



**REPORT TO  
REDEVELOPMENT AGENCY  
City of Sacramento  
915 I Street, Sacramento, CA 95814-2671  
[www.CityofSacramento.org](http://www.CityofSacramento.org)**

**Consent  
February 8, 2011**

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

**Title: 5266 Young Street Acquisition and Replacement Housing Plan**

**Location/Council District: 5266 Young Street; Council District 6**

**Recommendation:** Adopt a **Redevelopment Agency Resolution** a) authorizing the purchase of 5266 Young Street for just compensation, which is fair market value as determined by an independent appraisal; b) amending the Sacramento Housing and Redevelopment Agency (SHRA) budget by defunding \$140,000 of the 5700 Stockton Boulevard Acquisition Project and allocating \$140,000 to the 5266 Young Street Acquisition Project; c) authorizing the Executive Director, or designee, to take all actions reasonably necessary to voluntarily purchase, secure, and maintain the property, including demolition of the building, security and maintenance, environmental site assessment and remediation as necessary; d) approving the Replacement Housing Plan for 5266 Young Street; and e) approving the environmental findings regarding this action.

**Contact:** Chris Pahule, Assistant Director, 440-1350; Celia Yniguez, Redevelopment Manager, 449-6255

**Presenters:** None

**Department:** Sacramento Housing and Redevelopment Agency

**Description/Analysis**

**Issue:** In 2008, the Sacramento Housing and Redevelopment Agency (SHRA) acquired the San Juan Motel and Mobile Home Park (San Juan Site) and the adjacent vacant parcel (formerly the Park Villa Victoria Motel) to implement the Motel Reuse Strategy on Stockton Boulevard. The primary objectives were to eliminate the San Juan Motel's blighting influences and to assemble an Opportunity Site for a future high quality development project. The immediate surrounding area of the now vacant San Juan Site on Young Street is overly concentrated with underutilized properties and has ongoing police and code enforcement activity. In the past several years, SHRA has utilized a variety of resources to aggressively address this area located in the City and County.

The vacant duplex proposed for purchase, located at 5266 Young Street, has two one-bedroom units adjacent to the San Juan site. Acquisition and demolition of this property would increase the site acreage and improve development potential by 'squaring' the site and increasing the overall development site to 5.53 acres. Therefore, a Replacement Housing Plan for 5266 Young Street has been prepared as required by state law and is attached to the resolution (Exhibit A).

**Policy Considerations:** The actions contained in this report 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 multi-family structure not more than six units is exempt from CEQA pursuant to CEQA Guidelines section 15301 (I). 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 5266 Young Street. The purchase of the properties and funding of an Environmental Site Assessment are also administrative actions associated with the demolition project. As such, these actions do not constitute a separate project under CEQA Guidelines Section 15378, and do 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.

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

**Committee/Commission Action:** *Stockton Boulevard Redevelopment Advisory Committee (RAC):* At its meeting on January 13, 2011, the RAC considered the staff recommendation for this item. The votes were as follows:

AYES: Abelaye, Bradley, Lathrop, Williams

NOES: None

ABSENT: Alvarez, Cranshaw

*Sacramento Housing and Redevelopment Commission Action:* At its meeting on January 19, 2011, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

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

NOES: None

ABSTAIN: Morgan

ABSENT: None

**Rationale for Recommendation:** The proposed action for the subject property furthers the Agency's goals to eliminate blight and assemble a larger contiguous site which will increase the likelihood of a successful redevelopment project. Following acquisition, the structure will be demolished, and staff will conduct a development site feasibility analysis to determine which, if any, additional properties should be acquired for an optimal development site. Development of this area provides an opportunity for high-quality residential and/or commercial uses.

**Financial Considerations:** This report recommends defunding \$140,000 from the 5700 Stockton Boulevard Acquisition Project, which has remaining funds since the acquisition, tenant relocation and building demolition are complete. This report further recommends allocating \$140,000 to the 5266 Young Street Acquisition Project. Staff estimates that these funds will be sufficient to take all actions reasonably necessary to voluntarily purchase 5266 Young Street, including demolition, security and maintenance, environmental site assessment, and any necessary remediation.

**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:

  
for GUS VINA  
Interim City Manager

Approved as to form:

  
Agency Counsel

APPROVED AS TO FORM:

  
CITY ATTORNEY

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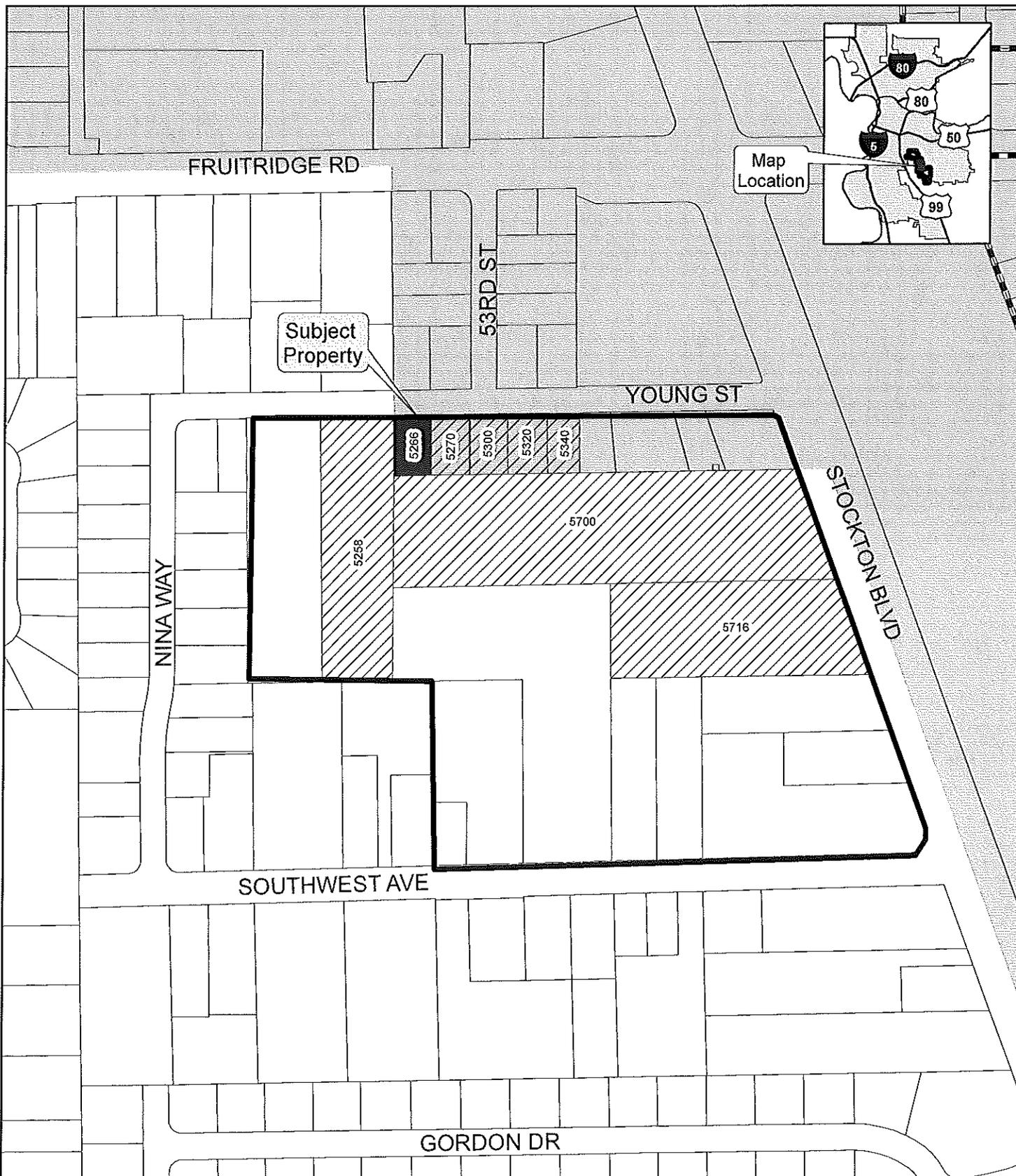
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# 5266 Young Street Acquisition and Replacement Housing Plan



	City of Sacramento		RDA Owned Parcel	 Feet 0      200      400	 N	SHRA GIS November 5, 2010
	Stockton Blvd Redevelopment Area		5266 Young St			
	Stockton Boulevard Opportunity Site					

## **Background**

### **San Juan Opportunity Area**

In 2008, SHRA initiated acquisition of the San Juan Motel and Mobile Home Park as implementation of the Motel Reuse Strategy. The primary objective was to eliminate the blighting influences of the obsolete San Juan Motel and develop the property into a quality commercial and residential project.

The Site includes properties in the City and unincorporated County adjacent to the former San Juan Motel bounded on the north by Young Street, Stockton Boulevard, and Southwest Avenue. This area is overly concentrated with vacant and underutilized properties, heightened police and code enforcement activity and foreclosures.

### **Acquisition History:**

5716 Stockton Boulevard: In July, 2008 the Agency acquired a 1.28 acre vacant site that was the previous location of the Park Villa Victoria Motel which was cleared in 2005. The site is immediately south of the Agency-owned former San Juan Motel and Mobile Home Park site.

San Juan Motel and Mobile Home Park (5700 Stockton Boulevard): The former San Juan Motel and Mobile Home Park (San Juan) was located on a 2.54 acre property in the County of Sacramento. The San Juan included one manager's unit and office, 20 motel units, and 34 mobile home/trailer pads. The San Juan was one of several functionally obsolete motels identified by the Redevelopment Agency for reuse or redevelopment along the corridor due to criminal activity and dilapidated building conditions. SHRA purchased the property in late December 2008, 72 tenants (32 households) were relocated by January 2010, and the site was cleared in May 2010.

Neighborhood Stabilization Program's (NSP) Property Recycling Program: As part of the NSP Property Recycling Program (PRP), SHRA is authorized to purchase real estate owned (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.

5270 Young Street: As part of the PRP, SHRA purchased a single-family home at 5270 Young Street in May 2009. The property was demolished in May 2010.

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5266 Young Street Acquisition and Replacement Housing Plan

5320 Young Street: The vacant four-plex was purchased under this program in May 2010. The property is boarded and secure and will be demolished in the next six months.

## **RESOLUTION NO. 2011 -**

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

on date of

### **AUTHORIZING ACQUISITION OF PROPERTY AT 5266 YOUNG STREET FOR JUST COMPENSATION; AMENDMENT OF 2010 AGENCY BUDGET; APPROVAL OF REPLACEMENT HOUSING PLAN**

#### **BACKGROUND**

- A. The proposed project to acquire property at 5266 Young Street supports the Stockton Boulevard Five-Year Implementation Plan, specifically the strategies to Strengthen the Residential Neighborhoods and Attract High Quality Design and Development on Obsolete Motel and Key Catalyst Sites along the Boulevard. The proposed project is consistent with the Stockton/Broadway Urban Design Plan and the Broadway/Stockton Special Planning District and it also supports the objectives of the County's General Plan Economic Development Element by creating a catalyst site for commercial corridor redevelopment to improve community quality of life, balance land uses, and increase the tax base.
- B. Acquisition of the property as described herein is in furtherance of the Stockton Boulevard Redevelopment Plan. The proposed action of demolishing and removing a multi-family structure not more than six units and no more than three single-family units is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301 (I). 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 5266 Young Street. The purchase of properties and funding of an Environmental Site Assessment are also administrative actions associated with the demolition project. As such, these actions do not constitute a separate project under CEQA Guidelines Section 15378, and do not require further environmental review. Therefore, the entirety of the proposed action is exempt from further CEQA review.
- C. The Stockton Boulevard Redevelopment Advisory Committee recommends defunding \$140,000 from the 5700 Stockton Boulevard Acquisition project and allocating those funds to the budget for the acquisition of 5266 Young Street
- D. The Agency has prepared a Replacement Housing Plan for replacement of two lost housing units, a copy of which is attached as Exhibit A.

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

Section 1. After due consideration of the evidence presented, the findings, including the environmental findings regarding this action as stated above, are approved.

Section 2. The Executive Director, or designee, is authorized to take all actions as may be reasonably necessary to purchase the following parcels ("Property") including real and personal property, for not substantially more than just compensation, as established by the appraisal of a duly qualified appraiser:

**5266 Young Street (APN: 026-0073-004-0000)**

Section 3. The Executive Director, or designee, is authorized to amend the Agency budget by allocating \$140,000 to the 5266 Young Street Acquisition Project and carrying out all related actions, and defunding \$140,000 from 5700 Stockton Boulevard Acquisition Project

Section 4. The Executive Director, or designee, is authorized to purchase the Property and carry out all actions reasonably necessary to accomplish the purchase and maintenance of the real and personal Property, including demolition, security, site maintenance, environmental site assessment, remediation as necessary, and property management.

Section 5. The Replacement Housing Plan is approved and adopted.

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Exhibit A: Replacement Housing Plan

## **5266 Young Street**

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

#### **Description of Property**

The 5266 Young Street Demolition and Replacement Housing Plan includes two one-bedroom units located at 5266 Young Street. The Redevelopment Agency of the City of Sacramento is seeking authority to enter into negotiations for the property located at 5266 Young Street.

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 5266 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, an adjacent vacant parcel at 5716 Stockton Boulevard, four properties at 5270, 5300, 5320 and 5340 Young Street creating the Stockton Boulevard Opportunity Site. Upon demolition of 5266 Young Street, this property will be included as part of this larger redevelopment initiative.

#### **Project Status**

The Agency is seeking purchase authority for 5266 Young Street from the City Council on February 8, 2011.

#### **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 proposed acquisition and demolition of the duplex at 5266 Young Street would 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.

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

Address	Owner Occupied	Rental	Total Bedrooms	Units	Very Low Income	Low Income
5266 Young Street	no	yes	2	2	2	0
<b>Totals</b>			<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>

**Replacement Dwelling Units**

The Agency will replace the two one-bedroom units with comparable very low income units as part of La Valentina project. Each unit will be replaced at a level affordable to very low-income households. These apartments will be located on 429 12<sup>th</sup> Street in City Council District 2.

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 two one-bedroom units will be replaced at a one for one ratio as previously cited.

All replacement units will have recorded affordability restrictions attached and will run for not less than 55 years. By the end of year four (2014) all units demolished will have been replaced.

**Schedule for Demolition**

The duplex at 5266 Young Street is anticipated to be demolished by June 2011.