



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

**STAFF REPORT**  
June 8, 2006

Honorable Mayor and  
Members of the City Council and Redevelopment Agency of the City of Sacramento

**Subject:** OAK PARK REDEVELOPMENT FUND INVESTMENT STRATEGY;  
STREETLIGHTING PROJECT; AND MARTIN LUTHER KING, JR. BOULEVARD  
CORRIDOR ENHANCEMENT PROJECT

**Location/Council District:** Oak Park Redevelopment Project Area – District 5

**Recommendation:**

Staff recommends that the City Council adopt the attached resolution on pages 11 and 12 which:

- Finds that the Streetlighting and Martin Luther King Boulevard Corridor Improvement projects will benefit and improve the Project Area and further the goals of the Oak Park Redevelopment Plan by improving public facilities and eliminating blighting conditions inside the Project Area, including, without limitation, the lack of adequate infrastructure;
- Amends the Sacramento Housing and Redevelopment Agency ("SHRA") budget to appropriate \$2.3 million of the 2005 tax exempt, tax allocation revenue bonds to the Oak Park Streetlighting project;
- Authorizes SHRA and the City Manager on behalf of the City to enter into an Individual Project Agreement (IPA) for the Streetlight project; and
- Amends the SHRA budget to appropriate not more than \$1 million of the 2005 tax exempt, tax allocation revenue bonds to the Martin Luther King Junior Boulevard Corridor Improvements project.

Staff recommends that the Redevelopment Agency of the City of Sacramento approve the investment strategy for the recent 2005 Tax Allocation Revenue Bond and future tax increment funds in the Oak Park Redevelopment Area; and adopt the attached Redevelopment Agency resolution on pages 13 and 14, which:

- Finds that the Streetlighting and Martin Luther King, Jr. Boulevard Corridor Improvement projects will benefit and improve the Project Area and further the goals of the Oak Park Redevelopment Plan by improving public facilities and



## OAK PARK REDEVELOPMENT FUND INVESTMENT STRATEGY

- eliminating blighting conditions inside the Project Area, including, without limitation, the lack of adequate infrastructure;
- Amends the Agency budget to appropriate \$2.3 million of the 2005 tax exempt, tax allocation revenue bonds to the Oak Park Streetlighting project;
  - Authorizes the Executive Director, or her designee, to enter into an Individual Project Agreement (IPA) with the City of Sacramento to complete the Streetlight project;
  - Authorizes the Executive Director, or her designee, to release a Request for Qualifications/Proposals for the Martin Luther King, Jr. Boulevard Streetscape and Urban Design Master Plan;
  - Authorizes the Executive Director, or her designee, to convene a selection committee to review the qualifications and proposals and select a proposal for development; and
  - Authorizes the Executive Director, or her designee, to enter into a professional services contract with the selected consultant for an amount not to exceed \$1 million and amends the Agency budget to appropriate not more than \$1 million of the 2005 tax exempt, tax allocation revenue bonds to the Martin Luther King, Jr. Boulevard Corridor Improvement project.

**Contact:**

Chris Pahule, South Area Redevelopment Manager, 440-1322 x1442  
Erika Bumgardner, Redevelopment Planner, 440-1322 x1410

**Presenters:** Chris Pahule, South Area Redevelopment Manager

**Department:** Sacramento Housing and Redevelopment Agency

**Summary:**

Over the past six months, Redevelopment Agency staff has worked with the Oak Park community to develop an investment strategy for the recent \$20 million Tax Allocation Revenue Bond and future tax increment funds. The results of the process will help provide the City and the Redevelopment Agency with an approach for future investment of redevelopment funds based on the identified goals and priorities for redevelopment in Oak Park.

Because there was significant interest on the part of the community to focus resources on public infrastructure enhancements, this report also recommends allocating funds for two high priority projects identified in the investment strategy: 1) installation of streetlights in the only two remaining unlit areas of Oak Park; and 2) the release of a RFP and funding for a Streetscape and Urban Design Master Plan for the Martin Luther King, Jr. Boulevard Corridor, with an Infrastructure Needs Assessment for the adjacent South Oak Park neighborhood.

## OAK PARK REDEVELOPMENT FUND INVESTMENT STRATEGY

### **RAC Action:**

At its March 8, 2006 meeting, the Oak Park Redevelopment Advisory Committee (RAC) unanimously approved the investment strategy, and at its April 12, 2006 meeting, the RAC unanimously supported the allocation of \$2.3 million in Oak Park tax exempt bonds funds for the streetlighting project and the release of an RFP for the Martin Luther King, Jr. Boulevard Corridor.

### **Committee/Commission Action:**

At its May 17, 2006 meeting, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions.

AYES: Burns, Burruss, Coriano, Fowler, Gale, Hoag, Piatkowski, Shah, Simon, Stivers.

NOES: None.

ABSENT: Gore.

### **Background Information:**

The Oak Park Redevelopment Project Area was established in 1973 to address inadequate public infrastructure, deteriorated commercial and housing properties, and empty lots/abandoned vehicles. Since then, in partnership with community members and businesses, the Redevelopment Agency (Agency) has assembled small lots into larger parcels that support new development; improved streets and sidewalks; built quality public housing; and offered various incentives and support for commercial investment.

In recent years, there have been numerous redevelopment projects in the Oak Park neighborhood that have served as catalyst developments – the Food Source complex at Broadway/Stockton Boulevard, the 40 Acres Center and Guild Theater at 35<sup>th</sup> Street/Broadway, and the investment of over \$7 million in streetscape enhancements to Stockton Boulevard. There are also several planned projects for Oak Park that will bring new ownership and rental housing and commercial opportunities to the community including the recently approved 4-story, mixed-use Regent Place Project and the currently proposed 90 unit development project at the southeast corner of Broadway and Martin Luther King, Jr. Boulevard.

Along with these development projects and investments, there have been positive trends in the neighborhood that have supported and enabled revitalization. An Oak Park Neighborhood Association and Business Association were established, and a Property and Business Improvement District (PBID) formed, involving active residents and the business community in revitalization activities throughout the community. The Neighborhood Association in partnership with the Business Association will be hosting their 2<sup>nd</sup> Annual Home Improvement Street Fair and Art Walk and, partnering with St. Hope, have initiated a "Second Saturday" cleanup involving over 100 student

## OAK PARK REDEVELOPMENT FUND INVESTMENT STRATEGY

participants from the local high schools and McGeorge School of Law. Proceeds generated from the PBID have been allocated to the installation of safety lights along Alhambra Boulevard north of 2<sup>nd</sup> Avenue and decorative trash receptacles with the Business Association logo along Broadway.

A direct result of increasing property values was a subsequent increase in tax increment revenue for the Oak Park Redevelopment Project Area. The increase in tax increment was leveraged last October when the Agency and City Council approved a resolution authorizing the issuance of the Sacramento City Financing Authority 2005 Tax Allocation Revenue Bond for the Oak Park Redevelopment Project Area. At that time, Agency staff laid out a process for involving the community in the strategic investment of the \$20 million bond and future tax increment funding over the next three years.

Since that time, Agency staff has worked with the Oak Park community to develop an investment strategy and identify high priority initiatives to allocate the \$20 million bond and tax increment funds. During community workshops and RAC meetings, Oak Park residents and community stakeholders assisted with developing priorities for investment within the four key strategy areas identified in the adopted 2005-09 Oak Park Redevelopment Implementation Plan.

Those strategy areas include: Corridor Enhancements; Oak Park Historic District; Great Public Spaces; and Housing. Community input favored significant streetscape and infrastructure improvements within the redevelopment project area, specifically highlighting the need for improvements along the Martin Luther King, Jr. Boulevard Corridor and in adjacent residential neighborhoods. There was continued support for infill development projects at key locations throughout the community and the revitalization of McClatchy Park surfaced as a high priority with a number of ideas for improvements presented at the workshop.

### **Investment Strategy**

The investment strategy provides the City and Agency staff with direction on areas of critical importance to the community. It does not represent an exhaustive list of all potential projects that may come forward for review over the next three years, nor does it allocate funds to specific projects. The strategy does, however, provide the City and the Agency with a framework from which to review future project funding requests to determine their fit within the larger investment goals and priorities established. The following list describes the overall investment strategy and a sampling of staff and community identified priority projects:

**CORRIDOR ENHANCEMENTS** - Approximately 30 to 40 percent of Oak Park tax increment funds are to be devoted to projects that support major corridor enhancements, and encourage commercial, entertainment, and business development. Potential projects include:

1. Broadway Streetscape (37<sup>th</sup> Street to Stockton Boulevard)
2. Broadway/Martin Luther King, Jr. Blvd. Intersection Improvements
3. Martin Luther King, Jr. Blvd. Corridor Master Plan
4. Streetlight Installation Program
5. Exterior Rebate/Commercial Loan Program

## OAK PARK REDEVELOPMENT FUND INVESTMENT STRATEGY

OAK PARK HISTORIC DISTRICT - Approximately 20 to 30 percent of Oak Park tax increment funds are to be devoted to projects that support commercial, cultural, and business improvements and development within the Oak Park Historic District. Potential projects include:

1. Acquisition of Liquor Stores
2. 34<sup>th</sup> Street (Made Rite) Development Site
3. Walton Pediatric Office Development
4. Triangle Lot/Urban Plaza (35<sup>th</sup> Street/Broadway)
5. Goodwill Building Re-Use

HOUSING STRATEGY - Approximately 20 to 25 percent of projected resources are to be devoted to projects that support residential development, homeownership opportunities, and the rehabilitation of existing housing, including Housing Authority units in preparation for sale to low income homebuyers and the rehab of permanently affordable rental units. Potential projects and programs include:

1. Broadway / Martin Luther King Jr. Blvd. Development Site
2. Stockton / 9<sup>th</sup> Avenue (East) Development Site
3. Housing Authority property rehabilitation
4. Vacant Lot Development Programs
5. Homeowner Rehabilitation Programs
6. South Oak Park Targeted Program

GREAT PUBLIC SPACES - Approximately 20 percent of projected resources are to be devoted to open space and public improvements. Potential projects and programs include:

1. Oak Park Community Center Phase Two Improvements
2. McClatchy Park Improvements

Although each project will be considered individually for funding, staff is recommending moving forward with funding requests for two priority projects identified in the above investment strategy.

### **Streetlighting Project**

In 2002, the Redevelopment Agency approved \$900,000 in Oak Park redevelopment funds to leverage \$125,000 through the City of Sacramento's Streetlight Matching program for the installation of 127 streetlights in the historic core area of Oak Park, specifically 33<sup>rd</sup> to 36<sup>th</sup> streets and 1<sup>st</sup> to 4<sup>th</sup> avenues, and 37<sup>th</sup> Street between 1<sup>st</sup> Avenue and Broadway. At this time, the only remaining portions of Oak Park that are unlit are two areas surrounding the historic core area (as identified in Attachment A).

One of the highest priority projects identified through the investment strategy process included installing light fixtures in those two areas of Oak Park that do not have light fixtures. The City of Sacramento's Department of Transportation staff has estimated a total cost of approximately \$2.3 million for the installation of 235 lights—100 in Area A and 135 in Area B (see Attachment A). The lights would be pedestrian level fixtures that are painted black to match the existing fixtures in the historic core area and those located along Broadway.

## OAK PARK REDEVELOPMENT FUND INVESTMENT STRATEGY

It is estimated that it will take eight months to complete the design of the project, with the new light fixtures installed by the end of 2007.

### **Martin Luther King, Jr. Boulevard Corridor Enhancement**

The second project recommended for funding in this report is an initiative to plan for streetscape improvements along the Martin Luther King, Jr. (MLK) Boulevard Corridor (see Attachment B). MLK Boulevard is a historic corridor comprised of a mix of single and multi-family residential, commercial, retail, and educational uses between Broadway and Fruitridge Road. Over the past 30 years the corridor has deteriorated and consists today of a number of dilapidated buildings and numerous abandoned or vacant lots. Recently, however, there has been increased interest in reinvestment along the corridor, including several newly proposed small development projects and a planned mixed-use project at the southeast corner of Broadway and MLK.

During the prioritization process, community members also expressed concern regarding needed infrastructure improvements within the South Oak Park neighborhood including insufficient lighting, alleyway improvements, traffic calming needs, and the need for drainage improvements. The proposed planning effort will assess these infrastructure needs concurrently with a streetscape, transportation and corridor enhancement plan.

### Community Objectives

To help guide future development and address needed infrastructure improvements, the streetscape and urban design plan would address the following community identified objectives for enhancement of the corridor:

- Improved pedestrian, bicycle, and automobile circulation. Better access to schools and educational centers, retail and commercial uses along the MLK Corridor, and to adjacent residential neighborhoods.
- Establishment of guidelines for future development and redevelopment along the corridor to provide a dynamic, pedestrian oriented environment including neighborhood support retail uses, employment opportunities, and housing that will compliment the existing character of the Oak Park community.
- Identification of needed infrastructure improvements along the corridor and in the adjacent South Oak Park neighborhoods.
- Identification of cost estimates, phasing, and implementation programs to realize improvements to the MLK Corridor.
- Incorporation of meaningful community input into every stage of the process. Exchanging and sharing ideas and collaborating with interested community based organizations, residents, and property owners in the Redevelopment Area.

To begin a more extensive community participation process and to identify creative, cost-effective, and timely ways to meet these objectives, staff recommends that the Council approve the release of an RFP for a streetscape and urban design plan for the MLK Corridor, including an infrastructure needs assessment of the South Oak Park neighborhood. Staff estimates the plan will cost between \$750,000 and \$1 million to create.

## OAK PARK REDEVELOPMENT FUND INVESTMENT STRATEGY

The above listed community objectives are incorporated in the RFP (on file with the Agency Clerk). Consulting firms submitting proposals will be asked to show how they are able to meet these goals and desired project outcomes and will be selected based upon these criteria.

### Request for Proposals Process

Following approval, the RFP will be released with submitters having approximately two months to prepare their package, which will include a process for community participation, project budget, timeline, and scope of work (to include at minimum a Streetscape and Urban Design Master Plan, Infrastructure Needs Assessment, and a Financing and Development Strategy). A selection committee will be formed to review the proposals and will include a representative from the RAC, a local resident, a Redevelopment Commissioner, and a staff member from both the City Transportation Department and from SHRA.

The selection committee will recommend that the Agency enter into a contract for services with the selected consultant. Once the contract is executed, the Agency and consultant will begin the extensive community participation process to involve the community and interested community-based organizations in the development of the plan as described in the RFP.

### **Financial Considerations:**

The above investment strategy provides a framework from which to prioritize the allocation of the \$20 million Sacramento City Financing Authority 2006 Tax Allocation Revenue Bond and Tax Increment funds over the next five years. However, the investment strategy does not recommend the allocation of funds for specific projects. All projects will be considered individually for funding within the context of the investment strategy.

Two projects are recommended for individual funding in this report. Staff is recommending the allocation of \$2.3 million in Oak Park Tax Exempt Bond funds for the installation of approximately 235 light fixtures as proposed in the Oak Park Streetlighting Project, and the allocation of \$1 million in Oak Park Tax Exempt Bonds funds for the Martin Luther King, Jr. Boulevard Streetscape and Urban Design Master Plan.

### **Environmental Considerations:**

#### Investment Strategy:

The redevelopment plan for the Oak Park project area was subject to environmental review at the time of plan adoption and amendment. Projects undertaken within the project area that may be funded with the bond proceeds or tax increment funds are subject to environmental review individually prior to their approval. The proposed action to approve the investment strategy is for budgeting purposes and does not involve a commitment to any specific project; therefore it is exempt from environmental review per CEQA Guidelines Section 15378(b)(4). Unless specifically analyzed below, the projects are subject to further CEQA review by the Agency prior to their actual approval.

# OAK PARK REDEVELOPMENT FUND INVESTMENT STRATEGY

## Streetlighting Project:

The proposed streetlighting project is exempt from environmental review pursuant to the CEQA Section 15301(c), streetscape improvements.

## MLK Masterplan:

The proposed action is a planning study for possible future action and is exempt from environmental review per CEQA per Guidelines Section 15262.

These actions are not subject to NEPA.

## Policy Considerations:

The actions proposed in the staff report are consistent with previously approved policy described in the Oak Park Redevelopment Plan and the Oak Park 2005-2009 Implementation Plan, as well as promoting the City of Sacramento's goals of preserving and enhancing neighborhoods. Specifically, the actions proposed will assist in the elimination of blight and improve neighborhood safety and livability within the Redevelopment Area.

## 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:



ANNE M. MOORE  
Executive Director

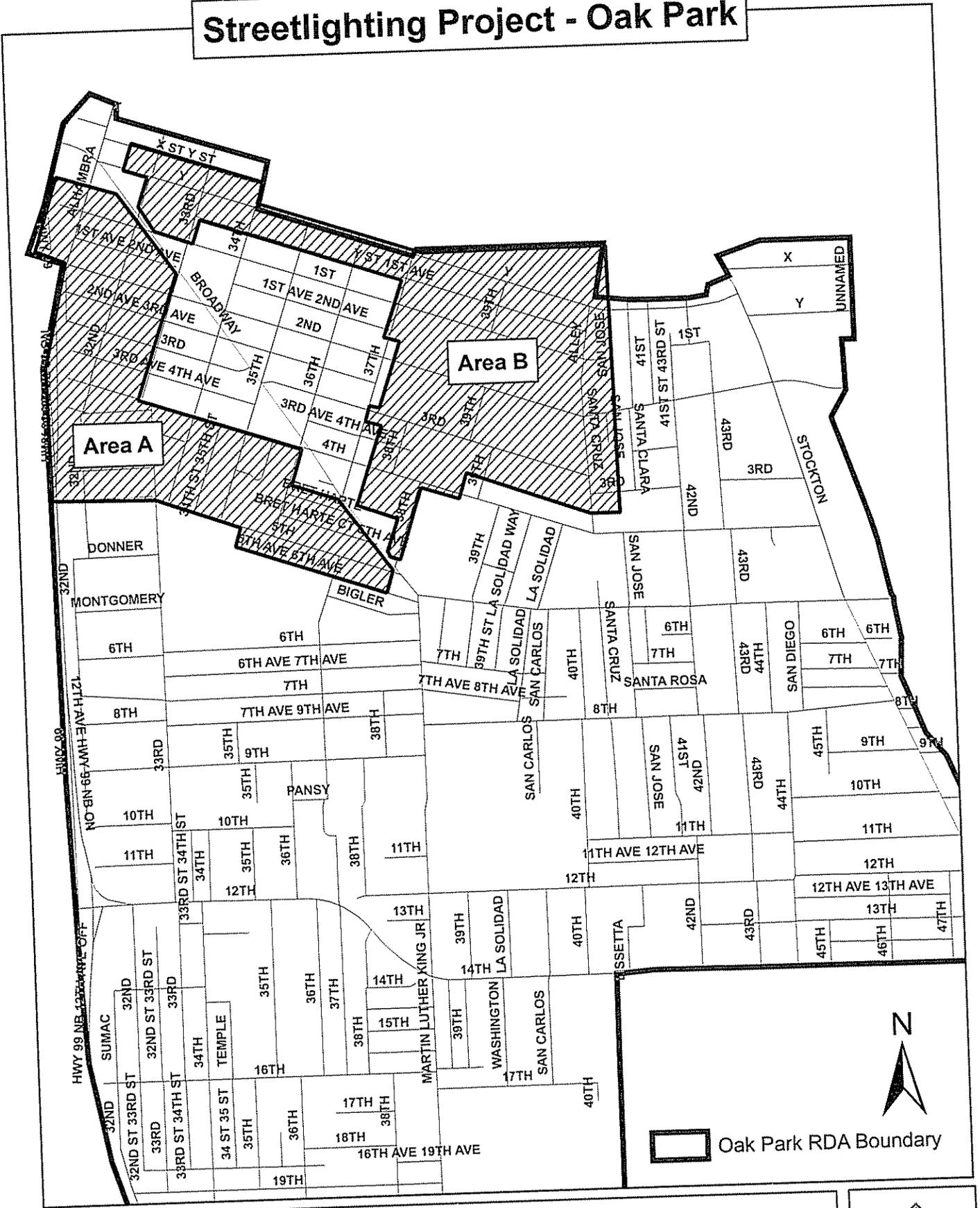
Recommendation Approved:

  
RAY KERRIDGE  
City Manager

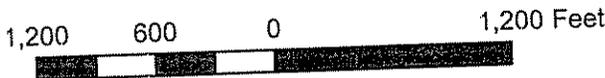
## Table of Contents

<u>Pg</u>	<u>Description</u>
9	Attachment A – Streetlight Project Map
10	Attachment B – MLK Corridor Study Area Map
11	City Council Resolution
13	Redevelopment Agency Resolution

# Streetlighting Project - Oak Park



## Oak Park Proposed Streetlighting Project





# RESOLUTION NO. 2006 -

ADOPTED BY THE SACRAMENTO CITY COUNCIL

on date of

**ALLOCATION OF \$2.3 MILLION OF 2005 TAX EXEMPT, TAX ALLOCATION REVENUE BOND FUNDS FOR THE OAK PARK STREETLIGHTING PROJECT AND AUTHORIZATION TO ENTER INTO AN INDIVIDUAL PROJECT AGREEMENT WITH THE CITY OF SACRAMENTO TO COMPLETE THE PROJECT; AND AUTHORIZATION TO RELEASE A REQUEST FOR PROPOSALS AND SELECT A CONSULTANT TEAM FOR A STREETScape AND URBAN DESIGN MASTER PLAN FOR THE MARTIN LUTHER KING, JR. BOULEVARD, AND ALLOCATION OF NOT MORE THAN \$1 MILLION TO THE MASTER PLAN PROJECT**

## **BACKGROUND**

- A. The Redevelopment Agency of the City of Sacramento ("Agency") has adopted the Oak Park Redevelopment Plan ("Redevelopment Plan") and an Implementation Plan for Oak Park Project Area ("Project Area");
- B. The Streetlighting and Martin Luther King, Jr. Boulevard Corridor Improvement projects will benefit and improve the Project Area and further the goals of the Oak Park Redevelopment Plan by improving public facilities and eliminating blighting conditions inside the Project Area, including, without limitation, the lack of adequate infrastructure;
- C. In 2002, City Council approved \$900,000 in redevelopment funds to leverage \$125,000 in the streetlight matching program for the installation of 127 streetlights in the historic core area of Oak Park to complete Phase I of the streetlight program.
- D. The Redevelopment Advisory Committee identified the Streetlighting Project and Martin Luther King, Jr. Boulevard Corridor Improvements as priority projects in the Oak Park Fund Investment Strategy.

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

Section 1. After due consideration of the facts presented, the findings, including the environmental findings regarding this action, as stated in this resolution and the staff report, are approved.

Section 2. The Sacramento Housing and Redevelopment Agency ("SHRA") budget is amended to appropriate \$2.3 million of the 2005 tax exempt, tax allocation revenue bonds to the Oak Park Streetlighting project;

Section 3. SHRA and the City Manager on behalf of the City are authorized to enter into an Individual Project Agreement (IPA) for the described Streetlight project.

Section 4. The SHRA budget is amended to appropriate not more than \$1 million of the 2005 tax exempt, tax allocation revenue bonds to the Martin Luther King, Jr. Boulevard Corridor Improvements project.

## RESOLUTION NO. 2006 -

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

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Section 2. The Executive Director, or her designee, is authorized to amend the Agency budget to appropriate \$2.3 million of the 2005 tax exempt, tax allocation revenue bonds to the Oak Park Streetlighting project;

Section 3. The Executive Director, or her designee, is authorized to enter into an Individual Project Agreement (IPA) with the City of Sacramento to complete the Streetlight project;

Section 4. The Executive Director, or her designee, is authorized to release a Request for Qualifications/Proposals for the Martin Luther King, Jr. Boulevard Streetscape and Urban Design Master Plan.

Section 5. The Executive Director, or her designee, is authorized to convene a selection committee to review the qualifications and proposals and select a proposal for development.

Section 6. The Executive Director, or her designee, is authorized to enter into a professional services contract with the selected consultant for an amount not to exceed \$1 million and amend the Agency budget to appropriate not more than \$1 million of the 2005 tax exempt, tax allocation revenue bonds to the Martin Luther King, Jr. Boulevard Corridor Improvements project.

