



**REPORT TO REDEVELOPMENT
AGENCY**

City of Sacramento

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915 I Street, Sacramento, CA 95814-2671

www.CityofSacramento.org

**Consent
April 27, 2010**

Honorable Chair and Members of the Redevelopment Agency

Title: Demolition and Replacement Housing Plan for 5270 Young Street

Location/Council District: 5270 Young Street (APN 026-0073-005) Stockton Boulevard Redevelopment Project Area, Council District 6

Recommendation: 1) Adopt a **Redevelopment Agency Resolution** a) approving the Replacement Housing Plan for 5270 Young Street; b) authorizing the Executive Director or her designee to take all actions reasonably necessary to demolish the structure located at 5270 Young Street; and c) make related findings.

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

Presenters: None

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: In May 2009 5270 Young Street (subject property), a real estate owned (REO) residential duplex property, was acquired by the Redevelopment Agency (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. The units are in a state of significant disrepair.

Demolition and Replacement Housing Plan for 5270 Young Street

The subject property is immediately adjacent to the San Juan Opportunity Area (Attachment 1 map) where all motel and mobile home residents have been relocated, and demolition of the motel is scheduled for April 2010. The 5,663 square foot subject property will be added to the existing 3.82 acre site to optimize redevelopment potential. Additionally, Young Street is overly concentrated with vacant buildings and blighted parcels, and has long-standing crime and code enforcement issues. As a result, this area received focused revitalization efforts for several years. Per state law, demolition of vacant residential units requires approval of a replacement housing plan. The attached Plan is for the 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 Stockton Boulevard Redevelopment Plan and the adopted 2009-2014 Stockton Boulevard Redevelopment Implementation plan which includes the strategies of “Strengthen the Residential Neighborhoods” and “Attract High-Quality Design and Development on Obsolete Motel and Key Catalyst Sites Along the Boulevard.”

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). The Replacement Housing Plan consists of an administrative action designating units within a previously approved low-income housing development to replace the low-income units lost by demolition of the structure at 5270 Young Street. As such, this action does not constitute a separate project under CEQA Guidelines Section 15378, and does not require further environmental review. 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 five—Public Health and Nutrition, specifically target number five, to redevelop or rehabilitate areas within the City based on old, wasteful and/or dysfunctional designs to achieve better results for people and the environment.

Demolition and Replacement Housing Plan for 5270 Young Street

Other: The demolition of the structure at 5270 Young Street is categorically excluded from the National Environmental Policy Act (NEPA), according to 24 CFR Part 58.35 (a)(4)(i), and converts to exempt per Section 58.34(a)(12). The Replacement Housing Plan, as an administrative action, is also exempt under NEPA Section 58.34 (a) (3). Therefore, the entirety of the proposed action is exempt from further NEPA review.

Committee/Commission Action: *Sacramento Housing and Redevelopment Commission:* At its meeting of April 7, 2010, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burruss, Chan, Dean, Gore, Morgan, Otto, Rosa, Shah

NOES: None

ABSENT: Fowler, Morton, Shah

Rationale for Recommendation: The proposed project implements redevelopment and NSP PRP objectives. The units are in a state of significant disrepair. Over the past three years, the Agency assembled properties in the San Juan Opportunity Area resulting in a parcel that is deep, but has limited Stockton Boulevard frontage. Inclusion of this property in the San Juan Opportunity Area presents an opportunity to increase the overall size of the development site and adds an ingress and egress point on Young Street. The demolition of the structure on the subject property will reduce crime and improve safety by eliminating the blighting influence in the neighborhood caused by the vacant building. In the near term, staff will work to make the site shovel ready. Under the appropriate market conditions, a request for proposals will be released for a mixed-use project.

Financial Considerations: None at this time. 5270 Young Street was acquired under the City Council approved NSP Property Recycling Program for redevelopment purposes. The subject property was purchased with previously approved NSP Property Recycling Program funds in the amount of \$45,600.

April 27, 2010

Demolition and Replacement Housing Plan for 5270 Young Street

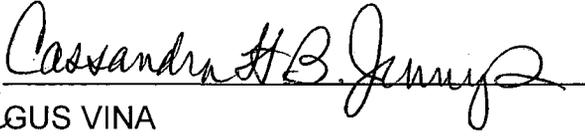
M/WBE Considerations: Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding.

Respectfully Submitted by:



LA SHELLE DOZIER
Executive Director

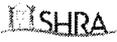
Recommendation Approved:



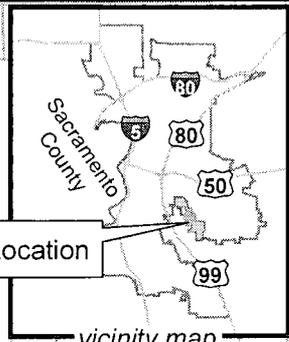
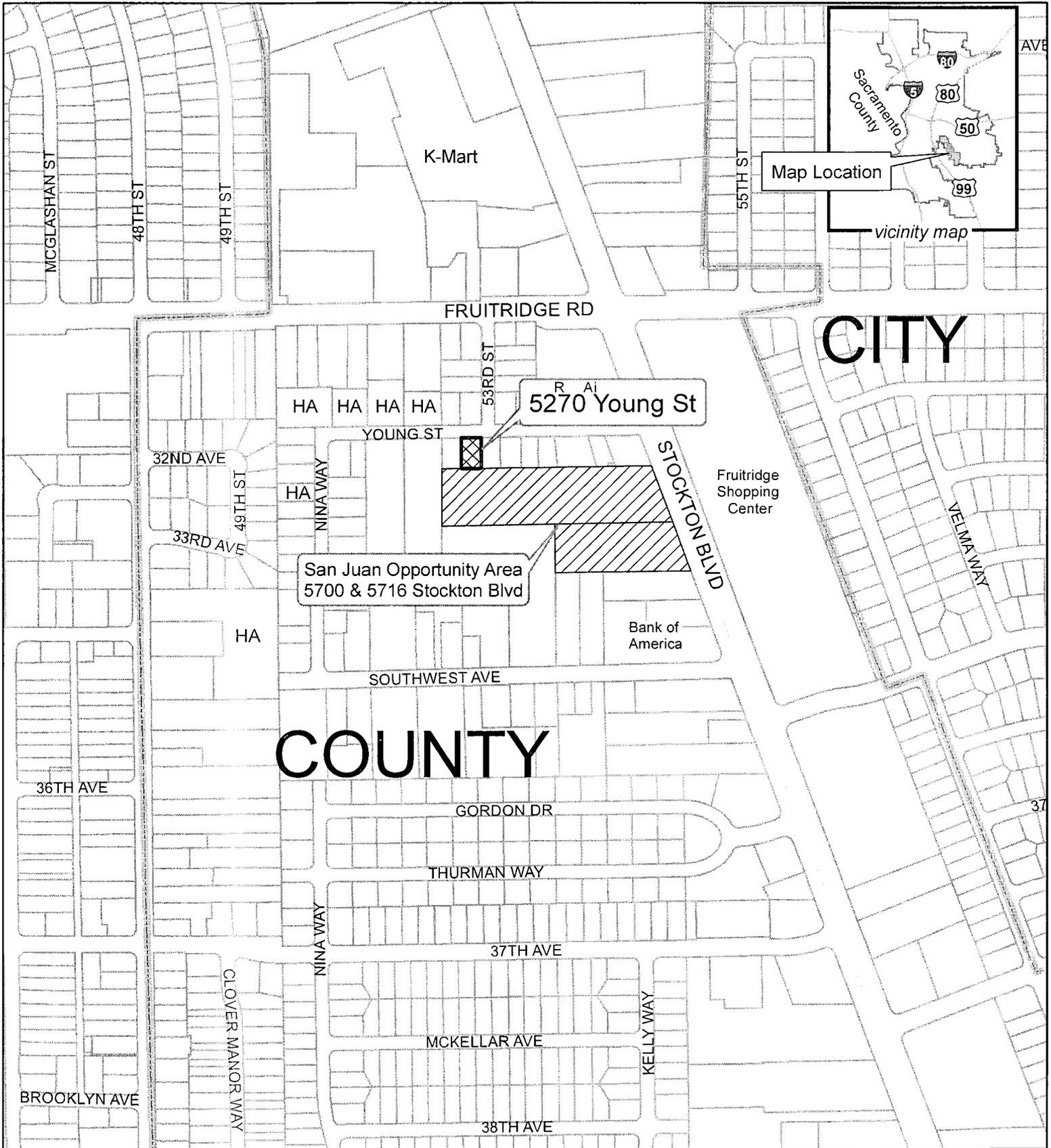
GUS VINA
Interim City Manager

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Replacement Housing Plan for 5270 Young Street Stockton Boulevard Redevelopment Project Area



Stockton Blvd Redevelopment Area
 Sacramento City

San Juan Opportunity Area
 5270 Young St
 HA = Housing Authority Property



SHRA GIS
March 15, 2010

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RESOLUTION NO. 2010 -

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

DEMOLITION OF STRUCTURE AT 5270 YOUNG STREET; 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 Stockton Boulevard Redevelopment Plan and the adopted 2009-2014 Stockton Boulevard Redevelopment Implementation plan which includes the strategies of “Strengthen the Residential Neighborhoods” and “Attract High-Quality Design and Development on Obsolete Motel and Key Catalyst Sites Along the Boulevard.”
- 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. 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 structure and maintain the property located at 5270 Young Street (APN 026-0073-005-0000).

Section 3. The Replacement Housing Plan (Exhibit A) to replace the demolished residential units located at 5270 Young Street is approved.

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Exhibit A – Replacement Housing Plan

5270 Young Street

**Replacement Housing Plan for Very-Low
Income Dwelling Units**

Description of Property

The duplex located at 5270 Young Street in the City of Sacramento includes a one-bedroom unit and a two-bedroom unit. It is approximately 55 years old and in a state of disrepair. On December 4, 2008, the property was foreclosed upon by JP Morgan Chase, and on May 8, 2009, the Redevelopment Agency of the City of Sacramento (Agency) purchased the property under the Neighborhood Stabilization Property Recycling Program.

Young Street between Stockton Boulevard and Nina Way is plagued with vacant and underutilized properties, foreclosures and heightened police and code enforcement activity. As a result, the Agency has committed significant redevelopment resources on Young Street and the immediate vicinity over the last several years. The acquisition of 5270 Young Street continues the Agency's most recent efforts, which include the purchase of an obsolete motel and home/trailer park located at 5700 Stockton Boulevard and an adjacent vacant parcel at 5716 Stockton Boulevard creating the San Juan Opportunity Area. Upon demolition of 5270 Young Street, the property will be included as part of this larger redevelopment initiative.

Project Status

The Agency purchased this vacant duplex property on May 8, 2009 under the Neighborhood Stabilization Property Recycling Program. The purchase price was \$45,600, or 80 percent of the appraised market value. The property was foreclosed and vacant at the time the Agency learned of the real estate listing and at the time of acquisition. The structure is boarded and secure, and the property is 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 two housing units located at 5270 Young Street 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 both housing units located at 5270 Young Street were vacant/unoccupied at the time the Agency acquired the property, the Agency will replace both residential units at the very low-income level. Both units 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
5270 Young Street	no	no*	3	2	2	0
Totals			3	2	2	0

* Note: no occupants at time of purchase.

Replacement Dwelling Units

The Agency will replace the very low income one- and two-bedroom units with comparable one- and two-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.

All replacement units are located outside the Stockton Boulevard Redevelopment Project Area. At this time the Stockton Boulevard area has an abundance of very low income housing, therefore, the one- and two-bedroom 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 5270 Young Street are anticipated to be demolished by June 2010.