

**Meeting Date:** 5/17/2016

**Report Type:** Consent

**Report ID:** 2016-00488

**Title: (Housing Authority) Approval of Housing Authority Participation in the Renewal and Expansion of the Oak Park Property and Business Improvement District**

**Location:** District 5

**Recommendation:** Pass a Housing Authority Resolution a) authorizing the Executive Director, or her designee, to sign petitions, cast a vote for the assessment ballot, and execute other documents on behalf of the Housing Authority owned properties included in the propose Oak Park Property and Business Improvement District; b) amending the budget to allocate approximately \$14,702 in Housing Authority Funds on an annual basis for the assessment, subject to annual increases not to exceed 3% per year; and c) authorizing the Executive Director, or her designee, to pay the annual assessment.

**Contact:** MaryLiz Paulson, Assistant Director, (916) 440-1334, Sacramento Housing and Redevelopment Agency

**Presenter:** None

**Department:** Sacramento Housing & Redevelopment Agency

**Division:** Sacramento Housing & Redevelopment Agency

**Dept ID:** 99991011

**Attachments:**

1-Description/Analysis

2-Resolution

3-Map

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**SHRA Counsel Review**

Approved as to Form

David Levin

4/21/2016 4:42:05 PM

**Approvals/Acknowledgements**

Department Director or Designee: La Shelle Dozier - 4/21/2016 4:42:05 PM

## Description/Analysis

**Issue:** The Oak Park Property and Business Improvement District (PBID) was first formed in August 5, 2004 and has been renewed once with the last renewal approved by City Council for a seven year term from 2009-2016. There were two assessment levels:

- \$0.145024 per square foot for standard assessments.
- \$0.0371 per square foot for private tax exempt.

The Housing Authority of the City of Sacramento owns a total of eight parcels that are assessed in the Oak Park PBID: two vacant lots and six parcels totaling 49 units of housing 25 of which are public housing and 24 are not under contract with HUD. Recently the Oak Park Business Association approved adding a third assessment level for publicly owned housing which will now be assessed at \$0.0700 per square foot. The assessment for these parcels total \$14,702.87.

This report recommends that the Housing Authority, as property owner of the eight parcels, participate in renewing the Oak Park PBID by signing petitions and voting during the formation process. Should the PBID be renewed for another 10 years, from 2017 to 2026, staff recommends authorizing the Executive Director to allocate funds and pay the annual assessment.

**Policy Considerations:** The proposed renewal of the Oak Park PBID is consistent with the Public Housing Authority's Annual Plan as the PBID promotes an increased level of safety and security in the community through its efforts at graffiti abatement, litter removal, streetscape maintenance, and additional safety measures.

**Economic Impacts:** Not applicable.

### **Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The renewal of a PBID does not constitute a project under CEQA and is therefore exempt from review pursuant to Guidelines Section 15378(b).

**Sustainability Considerations:** There are no sustainability considerations applicable to the formation process and administration of a special district.

**Other:** As an administrative activity, this activity has been determined to be exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34(a)(3) and (a)(4) and Categorically excluded per 24 CFR 58.35(b)(3).

**Commission Action:** *Sacramento Housing and Redevelopment Commission:* At its meeting of May 4, 2016, the Sacramento Housing and Redevelopment Commission approved the staff recommendation for this item. The votes were as follows:

AYES: Alcalay, Creswell, Griffin, Johnson, Morgan, Painter, Raab, Rios, Staajabu

NOES: None

ABSENT: Macedo, Simas

ABSTAIN: None

RECUSE: None

**Rationale for Recommendation:** In 2004, it was determined that formation of a PBID would enhance the viability of Oak Park and efforts have been successful. The PBID services benefit approximately 388 parcels with 115 parcel owners and numerous businesses. The approximate boundaries are parcels fronting Martin Luther King Jr. Boulevard between 12<sup>th</sup> Avenue and Broadway Street, parcels fronting Broadway between Solidad Way and Alhambra Boulevard, and parcels on the adjacent streets. The services and activities of the PBID will improve district cleanliness and safety, increase building occupancy and lease rates, and encourage new business development and services for properties. Overall, they support a safer and more economically vital Oak Park area which benefits Housing Authority residents and the community.

**Financial Considerations:** This report recommends authorizing the Housing Authority to allocate and utilize Conventional Housing funds to pay annual assessments to the PBID. There were two tiers of assessments in the PBID based on ownership which are:

- Standard (Zone 1: \$0.145024 per square foot per year and Zone 2: \$0.048719 per square foot per year), and
- Private Tax-Exempt (Zone 1: \$0.037100 per square foot per year).

The amount of the assessment is based on the size of the lot and is charged at a rate based on its ownership. In the past, these assessments were paid with redevelopment funding. With the demise of redevelopment and the decline of federal dollars for public housing, the Housing Authority was not able to pay the standard assessment of approximately \$0.14 per square foot and advocated for the addition of a third tier for publicly owned housing. In approving the third tier of assessment at \$0.07 per square foot, the Business Association stated "Since public housing parcels will not benefit from District programs designed to increase profitable commercial activity but are used twenty-four hours a day seven days a week, it is our profession estimation that these parcels will receive approximately fifty percent (50%) of the benefit conferred to standard parcels."

The Housing Authority's assessment is estimated to total \$14,702.87 in the first year's annual assessment. This assessment could increase up to 3% each year, upon its Board's approval. Upon approval of the attached resolution and renewal of the PBIDs, the Housing Authority will be participating as a property owner with respect to the Housing Authority of the City of Sacramento owned sites.

**LBE/M/WBE/Section 3 and First Source Considerations:** Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent as may be applicable. The City's Local Business Enterprise (LBE) Program and the First Source Program are not applicable to this report.

## RESOLUTION NO. 2016 -

Adopted by the Housing Authority of the City of Sacramento

on date of

### AUTHORIZATION AND APPROVAL OF PARTICIPATION IN THE RENEWAL AND EXPANSION OF THE OAK PARK PROPERTY AND BUSINESS IMPROVEMENT DISTRICT (PBID)

#### BACKGROUND

- A. The boundaries of the Oak Park Property and Business Improvement District (PBID) include eight Housing Authority developments in Oak Park. In compliance with the Property and Business Improvement District Law of 1994, owners of properties and businesses within the PBID boundaries have proposed the renewal and expansion of the Oak Park PBID for an additional ten (10) years, from 2017 to 2026, to provide funding for graffiti abatement, litter removal, streetscape maintenance and safety.
- B. The proposed renewal and expansion of the Oak Park PBID is consistent with the goals of the Housing Authority of the City of Sacramento as it supports the following goals and objectives: increases the safety of public housing residents, and keeps the housing and the immediate neighborhood appealing and welcoming to prospective residents and businesses.
- C. Within the Oak Park PBID the Housing Authority of the City of Sacramento is assessed for the following properties:
- 01301420110000 - 2966 35<sup>th</sup> Street (Oak Park Townhomes)
  - 01301420120000 - 2970 35<sup>th</sup> Street (Oak Park Townhomes)
  - 01301420370000 - 2910 35<sup>th</sup> Street (Oak Park Townhomes)
  - 01301430300000 - 2939 35<sup>th</sup> Street (Oak Park Duplexes)
  - 01301430380000 - 2937 35<sup>th</sup> Street (Oak Park Duplexes)
  - 01301530410000 - 3635 5<sup>th</sup> Avenue (Vista Arms)
  - 01401720010000 - 3900 Broadway (vacant lots)
  - 01401720300000 - 3908 Broadway (vacant lots)
- D. The assessment is based on the ownership of the property and the square footage of the parcel. The Housing Authority is charged at a rate of \$0.07 per square foot per year for publicly owned housing properties.
- E. The renewal of a PBID does not constitute a project under California Environmental Quality Act and is therefore exempt from review pursuant to 14 California Code of Regulations section 15378(b)(5). As an administrative activity, this activity has been determined to be exempt under the National Environmental Policy Act per 24 CFR section 58.34(a)(3) and (a)(4), and categorically excluded per 24 CFR 58.35(b)(3).

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:**

Section 1. All evidence presented having been duly considered, the background facts, as stated above, including the environmental facts, are found to be true and correct.

Section 2. The Executive Director, or her designee, is authorized to sign petitions, cast a vote for an assessment ballot and execute other related documents to further the renewal of the Oak Park PBID on behalf of the Housing Authority of the City of Sacramento properties described above for housing owned sites.

Section 3. The Executive Director, or her designee, is authorized to pay the annual PBID assessment, initially totaling \$14,702.87, subject to annual increases not to exceed 3% per year from 2017-2026 utilizing Housing Authority funds, for the following properties:

- 01301420110000 - 2966 35<sup>th</sup> Street (Oak Park Townhomes)
- 01301420120000 - 2970 35<sup>th</sup> Street (Oak Park Townhomes)
- 01301420370000 - 2910 35<sup>th</sup> Street (Oak Park Townhomes)
- 01301430300000 - 2939 35<sup>th</sup> Street (Oak Park Duplexes)
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