



**Sacramento
Housing &
Redevelopment
Agency**

REPORT TO THE REDEVELOPMENT AGENCY

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

STAFF REPORT
June 20, 2006

Honorable Chair and Members of the Board

Subject: RESOLUTION OF JUST COMPENSATION FOR THE ACQUISITION OF SEVEN PARCELS LOCATED WITHIN THE 3600 BLOCK OF RIO LINDA BOULEVARD

Location/Council District: Del Paso Heights Redevelopment Area – District 2

Recommendation: Staff recommends that the Redevelopment Agency of the City of Sacramento adopt the attached resolution on page 6 which authorizes the Executive Director or her designee to:

- acquire the following six parcels, APN's: 251-0131-005, 015, 016, 017, 018, and 019 on Rio Linda Boulevard in Del Paso Heights;
- establish just compensation for the property to be acquired at the fair market value determined by an independent appraisal;
- take all actions necessary to voluntarily purchase the property for not substantially more than just compensation;
- take all actions necessary to prepare the site for development,
- de-fund the available balance of the Town Center Strategy in the estimated amount of \$328,535 and allocate those funds to the Del Paso Heights Development Assistance fund; and
- amend the Agency budget to appropriate \$900,000 from Del Paso Heights Tax Increment 1999 and 2003 bond Development Assistance funds to the Rio Linda Boulevard and Roanoke Avenue project to fund costs of property appraisal, acquisition, environmental site assessment and remediation of contamination.

Contact:

Lisa Bates, SHRA Community Development Director, 440-1322
Carly Velez Huston, SHRA Redevelopment Planner, 440-1322

Presenters:

Vickie Smith, Sacramento Housing and Redevelopment Agency

Department: Sacramento Housing and Redevelopment Agency

RIO LINDA BLVD. RESOLUTION OF JUST COMPENSATION

Summary:

This report recommends the Agency negotiate for the voluntary purchase of vacant properties within the 3600 block of Rio Linda Boulevard for the future development of mixed income infill housing in the Del Paso Heights Redevelopment Area.

RAC Action:

At its meeting on June 9, 2005, the Del Paso Heights Redevelopment Advisory Committee adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Anderson, Block, Kawamoto, McKnight, Painter, Perry, Thao

NOES: None

ABSENT: Langston, Roberts, Domingo

Commission Action:

At its meeting on June 7, 2006, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

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

NOES: None.

ABSENT: Burruss.

Background Information:

The Agency currently owns six vacant lots located on Rio Linda Boulevard near Roanoke Avenue in the Del Paso Heights Redevelopment Area. Staff is interested in assembling the six parcels adjacent to the Agency-owned lots for a more attractive development site for mixed income single family infill housing. Attachment I includes a site map of the area. All parcels are zoned R2A. If Agency staff is successful in acquiring all of the parcels in the block, a three-acre site will be available for a future redevelopment project.

Acquisition of these parcels will continue to encourage positive development within the Del Paso Heights neighborhood. Currently another Agency-owned site on Rio Linda Boulevard is being developed as a mixed income development with 11 for sale units to begin construction in the fall of 2006. Del Paso Nuevo, near Norwood Avenue and Silver Eagle Road, will also see another 170 units under construction in the fall. New construction on the Rio Linda and Roanoke site will continue the trend of quality development occurring throughout Del Paso Heights.

RIO LINDA BLVD. RESOLUTION OF JUST COMPENSATION

Site Information

One of the vacant parcels is owned by the SMUD and is currently available for purchase at fair market value. In addition, one owner has contacted the Agency and is open to selling his property. By combining these two properties with the parcels currently owned by the Agency, a site of roughly two acres will be assembled. It is unclear whether the remaining owners have an interest in selling, but staff plans to continue to pursue voluntary purchase of the properties until as large a site as possible has been assembled. Agency construction staff has reviewed the site and estimates that approximately 42 single family homes or townhome units could be constructed if all available properties were included. Once all available parcels have been acquired, the Agency would issue a Request for Proposals for the site and encourage the development of affordable single family homes or townhome units at this site.

The Agency has undertaken a Phase I Environmental Site Assessment to determine the presence of any hazardous materials on the parcels as a result of the past and current uses. The outcome of the Phase I indicated that there are petroleum contaminants on a portion of the site owned by the Agency, and the Agency is currently applying for a grant from the State of California for clean up on the Agency-owned parcels. In addition, there are contaminants consisting of heavy metal debris on one of the privately held parcels. Any offer for properties that require remediation will be contingent upon either clean up, an available funding source for clean up, or a price off-set to cover the Agency's costs for clean-up.

The Agency will undertake every reasonable effort to voluntarily acquire the property. Just compensation must be established by the Agency to make an offer and initiate negotiations. Staff recommends that just compensation be established as not substantially more than fair market value as determined by an independent appraiser. Funds designated for the Rio Linda and Roanoke site will be used for the property purchase, preparation of the site for development, toxic remediation, and consultant and legal fees. Based on estimates from the Agency's real estate department, a preliminary budget of \$900,000 has been established for this project.

Financial Considerations:

This report recommends that the Executive Director amend the Agency budget to defund the available balance of the Town Center Strategy in the estimated amount of \$328,535 and allocate those funds to the Del Paso Heights Development Assistance fund. It is then recommended that the Agency budget be amended to appropriate \$900,000 from the Del Paso Heights Tax Exempt 1999 and 2003 bond Development Assistance funds to the Rio Linda Boulevard and Roanoke Avenue project to fund the costs of property appraisal, acquisition, environmental site assessment and remediation of contamination.

The Town Center Strategy will remain as a priority project for the Redevelopment Area. Future Town Center development projects will be financed with the new bond funds that are anticipated this year.

RIO LINDA BLVD. RESOLUTION OF JUST COMPENSATION

Environmental Considerations:

Acquisition of properties does not commit the Agency to proceed with a development project. CEQA Guidelines Section 15004(b)(2)(A) allows for land acquisition where the Agency will conduct CEQA review once the proposed project has been defined when the acquisition does not limit the choice of alternatives or mitigation measures, and future development of the land is subject to CEQA compliance. Once the scope of development of these properties has been defined through the subsequent RFP process, environmental review of the proposed project will be conducted. Therefore, this action is exempt from environmental review. NEPA does not apply.

Policy Considerations:

The actions recommended in this report are consistent with the Del Paso Heights Redevelopment Plan as amended, and the Del Paso Heights 2003-2007 Implementation Plan. This report is also consistent with the City's Strategic Plan goal to enhance and preserve the neighborhoods.

M/WBE Considerations:

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

Respectfully Submitted by: 
ANNE M. MOORE
Executive Director

Recommendation Approved:

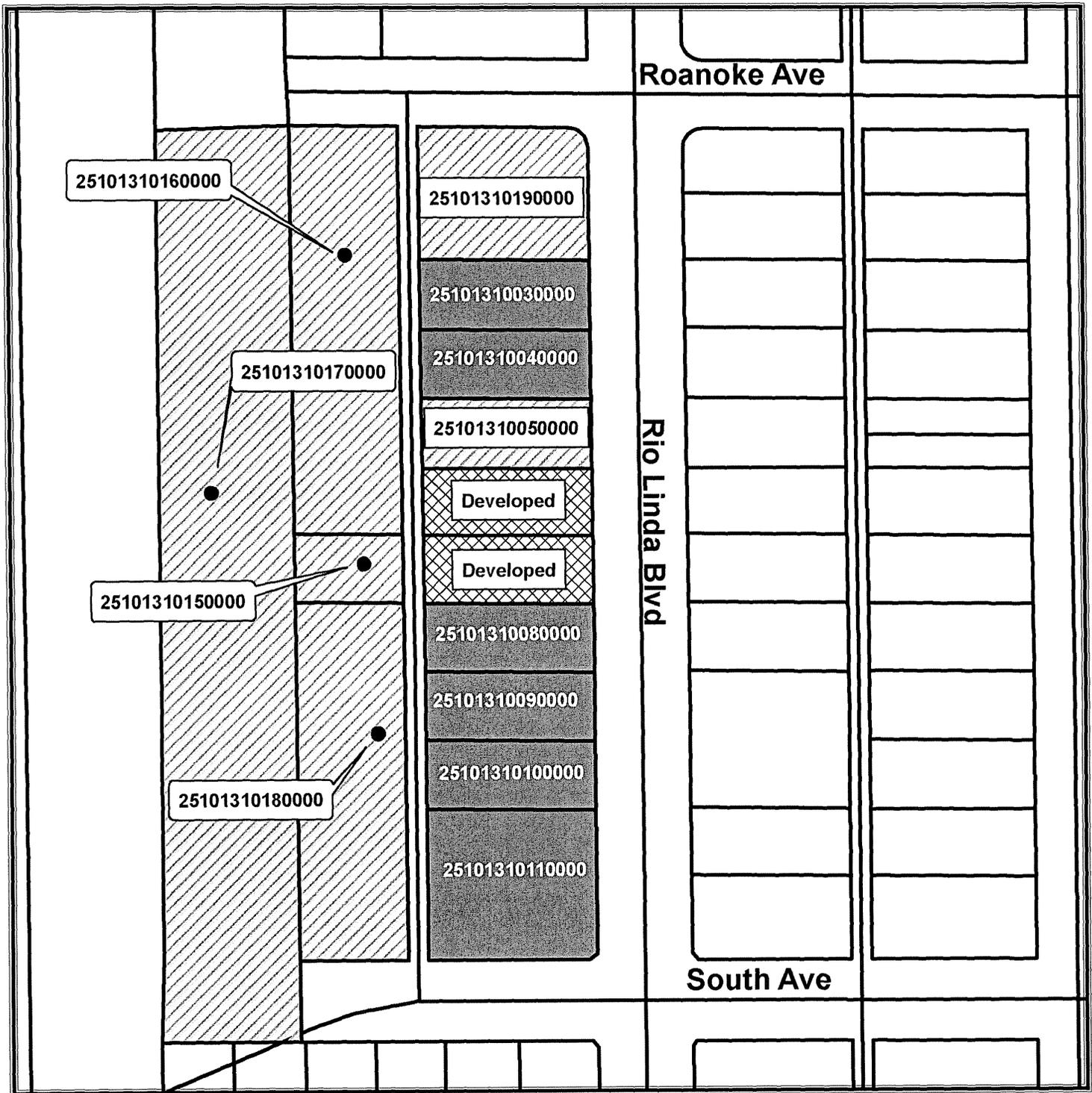

Cassandra A.B. Jennings
BAY KERRIDGE
City Manager

Table of Contents

Page 5	Attachment I – Rio Linda Boulevard / Roanoke Avenue Property Ownership Map
Page 6	Redevelopment Agency Resolution

Rio Linda Blvd & Roanoke Ave Parcels to Purchase

Attachment I



Legend



Agency Owned



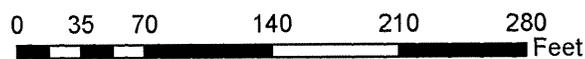
Sites to Purchase



Developed



**Sacramento
Housing &
Redevelopment
Agency**



RESOLUTION NO. 2006 -

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

ESTABLISHING JUST COMPENSATION FOR PARCELS LOCATED AT RIO LINDA BLVD. AND ROANOKE AVE. (APN 251-0131-005, 015, 016, 017, 018, AND 019) IN THE DEL PASO HEIGHTS REDEVELOPMENT PROJECT AREA AND AUTHORIZING THE EXECUTIVE DIRECTOR TO CARRY OUT ALL NECESSARY ACTIONS RELATED TO VOLUNTARY ACQUISITION; RELATED BUDGET AMENDMENT

BACKGROUND

- A. The Agency owns property located along Rio Linda Blvd. in the Del Paso Heights Redevelopment Project Area.
- B. The Agency is interested in acquiring the adjacent vacant parcels of land on Rio Linda Blvd. near Roanoke Ave. in order to eliminate blight by consolidating parcels for a future redevelopment project.

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

Section 1. The Executive Director is authorized to take all actions and enter into all agreements as may be reasonably necessary to purchase, for not substantially more than just compensation, the following property (parcels) and to carry out related actions.

**251 0131 005
251 0131 015
251 0131 016
251 0131 017
251 0131 018
251 0131 019**

Section 2. Just compensation for each parcel is determined to be fair market value determined by independent appraisal prepared by a qualified independent appraiser.

Section 3. The Agency's Budget is hereby amended to de-fund the balance of the Town Center Strategy in the estimated amount of \$328,535 and allocate

those funds to the Del Paso Heights Development Assistance fund. The Agency Budget is also amended to appropriate \$900,000 from Del Paso Heights Tax Exempt 1999 and 2003 bond Development Assistance funds to the Rio Linda Blvd. and Roanoke Ave. project to fund the costs of property appraisal, acquisition, environmental site assessment, and remediation of contamination.