>Completion of this project would result in eliminating factors hindering viable use and decreasing crime.</p> <p><i>Anticipated Completion 2008 thru 2012</i></p>	<p>\$1,500,000</p>	<p>b, c</p>	<p>a (ii)</p>
<p>Hagginwood, Robertson and Mama Marks Park Improvements</p> <p>The Agency, in partnership with the City's Department of Parks and Recreation, will undertake improvements at Hagginwood Park to increase safety and address high crime in the area. Hagginwood and Robertson Parks have high drug activity and the addition of expanded community facilities will encourage residents and youth to use the new facilities with the intention of discouraging negative behavior.</p> <p>The completion of this project would help decrease high rates of serious crime.</p> <p><i>Timeline 2008 thru 2012</i></p>	<p>\$1,500,000</p>	<p>b and c</p>	<p>a</p>

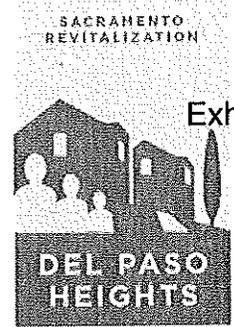


Exhibit A

Project/Description	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<p>Marysville Boulevard Urban Design Plan Phase III A Streetscape and Circulation Enhancement Plan is being prepared to determine ways to improve pedestrian circulation and examine traffic patterns on the corridor between Interstate 80 and Arcade Creek to continue to improve the appearance and safety of the commercial corridor. It focuses on the feasibility of diagonal and/or parallel parking on Marysville Boulevard from Harris to Roanoke Avenues, examines the potential closure or limited access to Balsam Street to accommodate parking needs, and examines circulation patterns for the future Marysville Town Center. Project highlights include increased street lighting, tree wells in sidewalks, on-street parking and bus shelters. The Agency will identify and allocate appropriate funds for the implementation of specific improvement projects once the plan is complete.</p> <p>Completion of this project would result in reversing depreciated property values, decreasing crime, and eliminating factors hindering viable use.</p> <p><i>Anticipated Completion 2008 thru 2012</i></p>	<p>\$1,500,000</p>	<p>c, d</p>	<p>a and b</p>
<p>Del Paso Nuevo Town Center The Agency will facilitate neighborhood-serving, civic and/or retail development adjacent to the Del Paso Nuevo housing development. The Agency initially began planning for this project in 2005; in 2008, the Agency purchased an additional commercially zoned parcel located on Norwood Ave to create a larger and more complete development site.</p> <p>Completion of this project would result in eliminating factors hindering viable use.</p> <p><i>Anticipated Completion 2008 thru 2012</i></p>	<p>\$500,000</p>	<p>b, c, d</p>	<p>a and b</p>

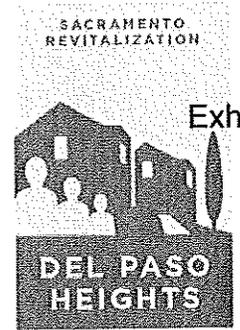


Exhibit A

Project/Description	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<p>Marysville and Los Robles Development Site The Agency is pursuing 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> <p>Completion of this project would result in eliminating factors hindering viable use.</p> <p><i>Anticipated Completion 2008 thru 2012</i></p>	<p>\$500,000</p>	<p>b, c, d</p>	<p>a and c</p>
<p>Development of Agency Owned Vacant Parcels The Agency owns one acre of land on the southwest corner of Norwood and Fairbanks Avenues and five vacant residential parcels located on Altos, Grand and Carroll Avenues. The Agency will issue Request for Proposals for single family residential development of the sites pending the ability of the market to reasonably support such development.</p> <p>Completion of this project would result in eliminating factors hindering viable use.</p> <p><i>Anticipated Completion 2008 thru 2012</i></p>	<p>\$500,000</p>	<p>b, c, d</p>	<p>a and c</p>



Exhibit A

Project/Description	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<p>Commercial Revitalization/Exterior Rebate Program 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>Completion of this project would result in reversing depreciated property values, eliminating factors hindering viable use, and mitigating incompatible land uses.</p> <p><i>Anticipated Completion Ongoing</i></p>	<p>\$500,000</p>	<p>c, d</p>	<p>a and b</p>
<p>Developer Assistance 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 at 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>Completion of this project would result in reversing depreciated property values and eliminating factors hindering viable use.</p> <p><i>Anticipated Completion Ongoing</i></p>	<p>\$500,000</p>	<p>b, c, d</p>	<p>a, b and c</p>
<p>Total Estimated Redevelopment Investment</p>	<p>\$19,200,000</p>	<p>b, c, d</p>	<p>a, b, c</p>



Exhibit A

PROPOSED AFFORDABLE HOUSING PROGRAM – 2008 THROUGH 2012

Over the next five years, the Agency will implement the residential component of the Del Paso Heights redevelopment strategy by undertaking the following projects and programs:

Project/Description ¹	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<p>Del Paso Nuevo Phases IV-VII Del Paso Nuevo is a 154-acre residential neighborhood located in the southwest portion of the Project Area, bound by Norwood, Altos, South and Carroll Avenues. The Agency has a contractual obligation with HUD to construct 300 single family owner occupied housing units; however current market conditions have limited the production of the remaining units. Del Paso Nuevo is planned as a mixed-income community, enabling the Agency to utilize housing and non-housing funds. This project will ultimately have 153 units affordable to low income persons and 147 market rate units.</p> <p>The completion of this project would eliminate factors hindering viable use and ease residential overcrowding.</p> <p><i>Timeline.....Completed 2012</i></p>	<p>\$10,000,000</p>	<p>a, b, c, d</p>	<p>a and c</p>

¹ Assumed per unit assistance referenced in this Implementation Plan are conservative estimates for illustrative purposes only. The actual assistance will be determined as the project is implemented, and could be lower depending upon the type of housing program funds used.

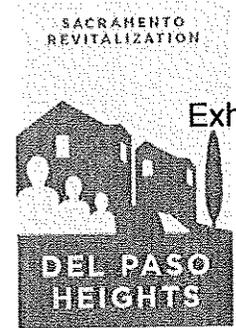


Exhibit A

Project/Description ¹	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<p>Rio Linda Boulevard Super Block Housing Development A nearly vacant city block on the west side of Rio Linda Boulevard between Roanoke and South Avenues will be improved with affordable single-family owner occupied homes 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>The completion of this project would eliminate factors hindering viable use and ease residential overcrowding.</p> <p><i>Timeline..... Completed 2011</i></p>	<p>\$500,000</p> <p>(Additional funding contingent upon procurement of bond proceeds or revenue from other sources)</p>	<p>a, b, c, d</p>	<p>a and c</p>
<p>Grand Avenue Superblock 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. Assuming assistance of \$90,000 per unit, up to 11 affordable units could be produced by this project.</p> <p>The completion of this project would eliminate factors hindering viable use and ease residential overcrowding.</p> <p><i>Timeline..... Completed 2012</i></p>	<p>\$500,000</p> <p>(Additional funding contingent upon procurement of bond proceeds or revenue from other sources)</p>	<p>a, b, c, d</p>	<p>a</p>

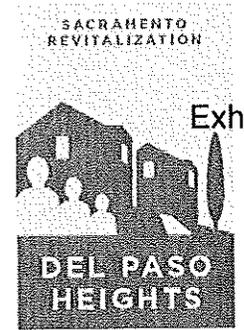


Exhibit A

Project/Description ¹	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<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>The completion of this project would eliminate factors hindering viable use and ease residential overcrowding.</p> <p><i>Timeline..... Ongoing</i></p>	<p>\$500,000</p>	<p>a, b, c, d</p>	<p>a</p>
<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>The completion of this project would eliminate factors hindering viable use and ease residential overcrowding.</p> <p><i>Timeframe:..... Ongoing</i></p>	<p>\$500,000</p>	<p>a, b, c, d</p>	<p>a</p>
<p>First Time Homebuyer Program Program provides down payment assistance to homebuyers. Assuming that 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>The completion of this project would eliminate factors hindering viable use and ease residential overcrowding.</p> <p><i>Timeline..... Ongoing</i></p>	<p>\$200,000</p>	<p>a, b, c, d</p>	<p>a</p>

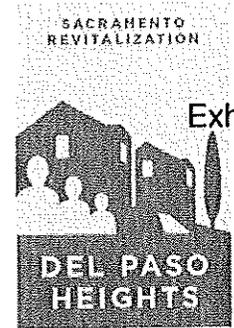


Exhibit A

Project/Description ¹	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<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>The completion of this project would eliminate factors hindering viable use and ease residential overcrowding.</p> <p><i>Timeline..... Completed 2010</i></p>	<p>Funding contingent upon procurement of bond proceeds or revenue from other sources</p>	<p>a, b, c, d</p>	<p>a</p>
<p>Marysville and Los Robles Boulevard Housing Development This project has 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. One of the goals of the project is to build an environmentally sustainable "green" project. Preliminary estimates of the amount of financial assistance and average subsidies suggest that at least six units could be created by this project.</p> <p>The completion of this project would eliminate factors hindering viable use and ease residential overcrowding.</p> <p><i>Timeline..... Completed 2011</i></p>	<p>Funding contingent upon procurement of bond proceeds or revenue from other sources</p>	<p>a, b, c, d</p>	<p>a and c</p>

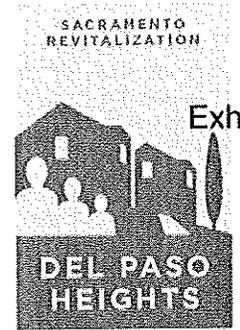


Exhibit A

Project/Description ¹	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<p>Development of Agency Owned Vacant Parcels The Agency owns one acre of land on the southwest corner of Norwood and Fairbanks Avenues and will issue a Request for Proposals ("RFP") for single and multifamily residential units. The number of units will be determined after the RFP is granted. The Agency also owns five vacant residential parcels located on Altos, Grand and Carroll Avenues and will issue an RFP for single family residential development, resulting in five new units. Both RFPs will be released pending the ability of the market to reasonably support such development.</p> <p>The completion of this project would eliminate factors hindering viable use and ease residential overcrowding.</p> <p><i>Timeline..... Completed 2011</i></p>	<p>Funding contingent upon procurement of bond proceeds or revenue from other sources</p>	<p>a, b, c, d</p>	<p>a and c</p>
<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>The completion of this project would eliminate factors hindering viable use and ease residential overcrowding.</p> <p><i>Timeline..... Ongoing</i></p>	<p>Funding contingent upon procurement of bond proceeds or revenue from other sources</p>	<p>a, b, c, d</p>	<p>a and c</p>
<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>The completion of this project would eliminate factors hindering viable use and ease residential overcrowding.</p> <p><i>Timeframe:..... Ongoing</i></p>	<p>Funding contingent upon procurement of bond proceeds or revenue from other sources</p>	<p>a, b, c, d</p>	<p>a and c</p>

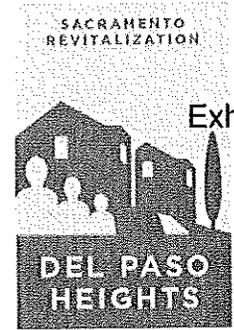


Exhibit A

Project/Description ¹	Estimated Redevelopment Investment	Goals Achieved	Strategies Achieved
<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>The completion of this project would eliminate factors hindering viable use and ease residential overcrowding.</p> <p><i>Timeframe:..... Ongoing</i></p>	<p>Funding contingent upon procurement of bond proceeds or revenue from other sources</p>	<p>a, b, c, d</p>	<p>a and c</p>
<p>Total Estimated Redevelopment Investment</p>	<p>\$12,200,000</p>	<p>a, b, c, d</p>	<p>a and c</p>



HOUSING COMPLIANCE OBJECTIVES

Introduction

For more than 60 years, the Redevelopment Agency 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 the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, "CRL"), this section of the Implementation Plan identifies the Agency's housing assistance strategy including prior affordable housing activities, future anticipated housing need, and planned housing projects and programs.

The CRL's requirements are explained below, as well as the Agency's past accomplishments and housing production requirements, and its future housing requirements.

The Agency has 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.

Major Statutory Provisions for Affordable Housing

Redevelopment agencies use implementation plans to establish 10-year objectives to achieve compliance with the CRL in its affordable housing programs. 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.
- 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 low-income residents under the age of 65.

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



Housing Production

The CRL requires that at least 15% of all new and substantially rehabilitated dwelling units developed within a project area shall be affordable to persons and families of low- or moderate-income. Not less than 40% of that 15% must be affordable to very low-income households. The CRL also requires that 30% of all new and substantially rehabilitated dwelling units developed by the Agency itself shall be affordable to persons and families of low- or moderate-income. Not less than 50% of that 30% must be affordable to very low-income households. The Agency has not developed any dwelling units by itself and does not intend to do so.

The inclusionary housing obligations of the CRL apply prospectively from the date of an amendment pursuant to Section 33333.10 of the CRL. Prior to the Sixth Amendment to the Redevelopment Plan, adopted in 2003, the inclusionary housing obligations of the CRL did not apply to the Project Area. The above inclusionary housing obligations apply to the Project Area prospectively from the date of adoption of the Sixth Amendment, June 24, 2003.

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 substantially rehabilitated in the Project Area and applied formulas established in State law.

The chart below summarizes the production goals over various time periods as required by the CRL. 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.

Actual and Projected Housing Production Needs by Time Period			
Time Period	Actual/Assumed Housing Units Constructed and Substantially Rehabilitated in Project Area /1	Required Affordable Units /2	
		Total	Very Low
10 Year Forecast	476	73	30
2003 to 2007	161	25	10
2008 to 2012	315	48	20
2003 to 2003	600	90	36
Notes:			
1/ Actual numbers are derived from annual reports to the California Department of Housing and Community Development. Estimated numbers based on units projected to be produced by redevelopment and private development activity.			
2/ Based on 15 percent of actual/assumed units developed by entities other than Agency. (No units developed by Agency.) All figures rounded up.			

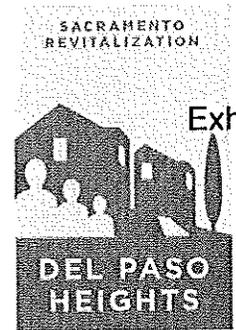


Exhibit A

As shown in the above table, the Agency anticipates a need for 73 affordable units (including 30 very low income units) to fulfill its production goals for the 10-year period, and 90 affordable units (including 36 very low income units) over the duration of the Redevelopment Plan. Fulfillment of these production goals is shown on the following table.

Fulfillment of Affordable Housing Production Requirements by Time Period								
Time Period	Units Required		Units Produced		Additional Units Required		Net Surplus Units Produced	
	(see previous table)							
	Total	VL	Total	VL	Total	VL	Total	VL
10 Year Forecast	73	30	310	175	0	0	237	145
<i>2003 to 2007</i>	25	10	79	50				
<i>2008 to 2012</i>	48	20	231	125				
2003 to 2023	90	36	320	175	0	0	230	139

As shown in the above table, and assuming the actual total number of housing units constructed or substantially rehabilitated are as forecasted in the previous table, the Project Area would have a 73-unit affordable housing production need over the current 10-year period, 30 of which must be very low income units. The Agency has exceeded this requirement with the development of several affordable housing projects in the Project Area as of 2008, and projects a larger surplus of affordable units by 2012.

Replacement Housing

The CRL requires that whenever dwelling units housing persons and families of low- or moderate-income are destroyed or removed from the low- and moderate-income housing market as part of a redevelopment project, the Agency shall rehabilitate, develop, or construct an equal number of affordable replacement dwelling units with an equal number of bedrooms as those destroyed within four years.

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.



Expenditures by Household Types

The Agency’s low- and moderate-income housing fund (“Housing Set-Aside Fund”) had a balance of \$2,522,829 available as of January 1, 2008. Over the five-year period ending on December 31, 2012, staff estimates that the Project Area will generate another \$3,706,877 in housing set-aside revenue. Staff also anticipate issuing as much as \$6,000,000 in housing bonds for affordable housing within this Implementation Plan period.

Estimated Deposits of Housing Funds					
	2008	2009	2010	2011	2012
Amount Deposited	\$609,163	\$671,060	\$736,144	\$807,779	\$882,731

The Del Paso Heights Redevelopment Area is subject to the affordable housing expenditure and production requirements mandated under Section 33333.10 of the CRL. Because the Sixth Amendment, adopted in 2003, amended the Del Paso Heights Redevelopment Plan pursuant to Section 33333.10, the Agency is required to spend 30% of its tax increment revenue on the production of affordable housing (instead of the standard 20% required under the CRL). The other specific affordable housing expenditure requirements that such an amendment mandates include:

1. Beginning in the first fiscal year after the 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 Housing Set-Aside Fund 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 Housing Set-Aside Fund 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 Housing Set-Aside Fund 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.



Exhibit A

The Agency has 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.

Expenditures from the LMIHF must target low- and very-low income households in proportion to the units allocated for such households as determined by the Regional Housing Needs Allocation (RHNA) Plan developed by the Sacramento Area Council of Governments (SACOG) and the California Department of Housing and Community Development.

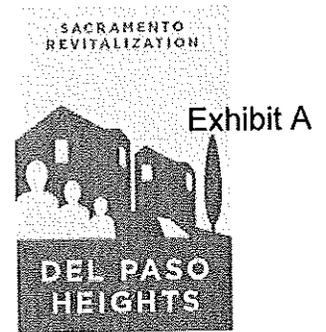
The CRL also requires the Agency to expend its Low and Moderate Income Housing Fund (LMIHF) in proportion to the community's need for very low and low income housing, as well as the proportion of the low income population under the age of 65. New legal requirements took effect in 2006 that modified the previous limitation of spending LMIHF monies on households under the age of 65. Section 33334.4(b) of the CRL used to require that an Agency spend its LMIHF monies "in at least the same proportion as the low-income population under age 65 bears to the total low-income population of the community as reflected in the most recent census." The new language provides a higher level of specificity to spend "in at least the same proportion as the number of low-income households with a member under age 65 years bears to the total number of low-income households of the community as reported in the most recent census".

Based on statistics from RHNA, used by local governments to meet state requirements for affordable housing by income categories, and the Comprehensive Housing Affordability Strategy reports of 2000 Census data, the following minimum thresholds for housing program expenditures would be required over the term of the Implementation Plan:



Population/Household Type	Population Figures/ Minimum Percentage of Housing Set-Aside Expenditures over Implementation Plan
Total Population of the City	407,018
Total Population Under Age 65	360,575
Very Low Income Households	19%
Low Income Households	32%
Low Income Households Under Age 65	76%
<p>Notes:</p> <p>The percentage of very low- and low-income household expenditures are based upon the average of City of Sacramento Regional Housing Needs Assessment requirements over two time periods, from 2003 to 2007 and 2008 to 2012. Between 2003 to 2007, 772 out of 8,277 affordable units in the City's housing needs were required to be affordable to very low income households, 2,791 units were applicable to low income households, and no more than 4,714 units were applicable to moderate income households. Between 2008 and 2012, 2,472 out of 8,657 affordable units in the City's housing needs are required to be affordable to very low income households, 2,582 units are applicable to low income households, and no more than 3,603 units are applicable to moderate income households. The Agency is required to meet these requirements over a ten year period, from 2003 to 2012, based on the average of the requirements from the two time periods.</p> <p>Percentage of expenditures for housing to households under the age of 65 based on 2000 Census data reported in the Comprehensive Housing Affordability Strategy in which 76 percent of the City's low income households under the age of 62². No more than 24 percent of Project Area housing set-aside funds may be expended on housing for households age 65 and older.</p>	

² Data of low income households under the age of 65 is not available from the Census at this time, so the nearest metric for such Census data (available via the Comprehensive Housing Affordability Strategy at <http://socds.huduser.org/chas/index.htm>) represents households under the age of 62.



- **Housing Set-Aside Expenditures by Income Level and Family Projects.** These proportionality requirements affect expenditures over a 10-year period, although the law permits the compliance initially for a period beginning in January 2003 and ending in December 2012. The chart below documents the amount of low- and moderate-income housing fund revenue used from 2003 to 2007 and projected from 2008 to 2012 for these income categories and family projects (open to all age groups) out of the Project Area housing set-aside fund. Future expenditures may be spent inside or outside the Project Area.

The Agency has the authority to expend Project Area housing set-aside funds either inside or outside the Project Area and may aggregate its housing production activities among all of its project areas. Thus the Agency may fulfill Project Area shortfalls in any category with expenditures from housing set-aside funds from other Project Areas in order to ensure compliance with income targeting requirements.



Exhibit A

Project Area Actual and Projected Housing Set-Aside Expenditures								
	Very Low	%	Low	%	Moderate	%	Families Under Age 65	%
Prior 5 Years (2003 to 2007)								
Actual	\$191,831	4%	\$5,182,234	96%	\$0	0%	\$5,374,065	100%
Next 5 Years (2008 to 2012) (Reflects the expenditures necessary to meet income and age targeting requirements)								
Projected	\$0	0%	\$12,200,000	100%	\$0	0%	\$12,200,000	100%
2008	\$0	0%	\$200,000	100%	\$0	0%	\$200,000	100%
2009	\$0	0%	\$3,000,000	100%	\$0	0%	\$3,000,000	100%
2010	\$0	0%	\$3,000,000	100%	\$0	0%	\$3,000,000	100%
2011	\$0	0%	\$3,000,000	100%	\$0	0%	\$3,000,000	100%
2012	\$0	0%	\$3,000,000	100%	\$0	0%	\$3,000,000	100%
10 Year Housing Compliance Period (2003 to 2012)								
Actual/ Projected ³	\$191,831	1%	\$17,382,234	99%	\$0	0%	\$17,574,065	100%

³ Although housing revenues from this Project Area will be spent entirely on low income households, the Agency has the authority to expend Project Area housing set-aside funds either inside or outside the Project Area and may aggregate its housing production activities among all of its project areas. Thus the Agency may fulfill Project Area shortfalls in any category with expenditures from housing set-aside funds from other Project Areas in order to ensure compliance with income targeting requirements.



Exhibit A

- Family Units Assisted by Housing Set-Aside Fund (Prior Implementation Plan Period).** State law also requires a recap of the number of the units assisted by the housing set-aside fund over the past Implementation Plan period divided by family projects (open to all age groups) and senior projects (restricted to residents age 65 and older). The chart below summarizes these statistics by project from January 2003 (when proportionality requirements took effect for the Project Area) through December 2007.

Project/Location	Housing Set-Aside Expenditures	Units Assisted by Housing Set-Aside Fund (January 2003 – December 2007)				
		Ext. Low	Very Low	Low	Mod.	Tot.
Family Projects	\$5,374,066	0	50	24	5	79
Del Paso Nuevo	\$4,934,066	0	0	2	0	2
North Avenue Apartments	\$240,000	0	50	18	0	68
Rio Linda and Nogales	\$200,000	0	0	4	5	9
Senior Projects	\$0	0	0	0	0	0
Totals	\$5,374,066	0	50	24	5	79

- Housing Units Constructed During Prior Implementation Plan Period Without Housing Set-Aside Funds.** Since January 2003, no affordable units featuring long-term covenant restricted units (affordable units with covenants of at least 45 years for ownership housing or 55 years for rental housing) have been constructed using other locally controlled government assistance and without Housing Set-Aside Funds.

SECTION D

Explanation of Why the Elimination of Blight in the Project Area Cannot be Accomplished by Private Enterprise Acting Alone or Through Other Financing Alternatives Other Than Tax Increment Financing Exhibit A

Section 33352(d) of Redevelopment Law requires an explanation of why the elimination of blight cannot be accomplished by private enterprise alone, or by the City Council's use of financing alternatives other than tax increment financing.

Section B provides evidence that significant blight remains in the Project Area. Tax increment is necessary to fund redevelopment projects to address blight because the government and private sector cannot be expected to alleviate blighting conditions on their own. As discussed in Section A, residents have lower incomes and the cost of maintaining property could be a challenge for many. Tax increment is a financial tool that enables the government to assist residents with property improvements, as well as provide more opportunities for homeownership to increase the number of owner occupied homes and encourage neighborhood pride.

Tax increment is also used to provide incentives for the private sector to invest in the area and revitalize the local economy. Developers and businesses currently have minimal interest in locating in the Project Area, and developers investing in the Project Area have trouble finding tenants and securing funding for their projects. The Plan Amendment will provide sufficient tax increment funding for the Agency to provide developer assistance as well as public facilities and infrastructure improvements that will create a more attractive and desirable neighborhood.

Overall, tax increment gives the Agency the financial resources to foster new development by improving infrastructure, reconfiguring lots, negotiating with property owners, providing assistance to developers, developing and rehabilitating property, and soliciting new development. The current financial limits of the Redevelopment Plan result in a shortfall in revenue that leaves the Agency without the financial resources to fund the projects listed in Section A, totaling \$135 million, that are necessary to continue the Agency's redevelopment of the Project Area. The Plan Amendment is necessary to collect enough tax increment to fund these projects. Without the Plan Amendment, the Agency would reach its limit on the amount of tax increment that may be collected nine years prior to the time limit on when the Agency may collect tax increment. This would restrict the amount of tax increment available to fund proposed redevelopment projects to \$53 million from fiscal year over the remaining life of the Redevelopment Plan. The Plan Amendment will enable the Agency to collect tax increment up to its time limit as intended by the Redevelopment Plan, resulting in an additional \$64 million in tax increment.

Other public funds are unavailable for the Project Area. The City's General Fund was estimated to have a \$58 million deficit for fiscal year 2008-09, and the City had to close this gap by reducing expenditures, implementing new fees, and tapping into reserve funds. Three redevelopment projects within the Project Area receive State and Federal funding. However, these outside funding sources are contingent upon State and Federal Budget constraints and political willingness, and are not a secure source of funding for future projects. The Plan Amendment is necessary to fund redevelopment projects that the City cannot fund without tax increment.

SECTION E

Proposed Method of Financing, Including the Economic Feasibility of the Plan Amendment Exhibit A

Section 33352(e) of Redevelopment Law requires that a report of an agency to a legislative body include information on the proposed method of financing, including information on the economic feasibility of the Project Area.

The Plan Amendment will allow additional taxes attributable to the Project Area, which are allocated to the Agency pursuant to Section 33670(b) of Redevelopment Law, to be used within the Project Area.

The Agency intends to finance redevelopment of the Project Area from the following resources:

- Tax Increment Revenues;
- Bonded Debt;
- Financial Assistance from the City, County, State of California and/or Federal Government;
- Proceeds from lease or sale of Agency-owned property;
- Loans from private financial institutions; and
- Any other legally available source.

The more typical sources of redevelopment financing may be employed as described below.

Financial Assistance from City, State and/or the Federal Government

The Agency may obtain loans and advances from the City for planning, construction, and operating capital. The City may also defer payments on the Agency loans for land purchases, benefiting the Agency's cash flow. Such assistance may be employed to meet short term cash flow needs.

As available, other funds such as state-apportioned road funds, state housing and infrastructure bond funds, state and federal transportation funds, and federal Community Development Block Grants will be appropriately utilized in conjunction with the Agency funds for costs of project implementation.

Lease or Sale of Agency-Owned Property

Under the proposed Redevelopment Plan, the Agency may sell, lease, or otherwise encumber its property holdings to pay the costs of project implementation.

Participation in Development

If the Agency enters into agreements with property owners, tenants, and/or other developers that provide for revenues to be paid or repaid to the Agency, such revenues may be used to pay project implementation costs.

Property Tax Increment

The Agency will continue to collect property tax increment as provided for in Section 33670(b) of Redevelopment Law, and as authorized in the Redevelopment Plan, to employ tax increment financing to fund redevelopment activities. Tax increment revenue is intended to fund ongoing redevelopment activities and to pay indebtedness incurred by the Agency. Indebtedness includes principal and interest on loans, monies advanced, or debts (whether funded, refunded, assumed, or otherwise) incurred by the Agency to finance or refinance, in whole or in part, redevelopment activities.

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Exhibit A

The current Redevelopment Plan allows the Agency to collect \$131 million in tax increment for the Project Area. Based on revenue projections provided in Table E-1, this limit will be reached nine years prior to the time limit of when the Agency may collect tax increment, which will preclude the Agency from funding proposed projects necessary for the elimination of blight. The proposed Plan Amendment would increase the tax increment collection limit to \$250 million.

Tax increment revenues are distributed to address an array of obligations. As required by Section 33333.10(g)(1) of Redevelopment Law, a minimum of thirty (30) percent of the Project Area's tax increment revenue will be deposited into the Agency's Low and Moderate Income Housing Fund for the purposes of increasing, improving, and preserving the community's supply of low and moderate income housing and debt service related to funding housing projects.

The remaining seventy (70) percent of the tax increment revenue will be used to pay for pre-existing and future Agency obligations to taxing entities, debt service related to funding non-housing projects, and other program expenditures such as infrastructure, capital facilities, and economic development programs within the Project Area.

Consistent with Redevelopment Law, the Redevelopment Plan incorporates certain time limits that affect the Agency's ability to use and collect tax increment revenue. The first of these is the time limit to incur debt, which is currently May 2010. The proposed plan amendment would eliminate this time limit as permitted by Section 33333.6(e)(2)(B) of Redevelopment Law. The second time limit regulates how long the Agency may collect tax increment revenue, which is currently 10 years after the termination of the effectiveness of the redevelopment plan, or May 2033. The proposed Plan Amendment would not alter this limit.

Bonded Debt

Under the proposed Redevelopment Plan, the Agency would continue to have the capacity to issue bonds and/or notes for any of its corporate purposes, payable in whole or in part from tax increment revenue generated from the Project Area. Any bonds issued by the Agency are the responsibility of the Agency, and neither the City nor its taxpayers are liable for debt service on the bonds. Redevelopment bonds are typically issued based on current cash flows, without regard to the potential increase in revenues that may lie ahead.

The current Redevelopment Plan includes a \$41 million limit on the amount of bonded debt that may be outstanding at any one time. The Plan Amendment proposes increasing this limit to \$100 million to increase the Agency's financial capacity to fund redevelopment projects in a timely matter.

Other Available Sources

Any other loans, grants, or financial assistance from the federal government, or any other public or private source will be utilized, as available and appropriate. The Agency will also consider use of the powers provided by Redevelopment Law to provide construction and other funds for appropriate projects. Where feasible and appropriate, the Agency may use assessment district and/or Mello-Roos bond financing to pay for the costs of public infrastructure, facilities, and operations.

TAX INCREMENT REVENUE PROJECTIONS

The primary source of project financing for the Project Area is the collection of tax increment revenues. Table E-1 presents a detailed preliminary forecast of tax increment revenues for the Project Area based on the assumptions noted below:

1969-70 Base Year Value: the Agency receives property tax increment revenue from Project Area assessed value growth in excess of the 1969-70 base year value of \$27,064,022, established when the Project Area was adopted.

Assessed Value Growth Rates: Projections constructed for the Project Area have conservatively applied a 5.0 percent annual growth rate on secured assessed values within the Project Area.

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
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County Administrative Fees: The County Auditor-Controller levies a charge for apportioning property taxes to the Agency. Based on past fees on the Project Area, the Agency staff estimates these administrative fees will equal approximately 1.7 percent of gross tax increment revenue annually.

Taxing Agency Statutory Payments: Consistent with Section 33607.7, the Agency remits payments to affected taxing agencies in the Project Area. These payments commenced in Fiscal Year 2000-01 and will continue for the remaining 24 additional years the Agency has to collect tax increment revenue.

For the first 10 years since statutory payments commenced (Fiscal Years 2000-01 to 2009-10), the Statutory Payments are equal to 25 percent of the Project Area's annual non-housing tax increment revenue (for only the tax increment generated above the 1999-00 adjusted base year). Subsequently, these Statutory Payments are subject to two increases. Beginning in the eleventh year (2010-11), in addition to the first 25 percent share, the Agency would be required to pay an additional 21 percent of the incremental increase in non-housing tax increment revenues exceeding amounts in the tenth payment year (2009-10). Then, beginning in the thirty-first year (2030-31), Redevelopment Law further provides for a second increase in the Statutory Payments of 14 percent of the incremental increase in non-housing tax increment revenues in excess of the thirtieth year (2029-30).

A forecast of Statutory Payments has been included in Table E-1. Should actual tax increment revenues exceed or fall below these projections, actual Statutory Payments would be higher or lower.

Housing Set-Aside Revenues: As required by Section 33333.10(g)(1) of Redevelopment Law, the Agency would deposit not less than 30 percent of Project Area tax increment revenues into the Agency's Housing Fund for the purposes of increasing, improving, and preserving the community's supply of affordable housing.

Nonhousing Revenues: Finally, the tax increment revenue remaining after County administrative fees, taxing agency payments, and housing set aside deposits, would be available for eligible redevelopment projects, such as infrastructure improvements, seismic retrofitting, development incentives, remediation costs, and other non-housing uses.

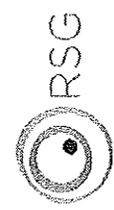
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Table E-1
Tax Increment Projections 2008-09
Del Paso Heights Redevelopment Project Area

Year	Assessed Value Forecast		Incremental	Gross Tax Increment 1.0%	Cumulative Tax Increment	County Admin Fee 1.7%	Taxing Agency Payments /1	Debt Service Total /2	Revenue to Agency		Total
	Secured 5.0%	Unsecured 0.0%							Housing /3 30.0%	Nonhousing /3	
BY 1969-70		\$ 27,064,022			34,204,780						
40 2008-09	420,443,262	11,076,462	404,455,702	4,044,557	38,249,337	(66,735)	(1,736,476)	(1,848,259)	609,163	1,245,519	1,854,682
41 2009-10	441,465,425	11,076,462	425,477,865	4,254,779	42,504,116	(70,204)	(1,844,762)	(1,848,259)	671,060	1,253,360	1,924,419
42 2010-11	463,538,696	11,076,462	474,615,158	4,475,511	46,979,627	(73,846)	(1,847,899)	(1,848,259)	736,144	1,346,863	2,083,007
43 2011-12	488,715,631	11,076,462	497,792,093	4,707,281	51,686,908	(77,670)	(1,847,733)	(1,848,259)	807,779	1,444,920	2,252,699
44 2012-13	511,051,412	11,076,462	522,127,874	4,950,639	56,637,546	(81,686)	(1,845,540)	(1,848,259)	882,731	1,550,309	2,433,040
45 2013-14	536,603,983	11,076,462	547,680,445	5,206,164	61,843,710	(85,902)	(1,840,819)	(1,848,259)	958,288	1,666,529	2,624,816
46 2014-15	563,434,182	11,076,462	574,510,644	5,474,466	67,318,177	(90,329)	(1,834,282)	(1,848,259)	1,041,824	1,785,937	2,827,761
47 2015-16	591,605,891	11,076,462	602,682,353	5,756,183	73,074,360	(94,977)	(1,835,707)	(1,848,259)	1,126,150	1,906,415	3,032,565
48 2016-17	621,186,186	11,076,462	632,262,648	6,051,986	79,126,346	(99,658)	(1,833,938)	(1,848,259)	1,214,156	2,036,718	3,250,874
49 2017-18	652,245,495	11,076,462	663,321,957	6,362,579	85,488,926	(104,983)	(1,833,950)	(1,848,259)	1,307,477	2,170,752	3,478,229
50 2018-19	684,857,770	11,076,462	695,934,232	6,688,702	92,177,628	(110,364)	(1,835,760)	(1,848,259)	1,405,245	2,309,910	3,715,154
51 2019-20	719,100,658	11,076,462	730,177,120	7,031,131	99,208,759	(116,014)	(1,834,535)	(1,848,259)	1,507,356	2,459,695	3,967,052
52 2020-21	755,055,691	11,076,462	766,132,153	7,390,691	106,599,440	(121,946)	(1,833,943)	(1,848,259)	1,616,831	2,628,270	4,245,102
53 2021-22	792,808,476	11,076,462	803,884,938	7,768,209	114,367,649	(128,175)	(1,833,943)	(1,848,259)	1,731,446	2,818,810	4,550,256
54 2022-23	832,448,900	11,076,462	843,525,362	8,164,613	122,532,263	(134,716)	(1,833,955)	(1,848,259)	1,848,259	3,023,295	4,871,554
55 2023-24	874,071,345	11,076,462	885,147,807	8,580,838	131,113,100	(141,584)	(1,833,955)	(1,848,259)	1,966,437	3,238,743	5,205,179
56 2024-25	917,774,912	11,076,462	928,851,374	9,017,874	140,130,974	(148,795)	(1,833,955)	(1,848,259)	2,106,689	3,478,552	5,585,241
57 2025-26	963,663,657	11,076,462	974,740,119	9,476,761	149,607,735	(156,367)	(1,833,955)	(1,848,259)	2,245,604	3,719,071	5,964,675
58 2026-27	1,011,846,840	11,076,462	1,022,923,302	9,956,593	159,566,328	(164,317)	(1,833,955)	(1,848,259)	2,387,563	3,927,807	6,315,370
59 2027-28	1,062,439,182	11,076,462	1,073,515,644	10,464,516	170,030,844	(172,665)	(1,833,955)	(1,848,259)	2,542,940	4,148,234	6,691,174
60 2028-29	1,115,561,141	11,076,462	1,126,637,603	10,995,736	181,026,580	(181,430)	(1,833,955)	(1,848,259)	2,701,358	4,374,708	7,076,065
61 2029-30	1,171,339,198	11,076,462	1,182,415,660	11,553,516	192,580,096	(190,633)	(1,833,955)	(1,848,259)	2,867,591	4,617,779	7,485,370
62 2030-31	1,229,906,158	11,076,462	1,240,982,620	12,139,186	204,719,282	(200,297)	(1,833,955)	(1,848,259)	3,042,724	4,823,416	7,866,139
63 2031-32	1,291,401,466	11,076,462	1,302,477,928	12,754,139	217,473,421	(210,443)	(1,833,955)	(1,848,259)	3,227,316	5,106,948	8,334,264
64 2032-33	1,355,971,540	11,076,462	1,367,048,002	13,399,840	230,873,261	(221,097)	(1,833,955)	(1,848,259)	3,421,789	5,335,039	8,756,828
Total	20,066,537,099	276,911,550	20,343,448,649	196,668,481	230,873,261	(3,245,030)	(33,303,796)	(43,106,138)	43,973,919	73,039,598	117,013,517
NPV @ 6.0%	8,870,677,437	141,594,359	9,012,271,796	8,666,302,764	8,666,302,764		(13,493,970)	(22,487,748)	18,304,146	30,947,224	49,251,369

1/ Based on the City's methodology, statutory payments net out the City's share of payments to go directly to the Agency.
 2/ Debt service payments include tax allocation bonds and payments required under a 1999 Del Paso Master Lease and Refunding Loan, and assume a worst case scenario where no CDBG funds are available to make Agency payment Master Lease and Refunding Loan.
 3/ Applicable debt service payments have been deducted from Housing Fund and Nonhousing Fund deposit totals.
 Source: Sacramento County Auditor-Controller, SHRA, RSG



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Exhibit A

Table E-1 presents annual estimates of assessed values, new development, gross tax increment revenue, County administrative fees, taxing agency payments, and net revenues to the Agency's housing and non-housing funds. A summary of these annual projections delineating the cumulative total of these figures is presented in Table E-2 below.

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Exhibit A

Summary of Projected Tax Increment Revenues Table E-2

Del Paso Heights Redevelopment Project Area

Assumptions		
Base Year Value (2007-08)	\$	27,064,022
Annual Assessed Value Growth Rate (Exclusive of New Value)		5.0%
Time Limit on Receipt of Tax Increment		5/11/2033

Forecast	Cumulative
----------	------------

Gross Tax Increment Revenue	\$	230,873,261
Less: Tax Increment Received up to 6/30/08		(34,204,780)
Less: 30% Gross Tax Increment Revenue to Housing Fund		(59,000,544)

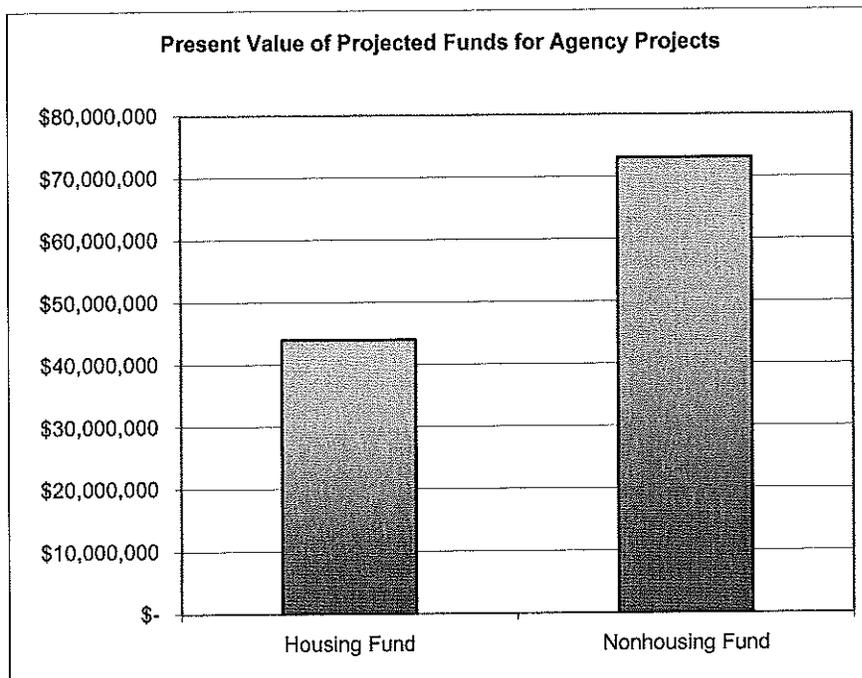
Nonhousing Fund

Total Revenue to be Deposited into the Nonhousing Fund	137,667,937
Less: County Administrative Fee	(3,245,030)
Less: Taxing Agency Payments (HSC 33607.5)	(33,303,796)
Less: Nonhousing Debt Service	(28,079,512)

Housing Fund

Total Revenue to be Deposited into the Housing Fund	59,000,544
Less: Housing Debt Service	(15,026,626)

Total to Agency for Future Projects	117,013,517
Housing Fund	43,973,919
Nonhousing Fund	73,039,598



REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
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Exhibit A

The total projected revenue that may be available to the Agency to fund project costs is approximately \$117 million, consisting of \$44 million for affordable housing purposes, and \$73 million for non-housing purposes. These projected revenues are compared to total project costs in the following section.

ECONOMIC FEASIBILITY ANALYSIS

Redevelopment of the Project Area may involve hundreds of millions of dollars of public investment in order to stimulate private investment and remove blight in the Project Area. Section A of this Report includes a proposed list of the potential range of projects associated with this effort, based on the information available at this time.

Table E-3 below documents the projected sources and uses of tax increment revenue projected from the Project Area.

Table E-3			
Sources and Uses			
Del Paso Heights Redevelopment Project Area			
	Housing	Nonhousing	Total
Sources /1			
Tax Increment Revenue /2	\$ 43,973,919	\$ 73,039,598	\$ 117,013,517
Total Sources	43,973,919	73,039,598	117,013,517
Uses			
Affordable Housing Projects/Programs	43,973,919	-	43,973,919
Development & Environmental Remediation	-	32,194,667	32,194,667
Public Facilities & Infrastructure	-	37,158,511	37,158,511
Miscellaneous Revitalization Programs	-	21,780,594	21,780,594
Total Uses	43,973,919	91,133,771	135,107,690

- 1/ Excludes funding from other potential sources, City of Sacramento funds and other regional, state and federal funds
- 2/ Cumulative tax increment revenue projected to be received from 2008-09 to 2032-33 in current dollars (not adjusted for net present value)

The amount of funds expended on projects would exceed the \$117 million of revenue expected to be generated by the Project Area, but would not exceed the amount of revenue generated if tax increment revenue were to reach its \$250 million limit. Project costs will be adjusted depending on available revenue over time. Nonhousing projects totaling more than \$91 million are anticipated to fall into three general categories: 1) development and environmental remediation, 2) public facilities and infrastructure, and 3) miscellaneous revitalization programs.

SUMMARY

The current financial limits of the Redevelopment Plan result in a shortfall in revenue that leaves the Agency without the financial resources to fund proposed projects necessary to alleviate blight. The Plan Amendment will increase the limit on tax increment that may be collected by the Agency from \$131 million to \$250 million to address this shortfall. Without the Plan Amendment, the Agency would reach its tax increment limit in fiscal year 2023-24 instead of 2032-33 as allowed by the Redevelopment Plan. The Plan Amendment also increases the limit on amount of bonded indebtedness that may be collected from \$41 million to \$100 million and repeals the time limit to incur debt in order to ensure that advanced funding can be secured to implement redevelopment projects in a timely matter.



SECTION F

Exhibit A

Method of Relocation

In the event that relocation of residents or businesses is necessary as part of implementing the Redevelopment Plan, the Agency will adhere to the State Relocation Guidelines, consisting of the State Relocation Law (Government Code 7260 through 7277), and the California Relocation Assistance and Real Property Acquisition Guidelines as established in the California Code of Regulations, Title 25, Chapter 6 (collectively "Relocation Guidelines").

If relocation is necessary to implement the Redevelopment Plan in order to eliminate blighting conditions, the Relocation Guidelines ensure that the Agency will meet its relocation responsibilities to any families, persons, businesses, or nonprofit local community institutions to be temporarily or permanently displaced as a consequence of the Redevelopment Plan's implementation.

No persons or families of low and moderate income shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by the displaced person or family at rents comparable to those at the time of their displacements.

SECTION G

Exhibit A

Analysis of the Preliminary Plan

Section 33352(g) of Redevelopment Law requires the inclusion of an analysis of the Preliminary Plan for the Project Area. This Plan Amendment does not alter the boundaries of the Project Area, thus a Preliminary Plan is not required and was not prepared for this Plan Amendment.

SECTION H

Exhibit A

Report of the Planning Commission

Section 33352(h) of Redevelopment Law requires inclusion of a report of the Planning Commission of the City of Sacramento ("Planning Commission"). The Planning Commission adopted its report on the conformity of the Plan Amendment with the City's General Plan on January 8, 2009, which report is attached to this section as a separate document. Pursuant to the Planning Commission's action, the Plan Amendment conforms to the City of Sacramento General Plan.

Attachment One

Exhibit A

**City Planning Commission Record of Decision
And Findings of Fact for the**

**REPORT AND RECOMMENDATION OF THE PLANNING COMMISSION ON
THE PROPOSED ELEVENTH AMENDMENT TO THE REDEVELOPMENT
PLAN FOR THE DEL PASO HEIGHTS REDEVELOPMENT PROJECT**

A. STATEMENTS OF FACTS:

1. The City Council of the City of Sacramento (the "City Council") approved and adopted the Redevelopment Plan ("Redevelopment Plan") for the Del Paso Heights Redevelopment Project (the "Project") on May 12, 1970, by Ordinance No. 2884, Fourth Series, and subsequently amended the Redevelopment Plan for the Project on ten occasions.

2. Pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 *et seq.*; the "CRL"), the Redevelopment Agency of the City of Sacramento (the "Agency") has prepared a proposed Eleventh Amendment to the Redevelopment Plan for the Project (the "Eleventh Amendment").

3. It is now proposed that the Redevelopment Plan be amended by (1) increasing the limitation on the amount of tax increment to be allocated to the Agency; (2) increasing the limitation on the amount of bonded indebtedness that can be outstanding at one time; (3) repealing the time limit to incur debt; and (4) extending the time limit for commencement of eminent domain proceedings to acquire property that is not occupied as a residence within the Project Area by an additional twelve (12) years.

4. Sections 33346, 33354.6 and 33453 of the CRL provide that before a proposed redevelopment plan amendment is submitted to the legislative body for adoption, the redevelopment agency shall submit the proposed plan amendment to the planning commission for its report and recommendation, including a determination whether the proposed plan amendment is in conformity with the jurisdiction's general plan.

5. The General Plan of the City of Sacramento has been prepared and adopted in compliance with the California Planning and Zoning Law (Government Code Section 65300 *et seq.*).

6. Section 65402 of the Government Code provides, in part:

"(a) If a general plan or part thereof has been adopted, no real property shall be acquired by dedication or otherwise for street, square, park or other public purposes, and no real property shall be disposed of, no street shall be vacated or abandoned, and no public building or structure shall be constructed or authorized, if the adopted general plan or part thereof applies thereto, until the location, purpose and extent of such acquisition or disposition, such street vacation or abandonment, or such public building or structure have been submitted to and reported upon by the planning agency as

to conformity with said adopted general plan or part thereof...." Exhibit A

"(c) A local agency shall not acquire real property for any of the purposes specified in paragraph (a) nor dispose of any real property, nor construct or authorize a public building or structure, in any county or city, if such county or city has adopted a general plan or part thereof and such general plan or part thereof is applicable thereto, until the location, purpose and extent of such acquisition, disposition, or such public building or structure have been submitted to and reported upon by the planning agency having jurisdiction, as to conformity with said adopted general plan or part thereof...."

7. The above-required report and recommendation, including matters referred to in Sections 33346 and 33453 of the CRL and Section 65402 of the Government Code are to be made to the Agency and the City Council for their consideration in acting on the adoption of the proposed Eleventh Amendment.

8. The Agency has submitted to the Planning Commission the proposed Eleventh Amendment.

9. The changes proposed to be made by the Eleventh Amendment to the Redevelopment Plan would not alter the Agency's authority to acquire land for, and install or construct (or cause the installation or construction of) certain public improvements and utilities either within or without the Project.

B. FINDINGS:

1. The Statements of Facts set forth above are true and correct.

2. Pursuant to Sections 33346 and 33453 of the CRL, the proposed Eleventh Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project conforms to the General Plan of the City of Sacramento. This finding is based on the fact that the proposed Eleventh Amendment does not affect the City's General Plan because the proposed Eleventh Amendment does not alter the existing land use policy of the Redevelopment Plan, which provides that the major and other land uses to be permitted within the Project Area shall be as provided within the City's General Plan, as it currently exists or as it may from time to time be amended.

3. With respect to Section 65402 of the Government Code, the proposed Eleventh Amendment does not make any changes to the types of activities that may be undertaken within the Project.

C. REPORT AND RECOMMENDATION:

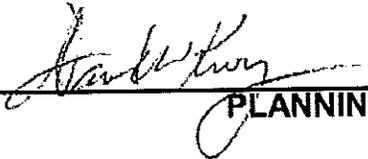
1. The Planning Commission hereby reports to the Redevelopment Agency of the City of Sacramento and the City Council of the City of Sacramento the findings referred to in Section B hereof.

2. The Planning Commission hereby recommends the approval and adoption of the proposed Eleventh Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project (Exhibit A). In the event that prior to the adoption

of the proposed Eleventh Amendment, the Agency or City Council desire to make any minor technical or clarifying changes to the proposed Eleventh Amendment or any documents related thereto, the Planning Commission hereby finds and determines that any such minor technical or clarifying changes need not be referred to it for further report and recommendation. Exhibit A

D. TRANSMITTAL OF RECORD OF DECISION:

The Secretary of the Planning Commission is hereby authorized and directed to submit a copy of this Record of Decision to the Redevelopment Agency of the City of Sacramento and the City Council of the City of Sacramento for consideration as part of the Agency's Report to the City Council pursuant to Section 33352 of the CRL, and this Record of Decision shall be deemed the report and recommendation of the Planning Commission concerning the proposed Eleventh Amendment, including contemplated public projects and activities thereunder, as required by applicable provisions of law.



PLANNING MANAGER

SECTION I

Exhibit A

Report of the Project Area Committee

A Project Area Committee ("PAC") does not exist for the Plan Amendment. Pursuant to Section 33385.3 of Redevelopment Law, a Project Area Committee ("PAC") is required if the Agency proposes to amend a redevelopment plan to: (1) grant the authority to the Agency to acquire by eminent domain property on which persons reside in a project area in which a substantial number of low- and moderate-income persons reside; or (2) add territory in which a substantial number of low- and moderate-income persons reside and grant the authority to the Agency to acquire, by eminent domain, property on which persons reside in the added territory. The proposed Plan Amendment does not grant the Agency the authority to acquire property that is occupied as a residence by eminent domain, and thus does not require the formation of a PAC.

However, Agency staff has been consulting with the Del Paso Heights RAC throughout this Plan Amendment process. Agency staff will also be conducting a public workshop, prior to the joint public hearing, to field additional questions and discuss the Plan Amendment with property owners, residents, and other interested parties. Notice of the workshop will be included in the notice of the joint public hearing, which should be mailed to property owners, residents, business owners and taxing agencies in March 2009. Staff will inform the Agency Board and City Council at the joint public hearing of the outcome of these meetings.

SECTION J

Exhibit A

Statement of Conformance to the General Plan

Section 33352(j) of Redevelopment Law requires a report of General Plan conformance per Section 65402 of the Government Code. As set forth in Section H, on January 8, 2009 the Planning Commission determined that the Plan Amendment is in conformity with the General Plan of the City.

SECTION K

Environmental Documentation

Exhibit A

SUMMARY OF NEGATIVE DECLARATION

Section 33352(k) of Redevelopment Law requires the inclusion of the report prepared pursuant to Section 21151 of the Public Resources Code. An Initial Study and Negative Declaration have been prepared in connection with the Plan Amendment by Ervin Consulting Group pursuant to the California Environmental Quality Act, Public Resources Code Section 21000, et seq. ("CEQA") and the State CEQA Guidelines, 25 Cal. Code Regs. Section 15000 et seq. The Initial Study and Negative Declaration are incorporated herein by reference. The Negative Declaration will be presented for Agency and City Council approval on May 5, 2009.

The Initial Study and Negative Declaration reviewed all potential environmental impacts associated with the implementation of the Redevelopment Plan. Topics addressed include: land use; population and housing; seismicity, soils and geology; water; air quality; transportation and circulation; biological resources; energy; hazards; noise; public services; utilities; aesthetics, light and glare; cultural resources; and recreation.

The Initial Study and Negative Declaration were completed and circulated for public review on December 5, 2008. Comments on the Negative Declaration are due on January 5, 2009. A joint public hearing to consider the adequacy of the Negative Declaration will be held by the Agency and the City Council concurrently with the joint public hearing on the Plan Amendment on April 21, 2009. Thereafter, the Agency will consider approving the Negative Declaration at its regular meeting on May 5, 2009.

The Negative Declaration concludes that the adoption and implementation of the Plan Amendment would not have a significant effect on the environment and no mitigation measures are required. The Plan Amendment does not have the potential to degrade the quality of the environment, negatively effect fish, wildlife, plant, or animal species, will not disadvantage long-term environmental goals, will not have impacts that are individually limited or cumulatively considerable, nor cause substantial adverse effects on human beings.

SECTION L

Report of the County Fiscal Officer

Exhibit A

A report of the Sacramento County Auditor-Controller prepared in accordance with Section 33328 of Redevelopment Law is not required for this Plan Amendment because the boundaries of the Project Area are not being altered.

SECTION M

Neighborhood Impact Report

Exhibit A

Redevelopment Law requires that a Neighborhood Impact Report discuss the impact the Plan Amendment will have on low and moderate persons or families in the following areas: relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on school population and quality of education, property assessments and taxes, and other matters affecting the physical and social quality of the neighborhood.

Additional issues that the neighborhood impact report must address include: the number of low or moderate-income dwelling units to be removed or destroyed; the number of low or moderate income persons or families expected to be displaced; the general location of housing to be rehabilitated, developed or constructed; the number of dwelling units planned for construction or rehabilitation to house persons and families of low or moderate income (other than replacement housing); the projected means of financing the aforementioned dwelling units; and the projected timetable for meeting a redevelopment plan's relocation, rehabilitation, and replacement housing objectives.

RELOCATION

The proposed Plan Amendment would extend the time in which the Agency may commence eminent domain activity on property that is not occupied as a residence. If relocation activities are undertaken, the Agency will handle those activities on a case-by-case basis, in accordance with its Method of Relocation, which is set forth in Section F of this Report. As a public agency formed under the provisions of state law, the Agency is required to adhere to the State Relocation Law (Government Code Sections 7260 through 7277) and follow the California Relocation Assistance and Real Property Acquisition Guidelines ("State Guidelines") as established in the California Code of Regulations, Title 25, Chapter 6. The Agency is also required to adhere to Federal relocation requirements, as defined in Title 49, Part 24 of the Code of Federal Regulations, on properties that receive federal funding, such as Del Paso Nuevo. If the state and federal requirements conflict on any point, the Agency is required to adhere to the stricter of the two requirements.

Prior to commencement of any acquisition activity that may cause substantial displacement, the Agency will adopt a specific relocation plan in conformance with the State Guidelines. To the extent appropriate, the Agency may supplement those provisions provided in the State Guidelines to meet particular relocation needs of a specific project. Such supplemental policies, if adopted, are based on the Agency's sole discretion, and will not involve reduction, but instead enhancement of the relocation benefits required by State Law.

TRAFFIC CIRCULATION

The Redevelopment Plan permits the Agency to implement projects to improve traffic circulation, some of which are mentioned in Section A of this Report. The proposed Plan Amendment will allow the Agency to fund improvements such as widening roads, adding parking, closing roads to improve circulation and parking in surrounding areas, and creating roads and sidewalks for housing developments, among other things. The projects proposed by the Agency will improve circulation, mitigate traffic deficiencies, and provide general benefits to the Project Area consistent with the circulation element of the General Plan and other related documents.

The Draft Negative Declaration and Initial Study for the Plan Amendment state that the Plan amendment does not have any significant impacts on transportation and circulation.

ENVIRONMENTAL QUALITY

The Redevelopment Plan and current Plan Amendment do not propose uses or intensities beyond the General Plan or other related land use policy documents. Adherence to adopted land use policies will ensure that implementation of the Redevelopment Plan will lessen or avoid potential impacts. Future development will be reviewed by the City and the Agency to ensure that architectural, landscaping, and urban design principles are adhered to and that compatibility in land uses is maintained. If required, more specific



environmental analysis will take place for future development as required by the California Environmental Quality Act ("CEQA").

The Draft Negative Declaration and Initial Study for the Plan Amendment state that the Plan amendment does not have any significant impacts on environmental quality.

AVAILABILITY OF COMMUNITY FACILITIES AND SERVICES

The Redevelopment Plan provides that any redevelopment activity shall be subject to, and consistent with, the policies set forth in the City's General Plan, Zoning Ordinance, and local codes and ordinances, as they now exist or are hereafter amended. The General Plan incorporates policies to mitigate impacts on public services and facilities. Implementation of the Redevelopment Plan and its proposed projects are expected to improve the City's existing community facilities and services. The Plan Amendment will allow the Agency to utilize increased tax increment revenues to provide for the upgrading of existing, and construction of new, community facilities, which will be of benefit to the Project Area.

AFFECT ON SCHOOL POPULATION AND QUALITY OF EDUCATION

The Project Area is served by the Twin Rivers Unified School District and the Robla School District.

Future redevelopment in the Project Area would be consistent with the City's General Plan and could result in the generation of additional school-age children and raise demand for educational services. Pursuant to existing California law, any future development, including non-residential uses, will be required to pay statutory fees, which fully mitigate potential impacts on school facilities. Therefore, no significant impacts are anticipated and no mitigation measures are required.

Redevelopment Law also provides statutory payments from generated tax increment to any affected school districts, irrespective of whether the district suffers impacts from the Redevelopment Plan. This revenue may be used for capital and operational purposes, including school facilities.

PROPERTY TAXES AND ASSESSMENTS

The Redevelopment Plan calls for various methods of financing its implementation. Because redevelopment agencies do not have the constitutional authority to impose taxes, implementation of the Redevelopment Plan does not cause an increase in property tax rates. Rather, the principal method of financing redevelopment is the utilization of tax increment revenues generated by the Project Area. Tax increment financing reallocates property tax revenues generated by increases in the assessed value of property in the Project Area. Improvement to Project Area property may result in higher assessed valuation in the same way that improving property in any area may result in increased assessed value.

LOW AND MODERATE INCOME HOUSING PROGRAM

NUMBER OF DWELLING UNITS HOUSING LOW AND MODERATE INCOME HOUSEHOLDS EXPECTED TO BE DESTROYED OR REMOVED OVER THE REMAINING LIFE OF THE REDEVELOPMENT PLAN

The Agency currently does not have any plans to destroy or remove dwelling units housing low and moderate income households over the remaining life of the Redevelopment Plan.

NUMBER OF PERSONS AND FAMILIES OF LOW AND MODERATE INCOME EXPECTED TO BE DISPLACED OVER THE REMAINING LIFE OF THE REDEVELOPMENT PLAN

The Agency currently does not have any plans to displace low and moderate income individuals over the remaining life of the Redevelopment Plan.

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
Report to the City Council

Exhibit A

GENERAL LOCATION OF REPLACEMENT LOW AND MODERATE INCOME HOUSING TO BE REHABILITATED, DEVELOPED AND CONSTRUCTED

The Agency currently does not have any plans that would remove or destroy any housing units as a result of implementation of the Redevelopment Plan. However, if any destruction or removal occurs as a result of an Agency project pursuant to applicable sections of Redevelopment Law, it is the Agency's intention that any replacement housing units be located within the Project Area or in nearby areas that permit residential uses. Any new units may be constructed in areas within the Project Area where such uses are permitted.

NUMBER OF DWELLING UNITS HOUSING PERSONS OF LOW AND MODERATE INCOME PLANNED FOR CONSTRUCTION OR REHABILITATION OTHER THAN REPLACEMENT HOUSING

The Agency is required to allocate 30% of the tax increment generated by the Project Area to increase, improve and preserve the community's supply of low and moderate income housing. The Agency intends to use these funds to construct, rehabilitate and improve low and moderate income housing within the Project Area. The exact number of dwelling units that will be constructed or rehabilitated cannot be estimated at this time; however the Agency will implement a housing program that addresses the housing needs and problems of the Project Area pursuant to the housing element of the City's General Plan. The Amended Implementation Plan contained in Appendix B of this Report lists specific affordable housing activities proposed from 2008-2012.

PROJECTED MEANS OF FINANCING REHABILITATION AND NEW CONSTRUCTION OF HOUSING FOR LOW AND MODERATE INCOME HOUSEHOLDS

The Agency intends to utilize not less than 30 percent of its tax increment revenues to finance the rehabilitation, construction and purchase of, and mortgage assistance to, housing for low and moderate income households, in accordance with the provisions of Redevelopment Law as it now exists or may hereafter be amended. The Agency will also cooperate with the City to pool funds and resources beyond the tax increment set aside funds if it is determined to be necessary by both legislative bodies in order to improve the City's affordable housing stock.

PROJECTED TIMETABLE FOR MEETING THE REDEVELOPMENT PLANS' RELOCATION, REHABILITATION AND REPLACEMENT HOUSING OBJECTIVES

The Agency has no plans to remove any housing units at this time. However, if any units are destroyed or removed as a result of an Agency project, pursuant to applicable sections of Redevelopment Law, replacement housing would be completed within four years following the demolition of any occupied affordable unit.

The time frame for rehabilitating units pursuant to the Redevelopment Plan will be subject to the availability of housing fund revenues. Rehabilitation activities will be gradually phased over the duration of the Redevelopment Plan.

SECTION N

Summary of Agency's Consultations with Affected Taxing Entities and Response to Said Entities Concerns Regarding the Plan Amendment ^{Exhibit A}

The following taxing agencies are affected by the proposed Plan Amendment:

- Twin Rivers Unified School District
- Robla School District
- Los Rios Community College District
- Sacramento County Office of Education
- Sacramento/Yolo Mosquito & Vector Control District
- County of Sacramento
- City of Sacramento

On December 3, 2008, the affected taxing agencies were sent a copy of the Preliminary Report and a draft of the proposed Plan Amendment. As a part of each of these mailings, the Agency offered to consult with the affected taxing agencies pursuant to Section 33328 of Redevelopment Law. No responses were received as of January 29, 2009. If the Agency receives a response in the future, the Agency will notify the City Council, Agency Board, RAC, and SHRC.

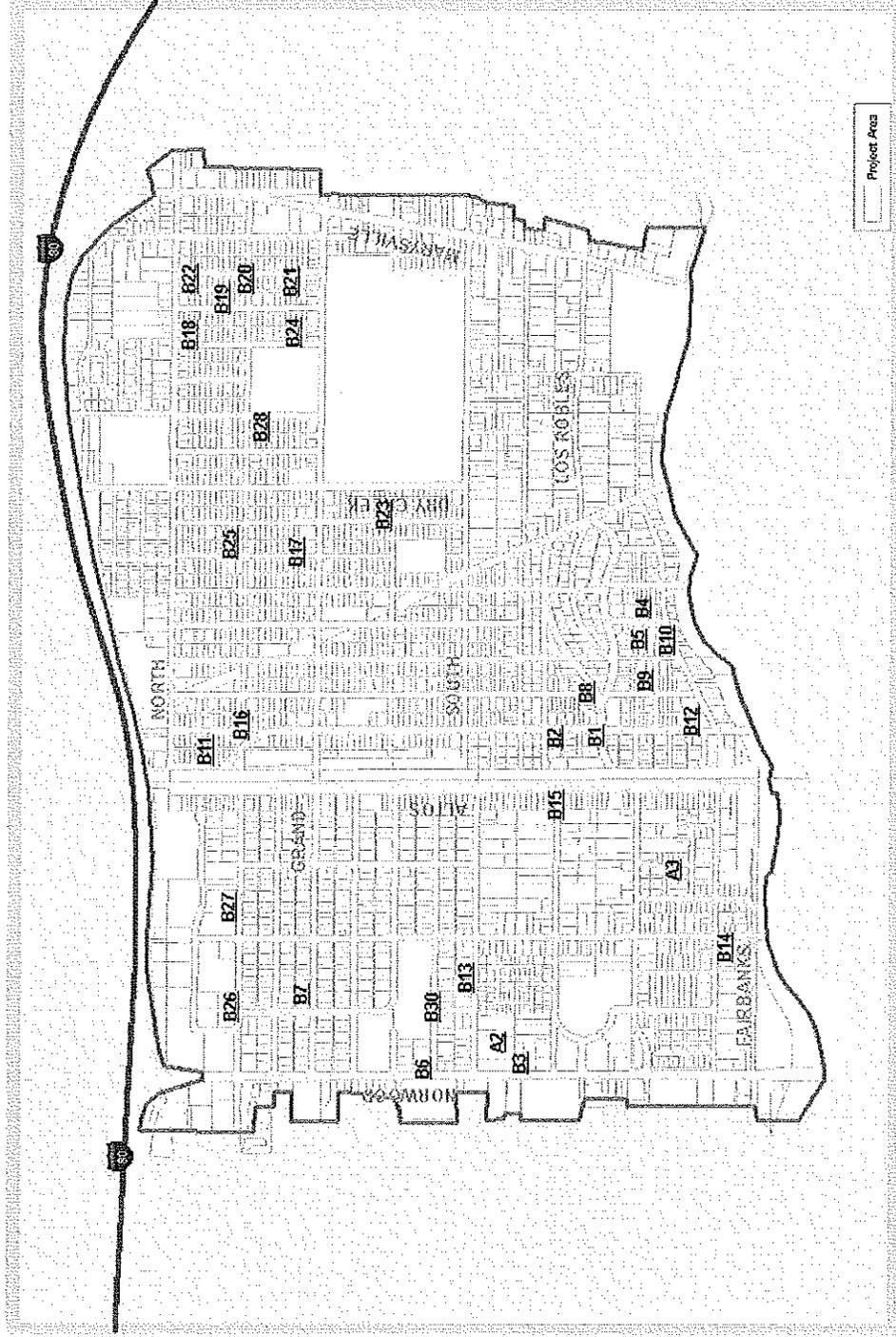
The State Department of Housing and Urban Development and Department of Finance were also sent a copy of the Preliminary Report, a draft of the proposed Plan Amendment, and a notice of the joint public hearing on December 3, 2008. No responses were received as of January 29, 2009. If the Agency receives a response in the future, the Agency will notify the City Council, Agency Board, RAC, and SHRC.

The Agency will transmit a notice of the April 21, 2009 joint public hearing to all affected taxing agencies on March 18, 2009. The Agency will again offer to consult with the affected taxing agencies.

APPENDIX A

Photo Locator Map

Exhibit A



Appendix A: Photo Locator Map

Source: City of Sacramento GIS, RSG

**ELEVENTH (11TH) AMENDMENT TO THE
REDEVELOPMENT PLAN FOR THE
DEL PASO HEIGHTS REDEVELOPMENT PROJECT**

The Redevelopment Plan (the “Redevelopment Plan”) for the Del Paso Heights Boulevard Redevelopment Project (the “Project”), as adopted by the City Council of the City of Sacramento on May 12, 1970, by Ordinance No. 2884, Fourth Series, and amended by the City Council of the City of Sacramento on:

- (1) August 6, 1970, by Ordinance No. 2913, Fourth Series (the “First Amendment”);
- (2) May 21, 1985, by Ordinance No. 85-047 (the “Second Amendment”);
- (3) November 18, 1986, by Ordinance No. 86-108 (the “Third Amendment”);
- (4) October 4, 1994, by Ordinance No. 94-046 (the “Fourth Amendment”);
- (5) October 27, 1998, by Ordinance No. 98-045 (the “Fifth Amendment”);
- (6) June 24, 2003, by Ordinance No. 2003-029 (the “Sixth Amendment”);
- (7) November 13, 2003, by Ordinance No. 2003-066 (the “Seventh Amendment”);
- (8) April 5, 2005, by Ordinance No. 2005-028 (the “Eighth Amendment”);
- (9) October 6, 2005, by Ordinance No. 2005-079 (the “Ninth Amendment”); and
- (10) May 8, 2007, by Ordinance No. 2007-035 (the “Tenth Amendment”);

is hereby further amended as follows (the term “Redevelopment Plan,” as used hereinafter, means the Redevelopment Plan as amended by the First through Tenth Amendments):

- I. Section 308 of the Redevelopment Plan is hereby amended to read as follows (additions are shown by underlining, deletions are shown by strikethrough):

“1. [Section 308] Acquisition of Real Property

“The Agency may acquire, but is not required to acquire, any real property located in the Project Area by gift, devise, exchange, lease, purchase, eminent domain or any other lawful method.

“It is in the public interest and is necessary in order to execute this Plan for the power of eminent domain to be employed by the Agency to acquire real property in the Project Area. No eminent domain proceeding to acquire property within the Project Area shall be commenced after ~~twelve (12) years following the effective date of the ordinance approving and adopting the Fifth Amendment to this Plan November 26, 2022.~~ Further, during the 12-year extension of eminent domain authority adopted by the Eleventh Amendment to this Plan (November 27, 2010 - November 26, 2022), the Agency may not use eminent domain authority to acquire real property that is occupied as a residence. Such time limitation may be extended only by amendment of this Plan.

“The Agency is authorized to acquire structures without acquiring the land upon which those structures are located. The Agency is also authorized to acquire any other interest in real property less than a fee.

“Without the consent of the owner, the Agency shall not acquire property to be retained by an original owner pursuant to a participation agreement if the owner fully performs under the agreement. The Agency shall not, without the

consent of the original owner participant, acquire real property on which an existing building is to be continued on its present site and in its present form and use unless such building requires structural alteration, improvement, modernization, or rehabilitation, or the site or lot on which the building is situated requires modification in size, shape or use, or it is necessary to impose upon such property any of the standards, restrictions and controls of this Plan or of any Design Guide adopted by the Agency pursuant to this Plan, and the owner fails or refuses to participate in the Plan or in conformance with any such Design Guide by executing a participation agreement.

“EMINENT DOMAIN PROGRAM

“The Agency is authorized to acquire ~~commercial~~ real property by eminent domain pursuant to the provisions of this Plan and the Agency shall strictly adhere to the following in assessing just compensation and damages to affected owners: The Fifth Amendment to the United States Constitution; Article I, section 19 of the California Constitution; the Eminent Domain Law (California Code of Civil Procedure Section 1230.010, et seq.); the California Real Property Acquisition and Relocation Assistance Act (California Government Code Section 7260, et seq.); implementing rules and regulations (Title 25, California Code of Regulations, Section 6000 et seq.) and such other applicable local, state or federal ordinances, statutes, rules, regulations and decisional laws. The Agency shall assess the payment of fair market value for interests in real property, payment for the taking and damaging of improvements, fixtures and equipment, any diminution in value caused to a remainder of property acquired pursuant to a resolution of necessity, relocation benefits and assistance, loss of business goodwill in appropriate cases and the necessary costs of mitigating a loss of business goodwill.”

- II. Section 502 of the Redevelopment Plan is hereby amended to read as follows (additions are shown by underlining, deletions are shown by strikethrough):

“B. [Section 502] Tax Increment Funds

“All taxes levied upon taxable property within the Project Area each year, by or for the benefit of the State of California, the County of Sacramento, the City of Sacramento, any district or any other public corporation (hereinafter sometimes called “taxing agencies”) after the effective date of the ordinance approving this Redevelopment Plan shall be divided as follows:

- “1. That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of said taxing agencies upon the total sum of the assessed value of the taxable property in the Project Area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency, last equalized prior to the effective date of such ordinance, shall be allocated to and when collected shall be paid to the respective taxing agencies as taxes by or for said taxing agencies on all other property are paid (for the purpose of allocating taxes levied by or for any taxing agency or agencies which did not include the territory of the Project on the effective

Report to City Council: Del Paso Heights Redevelopment Plan Amendment

Exhibit B

date of such ordinance but to which such territory has been annexed or otherwise included after such effective date, the assessment roll of the County of Sacramento last equalized on the effective date of said ordinance shall be used in determining the assessed valuation of the taxable property in the Project Area on said effective date); and

- “2. Except as provided in subdivision 3 below, that portion of said levied taxes each year in excess of such amount shall be allocated to and when collected shall be paid into a special fund of the Agency to pay the principal of and interest on bonds, loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed or otherwise) incurred by the Agency to finance or refinance, in whole or in part, the Project. Unless and until the total assessed valuation of the taxable property in the Project Area exceeds the total assessed value of the taxable property in the Project Area as shown by the last equalized assessment roll referred to in subdivision 1 hereof, all of the taxes levied and collected upon the taxable property in the Project Area shall be paid into the funds of the respective taxing agencies. When said bonds, loans, advances and indebtedness, if any, and interest thereon, have been paid, all moneys thereafter received from taxes upon the taxable property in the Project Area shall be paid to the respective taxing agencies as taxes on all other property are paid; and
- “3. That portion of the taxes in excess of the amount identified in subdivision 1 hereof which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayment of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property shall be allocated to and when collected shall be paid into, the fund of that taxing agency. This subdivision 3 shall only apply to taxes levied to repay bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989.

“The portion of taxes mentioned in subdivision 2 above is hereby irrevocably pledged for the payment of the principal of and interest on the advance of moneys, or making of loans, or the incurring of any indebtedness (whether funded, refunded, assumed or otherwise) by the Agency to finance or refinance the Project, in whole or in part.

“The Agency is authorized to make such pledges as to specific advances, loans and indebtedness as appropriate in carrying out the Project.

“The portion of taxes divided and allocated to the Agency pursuant to subdivision 2 of this Section 502 shall not exceed ~~\$131.0 million~~ \$250 million, except by amendment of this Plan. ~~This limit shall not apply to, include or prevent the Agency from incurring debt to be paid from the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the Community~~

Report to City Council: Del Paso Heights Redevelopment Plan Amendment

Exhibit B

~~Redevelopment Law, or any amounts required to fulfill the Agency's obligations under Section 33413(a) of the Community Redevelopment Law."~~

- III. Section 503 of the Redevelopment Plan is hereby amended to read as follows (additions are shown by underlining, deletions are shown by strikethrough):

"C. [Section 503] Agency Bonds

"The Agency is authorized to issue bonds from time to time, if it deems it appropriate to do so, in order to finance all or any part of the Project.

"Neither the members of the Agency nor any persons executing the bonds are liable personally on the bonds by reason of their issuance.

"The bonds and other obligations of the Agency are not a debt of the City, the State, or any of its political subdivisions and neither the City, the State, nor any of its political subdivisions is liable on them, nor in any event shall the bonds or obligations be payable out of any funds or properties other than those of the Agency; and such bonds and other obligations shall so state on their face. The bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

"The amount of bonded indebtedness to be repaid in whole or part from the allocation of taxes described in subdivision 2 of Section 502 above which can be outstanding at any one time shall not exceed ~~\$41.0 million~~ \$100 million in principal amount, except by amendment of this Plan."

- IV. Section 504 of the Redevelopment Plan is hereby amended to read as follows (additions are shown by underlining, deletions are shown by strikethrough):

"D. [Section 504] Time Limit on Establishment of Indebtedness Intentionally Omitted

~~—"The Agency shall not establish or incur loans, advances or indebtedness to finance in whole or in part the Project beyond May 11, 2010.~~

~~—"Loans, advances, or indebtedness may be repaid over a period of time beyond said time limit. This time limit shall not prevent the Agency from incurring debt to be paid from the Low and Moderate Income Housing Fund established pursuant to Section 33334.6 of the Community Redevelopment Law and Section 335 of this Plan, or establishing more debt in order to fulfill the Agency's obligations under Section 33413(a) of the Community Redevelopment Law and Section 334 of this Plan. The above limit shall not prevent the Agency from refinancing, refunding or restructuring indebtedness after the time limit if the indebtedness is not increased and the time during which the indebtedness is to be repaid is not extended."~~

- V. Section 800 of the Redevelopment Plan is hereby amended to read as follows (additions are shown by underlining, deletions are shown by strikethrough):

"VIII. [Section 800] DURATION OF THIS PLAN

“Except for the non-discrimination and non-segregation provisions imposed by the Agency which shall run in perpetuity, and the affordable housing covenants imposed by the Agency which shall continue in effect for a period as may be determined and specified by the Agency, the provisions of this Plan shall be effective, and the provisions of other documents formulated pursuant to this Plan may be made effective until May 11, 2023; provided, however, that, subject to the limitations and exceptions thereto set forth in Sections ~~504 and 506~~ of this Plan, the Agency may issue bonds and incur obligations pursuant to ~~this plan~~ this Plan ~~which~~ that extend beyond the termination date, and in such event, this Plan shall continue in effect for the purpose of repaying such bonds or other obligations until the date of retirement of such bonds or other obligations.”

RESOLUTION NO. 2009-_____

Adopted by the Sacramento City Council

on date of

ACKNOWLEDGING RECEIPT FROM THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO OF THE PROPOSED ELEVENTH AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE DEL PASO HEIGHTS REDEVELOPMENT PROJECT AND THE AGENCY'S REPORT TO THE CITY COUNCIL CONCERNING SAID ELEVENTH AMENDMENT

BACKGROUND

- A. Pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 *et seq.*; the "CRL"), the Redevelopment Agency of the City of Sacramento (the "Agency") has prepared a proposed eleventh amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project (the "Eleventh Amendment") for the purpose of amending certain financial limitations and extending eminent domain authority.
- B. In accordance with CRL Section 33354.6(a), in connection with the adoption of a certain amendment like the Eleventh Amendment, the Agency must follow the same procedure and the legislative body is subject to the same restrictions as for adoption of a redevelopment plan.
- C. CRL Sections 33346 and 33453 provide that before the proposed Eleventh Amendment is submitted to the City Council of the City of Sacramento (the "City") for adoption, the Agency shall submit the proposed Eleventh Amendment to the City Planning Commission for its report and recommendation, including a determination whether the proposed Eleventh Amendment is in conformity with the City's General Plan.
- D. The Agency submitted the proposed Eleventh Amendment to the City Planning Commission for its report and recommendation, and the Planning Commission adopted findings and recommended the approval and adoption of the proposed Eleventh Amendment on January 8, 2009.
- E. Pursuant to the California Environmental Quality Act (Public Resources Section 21000 *et seq.*, "CEQA"), the State CEQA Guidelines (14 Cal. Code Regulations Section 15000 *et seq.*) and local procedures adopted by the Agency pursuant thereto, the Agency has prepared a negative declaration (the "Negative Declaration") on the proposed Eleventh Amendment.

Report to City Council: Del Paso Heights Redevelopment Plan Amendment

- F. Pursuant to CRL Sections 33352, 33451.5 and 33457.1, the Agency has prepared a Report to the City Council on the proposed Eleventh Amendment, which Report incorporates by reference the Negative Declaration.
- G. The City Council, by Resolution No. 2008-787, adopted on December 2, 2008, with the consent and at the request of the Agency, called a joint public hearing of the Agency and the City Council to be held on April 21, 2009, to consider the proposed Eleventh Amendment and the Negative Declaration related thereto.
- H. Pursuant to CRL Sections 33352, 33356, 33457.1 and 33458, the Agency is required to submit the proposed Eleventh Amendment and the Agency's Report on the proposed Eleventh Amendment to the City Council prior to the joint public hearing.
- I. The Agency, by resolution adopted on February 24, 2009, submitted the proposed Eleventh Amendment and the Agency's Report to the City Council.

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

- Section 1. The City Council acknowledges receipt from the Agency of the Report to the City Council on the proposed Eleventh Amendment to the Del Paso Heights Redevelopment Plan and the proposed Eleventh Amendment. The Agency's Report and the proposed Eleventh Amendment are on file with the Agency Clerk.