



**Sacramento
Housing &
Redevelopment
Agency**

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

3

Consent
October 27, 2009

**Honorable Chair and Members
Of the Redevelopment Agency Board**

Title: Remediation of Rio Linda Boulevard Super Block Parcels

Location/Council District: Del Paso Heights Redevelopment Area (District 2)

Recommendation: Adopt a **Redevelopment Agency Resolution** allocating \$750,000 of Del Paso Heights Tax Increment Development Assistance and authorization to circulate a Request For Proposal and award a contract to remediate the Rio Linda Boulevard Super Block and develop the site with housing.

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

Presenters: Not applicable

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: Over the last few years, the Redevelopment Agency (Agency) has assembled parcels at Roanoke and South Avenues, also known as the Rio Linda Boulevard Super Block, to redevelop the entire city block with up to 44 homes. The Agency was successful in acquiring nine of the eleven parcels and recently negotiated purchase agreements with the owners (Tkach and SMUD) of the two remaining properties needed in order to move forward with site preparation and development.

As part of the Agency's due diligence to acquire these two properties, a Phase I and II Environmental Site Assessment was conducted which indicated substantial remediation is required at the Tkach property and limited clean up on the SMUD property.

A June 2006 Council resolution (#2006-041) gave purchase authority for both parcels. The resolution stated the cost of remediation would be deducted from the sale of the property, however, the clean up cost of the Tkach property far

Remediation of Rio Linda Boulevard Super Block Parcels

exceeds the owner's ability to pay for remediation and/or the value of the property.

As this project will eliminate significant blight in the area and develop housing on a large "super block", the Agency requests \$750,000 to remediate these parcels.

Policy Considerations: The recommended action is consistent with the Redevelopment Plan goal to eliminate blight and barriers to redevelopment as identified in the Del Paso Heights Five Year Implementation Plan.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed action is exempt from CEQA per Guidelines Section 15330, which exempts minor cleanup actions taken to prevent, minimize, stabilize, mitigate, or eliminate the release or threat of release of a hazardous waste or substance costing \$1 million or less.

Sustainability Considerations: The recommended actions would achieve the City's Sustainability Master Plan focus on Public Health and Nutrition by:

- Creating "Healthy Urban Environments" through Restorative Redevelopment.

Committee/Commission Action: At its meeting of June 25, 2009, the *Del Paso Heights Redevelopment Advisory Committee (RAC)* recommended approval of the attached resolution to remediate these properties. The votes were as follows:

AYES: Sample, Painter, Grigas, Hinkle, Joe, Thao, and Ward

NOES: None

ABSENT: Block

Sacramento Housing and Redevelopment Commission Action: At its meeting on October 7, 2009, the Sacramento Housing and Redevelopment Commission recommended approval of the attached resolution to remediate these properties. The votes were as follows:

AYES: Burruss, Chan, Dean, Fowler, Gore, Morgan, Morton, Otto, Rosa, Shah, Stivers

NOES: None

ABSENT: None

Remediation of Rio Linda Boulevard Super Block Parcels

Rationale for Recommendation: The remediation of these properties will allow the Agency to complete assemblage of the site and city block, improve the value of existing Agency owned land, and provide an opportunity for residential development. Developing this predominantly vacant city block, a site ready for new homes, will eliminate blight in the Redevelopment Area. The Rio Linda Boulevard Super Block Project has been and continues to be one of the Agency's primary redevelopment goals in the Del Paso Heights Redevelopment Area.

Financial Considerations: This report recommends the allocation of \$750,000 of Del Paso Heights Tax Increment Development Assistance to complete remediation of and maintain the Rio Linda Boulevard Super Block.

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

Respectfully Submitted by: 
LA SHELLE DOZIER
Executive Director

Recommendation Approved:

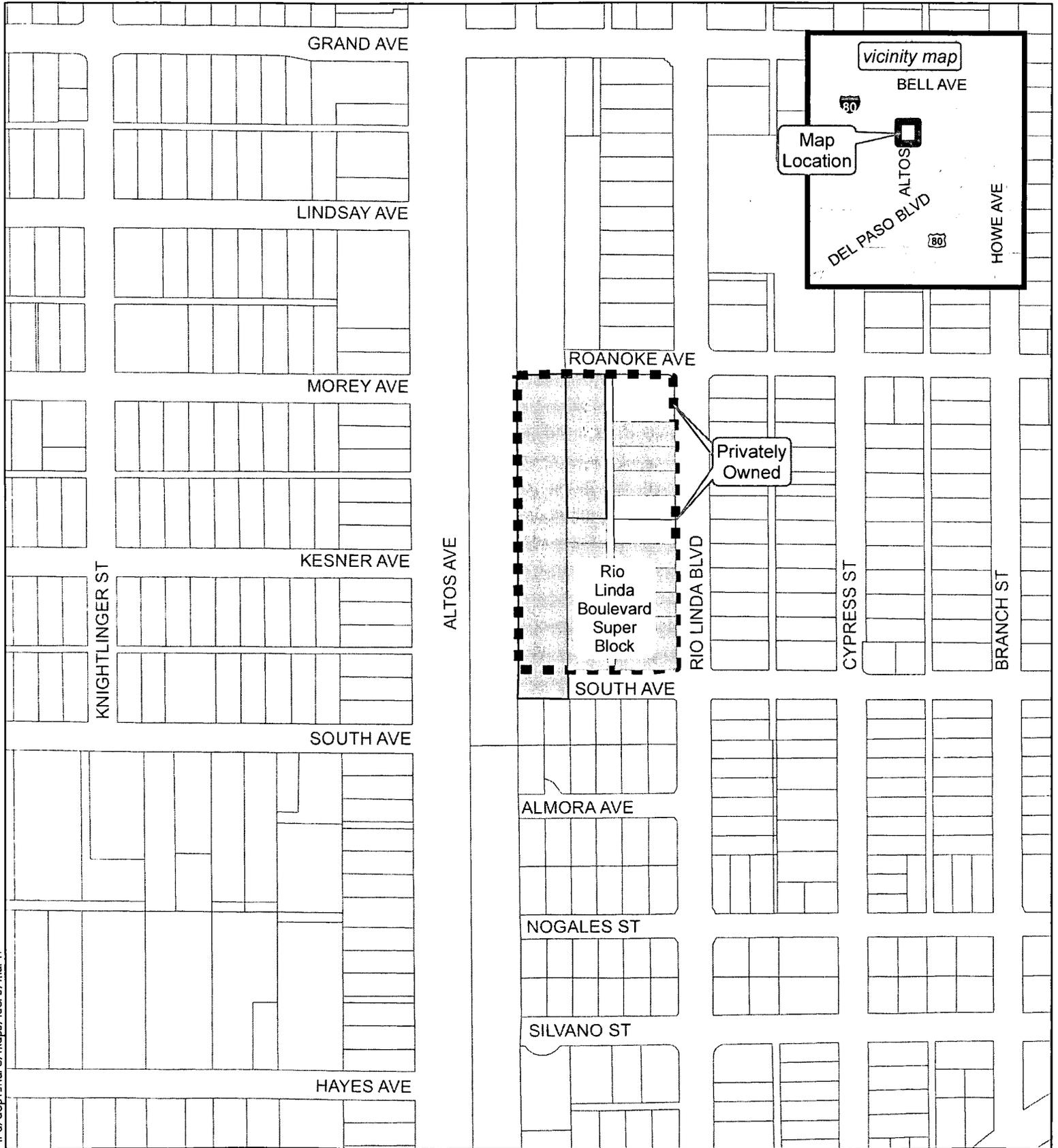

RAY KERRIDGE
City Manager

Table of Contents

Report	pg. 1
Attachments	
1 Location Map	pg. 4
2 Background	pg. 5
3 Resolution	pg. 6

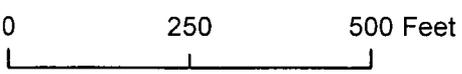


Remediation of Rio Linda Boulevard Super Block Properties



11/17/09 10:13 AM E:\maps\lra\lra_37.mxd 1:1

 Rio Linda Super Block
  Privately Owned Parcel
  Subject Property



SHRA GIS
September 22, 2009

Background
Del Paso Heights Redevelopment Area
Remediation of Rio Linda Avenue Super Block Parcels

Since 2005, staff has been working to assemble parcels on Rio Linda Boulevard between Roanoke and South Avenues, also known as the Rio Linda Super Block. Currently, the Agency owns nine vacant lots in this block, and is in the process of acquiring the last two properties from Mr. Tkach and SMUD (Attachment 1). These acquisitions will provide nearly three acres, and allow the Agency to develop up to 44 affordable homes.

Based on the results of the Phase I and Phase II Environmental Site Assessment, the Tkach property requires extensive remediation due to high level concentrations of heavy metals, including but not limited to arsenic and lead, in the top six inches of soil as a result of illegal dumping. Remediation efforts will include excavation and removal of approximately 1,600 cubic square yards of soil. In addition, the SMUD property will also require limited clean up.

While pursuing the acquisitions, the Agency hired Carter & Burgess in 2007 to develop four alternative concept plans for residential development of the site depending on the Agency's ability to acquire the properties. Based on acquisition of all vacant properties at the site, Carter & Burgess projected that a maximum of 47 residential units could be built. The Agency has not been successful in acquiring one parcel and two other parcels have already been developed in the Rio Linda Super Block resulting in a maximum site capacity of 44 units.

Due to the high cost of remediation, the current property owner (Tkach) does not have the financial capacity to remediate the site and prepare it for development. As a result, the Agency recommends completing the remediation of the Tkach and SMUD properties and preparing the Rio Linda Super Block site for development of single-family residential homes. Concurrently, the Agency is researching and applying for other public agency grants to compensate for the costly remediation efforts.

RESOLUTION NO. 2009 -

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

REMEDICATION OF RIO LINDA BOULEVARD SUPER BLOCK PARCELS

BACKGROUND

- A. On June 20, 2006, the Redevelopment Agency of the City of Sacramento ("Agency) allocated \$900,000 of Del Paso Heights Tax Exempt 1999 and 2003 bond funds to acquire parcels located at Rio Linda Boulevard between Roanoke and South Avenues (APN 251-0131-005, 015,016, 017, 018, and 019) in the Del Paso Heights Redevelopment Project Area and actions related to voluntary acquisition and related budget amendments.
- B. Since 2006, the Agency has been negotiating to acquire all parcels listed above and, to date, has been successful in acquiring nine of the eleven available parcels at the Rio Linda Boulevard Super Block site.
- C. Currently, the Agency is in the process of acquiring the last remaining two parcels (APN 016 and 017).
- D. The Agency is acquiring these vacant parcels on Rio Linda Boulevard in an effort to eliminate blight, assemble the parcels into one large site and redevelop it with affordable housing.
- E. As part of the Agency's due diligence, Phase I and Phase II Environmental Site Assessment has been conducted at APN 251-0131-016 and 251-0131-017 and it has been determined that substantial remediation will be required at APN 251-0131-017 and limited remediation will also be necessary at APN 251-0131-016.

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

- Section 1. The remediation of parcels in the Rio Linda Boulevard Super Block in the Del Paso Heights Redevelopment Area is essential in the Agency's effort to eliminate blight.
- Section 2. The Executive Director, or her designee, is authorized to amend the budget to allocate \$750,000 of Del Paso Heights Tax Increment funds and to circulate a Request For Proposal and award a contract for remediation of the Tkach and SMUD Properties (APN 251-0131-017 and 251-0131-016).