



## REPORT TO REDEVELOPMENT AGENCY

City of Sacramento 5  
915 I Street, Sacramento, CA 95814-2671  
www.CityofSacramento.org

Consent  
January 12, 2010

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

**Title: Demolition and Replacement Housing Plans for 3640 and 3648 5th Avenue**

**Location/Council District:** 3640 & 3648 5<sup>th</sup> Avenue; Oak Park Redevelopment Project Area; Council District 5

**Recommendation:** 1) Adopt a **Redevelopment Agency Resolution** a) authorizing the Executive Director or her designee, to take all actions reasonably necessary to demolish the structures located at 3640 and 3648 5<sup>th</sup> Avenue; b) approving the Replacement Housing Plan for the two properties; c) making related findings.

**Contact:** Chris Pahule, Assistant Director, Community Development, 440-1350

**Presenter:** None

**Department:** Sacramento Housing and Redevelopment Agency

### **Description/Analysis**

**Issue:** 3640 and 3648 5<sup>th</sup> Avenue were real estate owned (REO) properties, acquired by the Agency as part of the Neighborhood Stabilization Program's (NSP) Property Recycling Program (PRP). Under the PRP Guidelines, the Agency is authorized to purchase REO properties for three eligible activities that include redevelopment, rehabilitation and resale of single family housing and the rehabilitation of rental housing. The redevelopment component of the PRP allows the Agency to demolish units and land bank properties for future redevelopment efforts. Once the units are demolished and an Environmental Site Assessment has been conducted on the site, the Agency anticipates transferring 3640 and 3648 5<sup>th</sup> Avenue to the City of Sacramento's Department of Recreation for permanent use of the properties as an expansion of McClatchy Park.

The proposed project will eliminate blight on two adjacent parcels containing two foreclosed and vacant multi-family residential units that currently border McClatchy Park. The units are in a state of significant disrepair. The demolition of the properties will reduce crime and improve safety by eliminating the blighting influence caused by the vacant buildings and increasing visibility into the park.

Demolition of vacant residential units requires approval of a replacement housing Plan. The attached plan is for replacement within the City at the very-low income level (see Exhibit A to the Resolution).

**Policy Considerations:** The actions contained in this report meet the Neighborhood Stabilization Program (NSP) goal of revitalizing neighborhoods through strategic redevelopment of vacant properties and are consistent with the Oak Park Redevelopment Plan and the adopted 2009-2014 Oak Park Redevelopment Implementation plan which includes the strategies of “Strengthen the Residential Neighborhoods and Community Facilities.”

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The proposed action of demolishing and removing a duplex or multi-family unit not more than 6 units is exempt from the CEQA pursuant to CEQA Guidelines section 15301 (1)(2). In addition to demolishing the structures located at 3640 and 3648 5<sup>th</sup> Avenue, the project includes minor cleanup of lead contaminated soils on the project site. This action is categorically exempt pursuant to CEQA Guidelines section 15330 (b). Therefore, the entirety of the proposed action is exempt from further CEQA review.

**Sustainability Considerations:** The project has been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, the contents of this report will advance the following goals, policies and targets as follows: the project supports Goal number seven—Parks, Open Space and Habitat Conservation, specifically target number three, to acquire land for additional public green space in underserved neighborhoods and infill development target areas.

**Other:** This proposed action is categorically excluded from the National Environmental Policy Act (NEPA), according to 24 CFR Part 58.35 (a)(4)(i), converts to exempt per Section 58.34(a)(12).

**Committee/Commission Action:** *Sacramento Housing and Redevelopment Commission:* At its meeting of December 9, 2009, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

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

NOES: None

ABSENT: Otto

**Rationale for Recommendation:** The proposed project implements redevelopment and NSP PRP objectives. In January, 2009, the City Council accepted the McClatchy Park Master Plan Update for this significant community asset. The Agency purchased 3640 and 3648 5<sup>th</sup> Avenue to eliminate a blighting influence in the neighborhood. These properties present an opportunity to expand the adjacent McClatchy Park by 0.22 acres; an important recreational amenity and asset to the Oak Park community. Additionally, the demolition of 3640 and 3648 5<sup>th</sup> Avenue will improve the overall surveillance into the park and increase recreational park acreage. The Agency will seek additional action from the City Council to transfer the properties once the units are demolished and the environmental site analysis and potential environmental remediation is completed.

**Financial Considerations:** None at this time. 3640 and 3648 5<sup>th</sup> Avenue were acquired under the City Council approved NSP Property Recycling Program for redevelopment purposes. The two properties were purchased with previously approved NSP Property Recycling Program funds. The purchase prices were \$116,000 for 3640 5<sup>th</sup> Avenue and \$111, 870 for 3648 5<sup>th</sup> Avenue.

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

Approved by:   
LA SHELLE DOZIER  
Executive Director

Recommendation Approved:

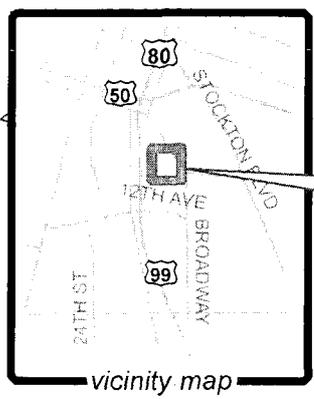
  
RAY KERRIDGE  
City Manager

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# 3640 & 3648 5th Ave Demolition & Replacement Housing Plans



Map Location

34TH ST

4TH AVE

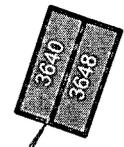
35TH ST

BROADWAY

37TH ST

**McClatchy Park**

Project Parcels  
3640 - APN 0130251010  
3648 - APN 0130251011



36TH ST

ELBY LN

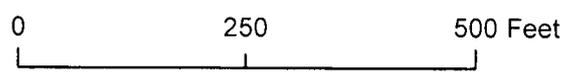
ELBY LN

37TH ST

6TH AVE



Parcels: 3640 & 3648 5th Ave



SHRA GIS  
December 11, 2009

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## **RESOLUTION NO. 2010-**

**Adopted by the Redevelopment Agency of the City of Sacramento**

on date of

### **DEMOLITION OF STRUCTURES ON 3640 AND 3648 5<sup>TH</sup> AVENUE; APPROVAL OF THE REPLACEMENT HOUSING PLAN; AND RELATED FINDINGS**

#### **BACKGROUND**

- A. The actions contained in this report meet the Neighborhood Stabilization Program (NSP) goal of revitalizing neighborhoods through strategic redevelopment of vacant properties and are consistent with the Oak Park Redevelopment Plan and the adopted 2009-2014 Oak Park Redevelopment Implementation plan which includes the strategies of Strengthen the Residential Neighborhoods and Community Facilities.
- B. On June 16, 2009, the Sacramento City Council authorized the Sacramento Housing and Redevelopment Agency (Agency) to amend and submit changes to the Neighborhood Stabilization Program (NSP) in the 2009 One-Year Action Plan to the U.S. Department of Housing and Urban Development (HUD), authorizing the Agency to establish and implement the Vacant Properties Program, the Block Acquisition and Rehabilitation Programs, and the Property Recycling Program to undertake NSP activities.
- C. On June 16, 2009, the Sacramento City Council authorized the Agency to modify the NSP Property Recycling Program Guidelines to allow Agency to purchase foreclosed properties within the NSP Target Areas to be transferred for redevelopment purposes.
- D. The proposed action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301 (l)(2), which exempts the demolition and removal of a duplex or multi-family not more than 6 units, and CEQA Guidelines section 15330 (b), 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. This proposed action is categorically excluded from the National Environmental Policy Act (NEPA), according to 24 CFR Part 58.35 (a)(4)(i), converts to exempt per Section 58.34(a)(12).

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

- Section 1. All evidence presented having been duly considered, the findings, including environmental findings regarding this action as stated above, are approved.
  
- Section 2. The Executive Director, or her designee, is authorized to take all actions reasonably necessary to demolish the structures and maintain the property located at 3640 5<sup>th</sup> Avenue (APN 013-0251-010-0000) and 3648 5<sup>th</sup> Avenue (APN 013-0251-011-0000), including remediation of any contamination on the site.
  
- Section 3. The Replacement Housing Plan to replace the demolished residential units located at 3640 and 3648 5<sup>th</sup> Avenue is approved.

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Exhibit A – Replacement Housing Plan

[Back to Report Table of Contents](#)**Exhibit A****3640 and 3648 5th Avenue****Replacement Housing Plan for Very-Low  
Income Dwelling Units****Description of Property**

The properties located at 3640 and 3648 5<sup>th</sup> Avenue in the City of Sacramento consist of two, triplex units which are approximately 59 and 69 years old respectively and in a state of significant disrepair. On February 2, 2009, the properties were foreclosed upon by the Federal National Mortgage Association. The Redevelopment Agency of the City of Sacramento purchased 3648 5<sup>th</sup> Avenue on July 30, 2009 and 3640 5<sup>th</sup> Avenue on September 29, 2009 under the Neighborhood Stabilization Property Recycling Program.

Neighborhood Stabilization Program (NSP) funding enabled the Agency to acquire the foreclosed properties, with the goal to transfer the lots to the City of Sacramento Department of Parks and Recreation for incorporation into the existing, adjacent McClatchy. In addition to enabling the expansion of McClatchy, the project presents a significant opportunity to improve the neighborhood by eliminating two significantly blighted properties .

**Project Status**

The Agency purchased 3648 5<sup>th</sup> Avenue on July 30, 2009 and 3640 5<sup>th</sup> Avenue on September 29, 2009 under the Neighborhood Stabilization Property Recycling Program. The purchase price for 3648 5<sup>th</sup> Avenue was \$111,870. The purchase price for 3640 5<sup>th</sup> Avenue was \$116,000. Both properties were foreclosed and vacant at the time the Agency learned of the real estate listings and at the time of acquisition. Both structures have been boarded and secured, and the properties are currently maintained by the Agency.

**Responsibility of Agency**

California statutes require redevelopment agencies to replace low and moderate-income housing lost to residential use if that action involved either a development agreement or financing by the Agency. The specific provision of the California Health and Safety Code (Sec. 33413) is as follows:

"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 a part of a redevelopment project which is subject to a written agreement with the Agency or where financial assistance has been provided by the Agency, the Agency shall, within four years of the destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to person and families of low or moderate income,

an equal number of replacement dwelling units which have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the territorial jurisdiction of the Agency. When dwelling units are destroyed or removed after September 1, 1989, 75 percent of the replacement dwelling units shall replace dwelling units available at affordable housing cost in the same income level of very low income households, lower income households, and persons and families of low and moderate income, as the persons displaced from those destroyed or removed units. When dwelling units are destroyed or removed on or after January 1, 2002, 100 percent of the replacement dwelling units shall be available at affordable housing cost to persons in the same or a lower income category (low, very low, or moderate), as the persons displaced from those destroyed or removed units.”

**Replacement Housing Needs**

**State Guidelines**

Because the acquisition and demolition of the six housing units located at 3640 and 3648 5th Avenue involve the participation of the Redevelopment Agency, the project is subject to state replacement housing law, California Health and Safety Code 33413. Under state law, if a unit was occupied by a very low or low income family (regardless of actual housing costs), and taken off line through demolition or other actions, that unit must be replaced at the same income level, and must be regulated at that affordability level for the longest feasible time as determined by the Agency but for not less than the period of the land use controls established in the Redevelopment Plan. State law requires that replacement units be created within four years of removal or destruction.

Although all housing units located at 3640 and 3648 5th Avenue were vacant/unoccupied at the time the Agency acquired the properties, the Agency will replace each residential unit at the very low-income level. Each unit will be replaced within the required four-year time period.

The affordability level, type and number of units/bedrooms required to be replaced are outlined below:

Address	Owner Occupied	Rental	Bedrooms	Units	Very Low Income	Low Income
3640 5th Avenue	no	no	8	3	3	0
3648 5th Avenue	no	no	4	3	3	0
<b>Totals</b>			<b>12</b>	<b>2</b>	<b>6</b>	<b>0</b>

**Replacement Dwelling Units**

The Agency will replace the very low income one-, two- and three-bedroom units with comparable one-, two- and three-bedroom units as part of the Copperstone Apartments. Each unit will be replaced at a level affordable to very low-income households. These apartments are located on West Stockton Boulevard, southwest of the intersection of Calvine Road and Highway 99 in City Council District 8. The units are currently under construction.

All replacement units are located outside the Oak Park Redevelopment Project Area. At this time the Oak Park area has an abundance of very low income housing, therefore, the units will be replaced at a one for one ratio outside of the redevelopment area as part of the Copperstone Apartments development project noted above.

All replacement units will have recorded affordability restrictions attached and will run for not less than 55 years. By the end of year four (2013) all units demolished will have been replaced.

**Schedule for Demolition**

The housing units at 3640 and 3648 5th Avenue are anticipated to be demolished by February 2010.

