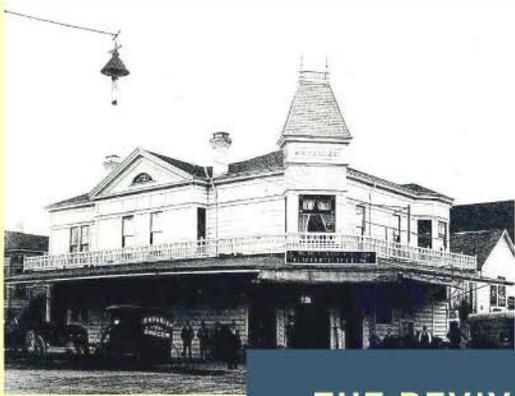


**THE REVIVAL OF A
GREAT DOWNTOWN NEIGHBORHOOD**



THE REVIVAL OF A GREAT DOWNTOWN NEIGHBORHOOD

Originally developed in the 1850's strictly for residents who worked in downtown, the goal for redevelopment is simple: to continue to restore Alkali Flat back to the great residential neighborhood it once was and preserve the diversity in the neighborhood.



ALKALI FLAT





ABOUT ALKALI FLAT

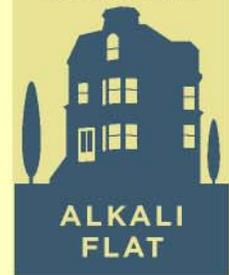
Alkali Flat was originally developed in the 1850's as a residential neighborhood comprised largely of wealthy families living in stately Victorian homes on large parcels of land. Many of the residents worked downtown. With the construction of the Sacramento Electric Railroad near the turn of the century, followed by the Northern Electric Railroad in the mid-1920's, the area's wealthy and working class residents began an exodus from the older community to newer homes in outlying areas.

Over time, the housing aged and fell into disrepair, and the flight of families continued, trading downtown convenience for suburban living. By the 1970's, the older housing stock, particularly the once stately Victorian homes, was in need of significant rehabilitation. Twelfth Street became both a commercial corridor and the southbound segment of State Highway 160 through the inner city, but like the homes of Alkali Flat, the buildings along this strip were deteriorating and in need of extensive redevelopment.

Today, many of Alkali Flat's Victorians are enjoying new life; some as family homes and others as law offices and even child care centers. New investment is evident along the commercial corridor as well. With an eye to the future and a commitment to the preservation of a proud past, redevelopment is positioned to continue the revival of this great downtown neighborhood.



Notable Timeframes	What is There?	Who is There?
Redevelopment Plan Adopted 1972 Expires 2013	79 Acres EXISTING LAND USE 	2,296 Residents ETHNICITIES
Implementation Plan 2005-2009		
Housing Compliance Plan 2000-2009 (For affordable housing program planning)		



POSITIONING FOR THE FUTURE

In the last five years, the Agency has championed several successful projects and programs in the Alkali Flat Redevelopment Project Area:

- **Sweet Bay Building:** The Agency assisted with the renovation of the Sweet Bay Building located at 519 12th Street by providing a loan of \$363,000. Private funds of \$198,500 were invested in this project which has five commercial spaces and nine apartments.
- **Boys and Girls Club:** The Agency, in partnership with local corporations, funded the construction of the Alkali Flat Boys and Girls Club, the first in Sacramento. The 17,780 square foot facility has a gymnasium, activity room, library, computer lab, kitchen and multipurpose room. In total, \$1,300,000 in redevelopment funding was invested for the construction of the building. The Club serves as a vital activity center for the entire neighborhood.
- **Façade Projects:** In 2003, the 1st Nationwide Legal Services building at 501 12th Street utilized a grant of \$48,287 to construct a new storefront, new awnings, improved exterior lighting, and parking lot improvements as an additional benefit to the neighborhood. The law office of Randolph, Cregar & Chalafant, LLP located at 1030 G Street received a loan of \$90,000 to install new windows, replace HVAC systems, remove and replace the exterior tile and stucco and improve the exterior lighting.
- **Historic Infill Housing Program:** The Agency purchased seven vacant lots within the Project Area with the intention of offering these lots as sites for the relocation of threatened historic buildings. In 2003, as part of this program, a single-family Victorian home at 817 13th Street was moved to 511 9th Street, rehabilitated, and converted it into two two-bedroom apartments. The developer invested \$62,000 in combination with a \$93,000 Agency loan for the project. To save another Victorian home needing relocation, the Agency sold a Historic Infill Housing Program lot at 416 13th Street. The developer invested \$154,000 in the project.

Globe Mills

Globe Mills, a designated City of Sacramento landmark, is one block north of the Alkali Flat North National Historic District. The former grain and cereal mill complex was built in the early 1900's and operated sequentially as Phoenix, Globe, and Pillsbury mills until approximately 1970. Sadly, the sporadic use of the site since 1970 has left the complex in deplorable condition.

After four years of pre-development work, the Agency is now in a position to save the Globe Mills from further deterioration and return the site to productive, albeit different use. With a construction start as soon as the end of 2005, the reuse project will preserve the historic mill buildings, converting them to 31 market-rate one- and two-bedroom apartments. Two new buildings will be built on site to house 110 low-income seniors. The architect has submitted a design for the new construction that complements, but is not imitative of the historic architecture of the mill buildings. The project will include tenant-serving retail and common area facilities. The developer manages his projects in the interests of active seniors, offering supportive services and classes to enhance the living experience.



REDEVELOPMENT PLAN GOALS

The Alkali Flat Redevelopment Plan was adopted in 1972 to address blighting conditions found in the Project Area. The Plan's goals are identified as:



Housing for All Families: The provision of safe, decent, adequate and sanitary housing through the development and rehabilitation of a mixture of housing types for all income groups.



Restore Historic Architecture: The restoration of historically or architecturally significant structures.



Jobs for the Neighborhood: The creation of additional employment opportunities for Project Area residents, particularly by area businesses and industry by assisting in the creation of an economically viable commercial and industrial area.



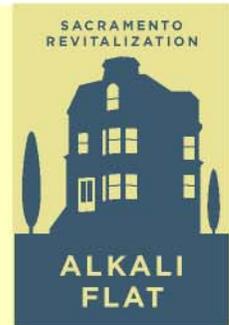
Make Getting Around Easier: The provision of a parking and circulation system which helps preserve the neighborhood character by minimizing commuter traffic in the residential area to the extent possible and preventing future intrusions of non-residential parking in residential areas.



Leverage Private Sector Investment: The maximization of private participation and investment in the redevelopment effort.



Improve Alleys and Sidewalks: The elimination of environmental deficiencies in the Project Area, including substandard alleys and sidewalks.

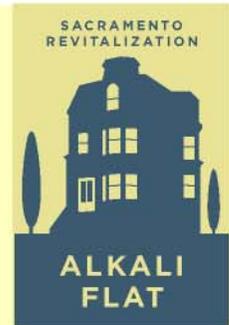


OUR REDEVELOPMENT STRATEGY

The redevelopment strategy for Alkali Flat is based on continuing the rehabilitation and revitalization of the area's vintage residential neighborhoods, supporting commercial uses, and reviving this great neighborhood.

This strategy principally focuses on:

- **Prioritizing the Gateway:** Recognizing that 12th Street is one of the primary gateways into the downtown core, a major effort is envisioned to capitalize on this asset. Strategies envisioned to improve the Gateway include transit-oriented development, provision of additional housing opportunities on 12th Street, and the renaissance of blighted commercial buildings along the corridor.
- **Enhancing the Neighborhood:** Another strong focus is to continue to work towards the development of an economically viable area that possesses new and successful businesses, rehabilitated commercial buildings, and a self-sustaining community structure that can provide a resource base for Alkali Flat residents and business owners. Public and private investments will be encouraged to promote new development in the area while helping enhance existing businesses.
- **Housing Program Strategy:** The redevelopment strategy for the residential portion of Alkali Flat focuses on retaining and upgrading the area's historic housing stock, promoting affordable infill development and encouraging quality mixed-use developments. A mixed-use development is currently being considered for the La Valentina site, which could take advantage of its proximity to the light rail station. The housing strategy principally focuses on:
 - **Preserving History:** As the area's first residential enclave, Alkali Flat is rich in historic structures. In addition to the Globe Mills, the area is home to many distinctive Victorians. The Agency will champion the preservation and/or rehabilitation of these historic structures.
 - **Developing the Neighborhood:** Another strong focus is to create a strong housing stock and a self-sustaining community infrastructure which can provide a resource base for Alkali Flat residents. Preserving existing and creating new affordable units is a priority in this neighborhood.



PROPOSED REDEVELOPMENT PROGRAM – 2005 THROUGH 2009

Over the next five years, the Agency will implement the Alkali Flat redevelopment strategy by undertaking the following projects and programs:

Project/Description	Estimated Redevelopment Investment	Goals Achieved
<p>Globe Mills Development Achieve preservation of this historic structure through conversion of the mill and silos to a mix of residential and commercial uses at the corner of C and 12th streets.</p> <p>Completion of this project will help reutilize abandoned buildings, improve unsafe and unhealthy structures, and eliminate factors hindering economically viable use.</p> <p><i>Anticipated Completion..... 2005 thru 2007</i></p>	<p>\$3,500,000</p>	 LIVE  PRESERVE  INVEST
<p>524 Building Preservation Preservation of this building will not only help retain a historic asset but will improve the 12th Street Gateway entrance into Sacramento. The Agency plans to continue to its work with the current owner to rehabilitate the structure into a successful mixed use project at 524 and 526 12th Street.</p> <p>Completion of this project will help reverse high vacancy rates and reutilize abandoned buildings, improve unsafe and unhealthy structures, and eliminate factors hindering economically viable use.</p> <p><i>Anticipated Completion..... 2005 thru 2007</i></p>	<p>\$500,000</p>	 LIVE  PRESERVE  INVEST



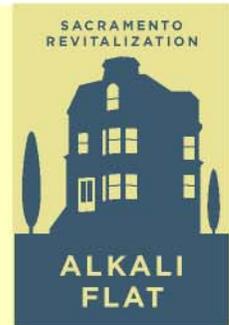
Project/Description	Estimated Redevelopment Investment	Goals Achieved
<p>La Valentina Site Development Improve the Gateway by soliciting a development partner for various infill lots near the La Valentina Light Rail Station. A mixed use, transit-oriented development is desired at this site, located on 12th Street, between D and E streets.</p> <p>Completion of this project will eliminate factors hindering economically viable use and eliminate an underutilized blighted parcel.</p> <p><i>Anticipated Completion..... 2005 thru 2009</i></p>	<p>\$1,000,000</p>	<p> LIVE</p> <p> PRESERVE</p> <p> INVEST</p>
<p>Gateway Master Plan The Agency is partnering with the City of Sacramento to complete the Gateway Master Plan which will identify physical and aesthetic improvements needed along the north 12th Street corridor.</p> <p>Completion of this project will eliminate factors hindering economically viable use and improve traffic circulation and pedestrian safety.</p> <p><i>Anticipated Completion.....2005 thru 2006</i></p>	<p>\$244,000</p>	<p> INVEST</p> <p> ACCESS</p>
<p>Additional Parking Opportunities The Agency is working to improve parking along the 12th Street Corridor and the 12th Street Gateway, and improving access to businesses for residents and visitors.</p> <p>Completion of this project will eliminate factors hindering economically viable use.</p> <p><i>Anticipated Completion..... 2005 thru 2009</i></p>	<p>\$500,000</p>	<p> INVEST</p> <p> GO</p> <p> ACCESS</p>



Project/Description	Estimated Redevelopment Investment	Goals Achieved
<p>Neely Park Improve the neighborhood through the redesign of Neely Park, one of two parks in the Project Area.</p> <p>Completion of this project will improve the neighborhood's essential infrastructure.</p> <p><i>Anticipated Completion..... 2005</i></p>	<p>\$88,000</p>	 INVEST  WORK  ACCESS
<p>Commercial Loan and Exterior Rebate Program Promote the expansion and upgrade of local commercial properties to create a more vibrant commercial district along 12th Street. The program provides funds for exterior and interior rehabilitation of commercial properties.</p> <p>Completion of this project will eliminate factors hindering economically viable use.</p> <p><i>Anticipated Completion..... 2005 thru 2009</i></p>	<p>\$500,000</p>	 INVEST
<p>Developer's Assistance Provide gap financing for projects that will bring continued revitalization to Alkali Flat and provide assistance to new and existing property owners who are interested in making major improvements to neighborhood serving businesses.</p> <p>Completion of this project will eliminate factors hindering economically viable use.</p> <p><i>Anticipated Completion..... 2005 thru 2009</i></p>	<p>\$500,000</p>	 INVEST



Project/Description	Estimated Redevelopment Investment	Goals Achieved
<p>Toxic Remediation Program Seek opportunities to leverage funding for initial assessment or clean-up of neighborhood sites that are potentially toxic.</p> <p>Completion of this project will address impaired investments and eliminate factors hindering economically viable use.</p> <p><i>Anticipated Completion..... 2005 thru 2009</i></p>	<p>\$100,000</p>	
<p>Total Estimated Redevelopment Investment</p>	<p>\$6,932,000</p>	



PROPOSED AFFORDABLE HOUSING PROGRAM – 2005 THROUGH 2009

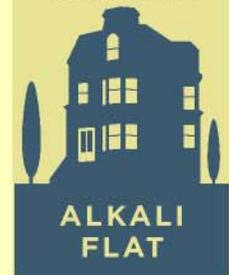
Over the next five years, the Agency will implement the residential component of the Alkali Flat redevelopment strategy by undertaking the following projects and programs:

Project/Description ¹	Estimated Redevelopment Investment	Goals Achieved
<p>Globe Mills Development Preservation of this historic structure will be achieved through conversion of the mill and silos into a mix of residential and commercial uses at the corner of C and 12th Streets. These funds will be used for the affordable housing component of this project. Assuming assistance of \$1,000,000 (averaging \$100,000 per unit), approximately 10 units could be assisted by this project.</p> <p>Completion of this project would eliminate factors hindering economically viable use.</p> <p><i>Anticipated Completion..... 2005 thru 2007</i></p>	<p>\$1,000,000</p>	
<p>524 Building Preservation Preservation of this building will not only help retain a historic asset but will improve the 12th Street gateway entrance into Sacramento. The plan is to continue to work with the current owner to rehabilitate the structure into a successful mixed use project at 524 and 526 12th Street. These funds will be used for the affordable housing component of this project. Assuming assistance of \$500,000 (averaging \$100,000 per unit), approximately five units could be assisted by this project.</p> <p>Completion of this project would eliminate factors hindering economically viable use and reutilize a vacant and deteriorated building.</p> <p><i>Anticipated Completion..... 2006</i></p>	<p>\$500,000</p>	

¹ Assumed per unit assistance referenced in this Implementation Plan are conservative estimates for illustrative purposes only. The actual assistance will be determined as the project is implemented, and could be lower depending upon the type of housing program funds used.



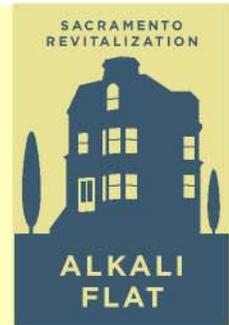
Project/Description ¹	Estimated Redevelopment Investment	Goals Achieved
<p>First Time Homebuyer Program This program provides down payment assistance to first-time homebuyers. Assuming that all assistance is provided at the maximum assistance level of \$5,000 per unit, this program could assist approximately 40 units over the next five years.</p> <p>Completion of this project would eliminate factors hindering economically viable use.</p> <p><i>Anticipated Completion..... 2005 thru 2009</i></p>	<p>\$200,000</p>	
<p>12th Street Mixed Income Housing Development This project will promote the development of mixed-income housing along the 12th Street Corridor. These types of developments will increase the supply of housing in the area and improve 12th Street. Assuming assistance of \$1,000,000 (averaging \$100,000 per unit), approximately 10 units could be assisted by this project.</p> <p>Completion of this project would eliminate factors hindering economically viable use.</p> <p><i>Anticipated Completion..... 2005 thru 2009</i></p>	<p>\$1,000,000</p>	
<p>Single Family Rehabilitation Loan Program This program provides loans to owner occupants to make capital improvements to their properties. Maximum loan amount is \$50,000, resulting in at least 10 units that may be rehabilitated through this program.</p> <p>Completion of this project would eliminate factors hindering economically viable use.</p> <p><i>Anticipated Completion..... 2005 thru 2009</i></p>	<p>\$500,000</p>	



Project/Description ¹	Estimated Redevelopment Investment	Goals Achieved
<p>Historic Infill Program This program promotes the preservation of Alkali Flat’s history by providing financing and vacant lots to site historic homes that are threatened with demolition if not moved. The intent of the program is to assist owners/developers in moving and restoring these homes for residential use. Assuming assistance of \$200,000 (averaging \$100,000 per unit), approximately two affordable units could be created through this program.</p> <p>Completion of this project would eliminate factors hindering economically viable use.</p> <p><i>Anticipated Completion..... 2005 thru 2009</i></p>	<p>\$200,000</p>	
<p>Victorian Rehabilitation In order to preserve Alkali Flat’s history, funds are allocated for the rehabilitation of vintage residential structures for both low- and moderate- income households. Assuming assistance of \$500,000 (averaging \$100,000 per unit), approximately five affordable units could be created through this program.</p> <p>Completion of this project would eliminate factors hindering economically viable use.</p> <p><i>Anticipated Completion..... 2005 thru 2009</i></p>	<p>\$500,000</p>	
<p>Infill Vacant Lot Program This program provides developer assistance to builders constructing single-family homes for ownership on vacant lots. Assuming assistance of \$500,000 (averaging \$100,000 per unit), approximately five affordable units could be created through this program.</p> <p>Completion of this project would result in eliminating factors hindering economically viable use.</p> <p><i>Anticipated Completion:.....2005 thru 2009</i></p>	<p>\$500,000</p>	



Project/Description ¹	Estimated Redevelopment Investment	Goals Achieved
<p>Multi-family Rehabilitation Improving the quality of multi-family housing through rehabilitation is key to helping stabilize the Alkali Flat neighborhood. Assuming assistance of \$500,000 and assistance averaging \$50,000 per unit, approximately 10 affordable units could be assisted through this program.</p> <p>Completion of this project would result in eliminating unsafe and unhealthy buildings.</p> <p><i>Anticipated Completion:.....2005 thru 2009</i></p>	\$500,000	
<p>Housing Development Assistance Gap financing for projects will support continued revitalization in Alkali Flat and provide housing opportunities for lower income residents. Assuming assistance of \$500,000 (averaging \$100,000 per unit), approximately five affordable units could be created through this program.</p> <p>Completion of this project would result in eliminating factors hindering economically viable use.</p> <p><i>Anticipated Completion:.....2005 Thru 2009</i></p>	\$500,000	
<p>Boarded & Vacant Program This program provides assistance to developers to purchase and rehabilitate boarded and vacant residential properties. Maximum developer fee is \$25,000 resulting in at least 20 units that may be rehabilitated through this program.</p> <p>Completion of this project would eliminate factors hindering economically viable use.</p> <p><i>Anticipated Completion..... Thru 2009</i></p>	\$500,000	 
<p>Total Estimated Redevelopment Investment</p>	\$3,900,000	



HOUSING PROGRAM COMPLIANCE OBJECTIVES

This section of the Implementation Plan addresses specific requirements in state law with respect to prior affordable housing activities and the anticipated housing program in the future.

Redevelopment agencies use implementation plans to establish 10-year objectives to achieve compliance with state law in its affordable housing programs. These housing goals generally fall into three categories:

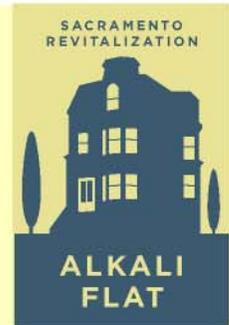
- Housing Production – based on the number of housing units constructed or substantially rehabilitated over a 10-year period, a redevelopment agency is to ensure that a percentage of these units are affordable to low- and moderate- income households.
- Replacement Housing – another legal obligation for redevelopment agencies is to ensure that any housing units destroyed or removed as a result of an Agency redevelopment project are replaced within four years.
- Targeting Household Types – specific requirements on the amount of housing set-aside funds an agency must spend over a 10-year period on housing affordable to very low-income households, low-income households, and housing for residents under the age of 65.

The housing program goals applicable to this Project Area are described below.

Housing Production

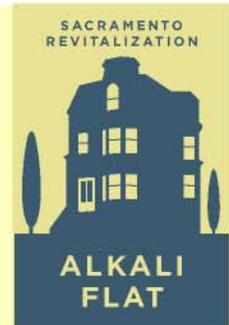
To estimate the number of housing units that need to be affordable to low- and moderate-income households, the Agency estimated the total number units to be constructed or substantially rehabilitated in the Project Area and applied formulas established in State law.

The following chart summarizes the production goals over various time periods as required by Redevelopment Law. The number of affordable units required is based on statutory thresholds, and the Agency is responsible for ensuring that the appropriate number of affordable units is created during a 10-year period.



Actual and Projected Housing Production Needs by Time Period			
Time Period	Actual/Assumed Housing Units Constructed and Substantially Rehabilitated in Project Area /1	Required Affordable Units /2	
		Total	Very Low
10 Year Forecast	128	20	9
<i>2000 to 2004</i>	18	3	2
<i>2005 to 2009</i>	110	17	7
Redevelopment Plan Duration <i>(2000 to 2013)</i>	146	22	9
Notes:			
1/ Production obligation began as in 2000 as a result of an amendment to the redevelopment plan that year.			
2/ Based on 15 percent of actual/assumed units developed by entities other than Agency. (No units developed by Agency.) All figures rounded up.			

As shown in the above table, the Agency anticipates a need for 20 affordable units (including nine very low-income units) to fulfill its production goals for the 10-year period and 22 affordable units (including nine very low-income units) over the duration of the Redevelopment Plan. Fulfillment of these productions goals is shown on the following table.



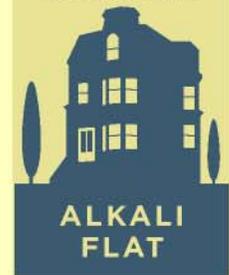
Fulfillment of Affordable Housing Production Requirements by Time Period								
Time Period	Units Required (see previous table)		Units Produced		Additional Units Required		Net Surplus Units Produced	
	Total	VL	Total	VL	Total	VL	Total	VL
10 Year Forecast /1 (2000-2009)	20	9	0	0	20	9	0	0
<i>Inside Project Area</i>			<i>0</i>	<i>0</i>				
<i>Outside Project Area /2</i>			<i>0</i>	<i>0</i>				
Redevelopment Plan Duration (2000 to 2013)	22	9	0	0	22	9	0	0

Notes:
 1/ Units produced outside the Project Area credited on a 2-for-1 basis. Beginning in 2005, the Agency will have the authority to aggregate its production needs among project areas in its jurisdiction and credit units produced in other project areas on a 1-for-1 unit basis.

As shown in the above table, the Project Area has a 16 unit affordable housing production need for the 10-year planning period, including five very low-income units. As described earlier in this Implementation Plan the Agency anticipates development of several affordable housing projects in the Project Area over the 10-year planning period. Preliminarily, these projects could result in the development of more than 37 affordable units over this time frame, thereby achieving these housing production goals for Alkali Flat.

Replacement Housing

During the implementation plan period, the Agency does not anticipate that any Agency-assisted projects will result in the displacement or removal of housing units. Consequently, the Agency does not anticipate that any housing will need to be replaced at this time.



Expenditures by Household Types

Based on preliminary estimates as of August 2004, the Agency anticipates that the low- and moderate- income housing fund will have a balance of \$700,000 available on January 1, 2005. Over the five-year period ending on December 31, 2009, staff conservatively estimates that the Project Area will generate another \$990,000 in 20 percent housing set-aside revenue. However, it is the goal of the Agency to expend up to an additional five percent of the Project Area's gross tax increment revenue annually on housing projects (up to \$248,000 over five years).

Upon adoption of this Implementation Plan, the Agency will have the authority to expend Project Area housing set-aside funds either inside or outside the Project Area and aggregate housing production activities among all of its Project Areas, in order to more effectively meet housing program objectives for the Agency and this Project Area in particular.

At a minimum, the Agency's low- and moderate- income housing set-aside revenue is to be expended in proportion to the community's need for very low- and low-income housing, as well as the proportion of the population under the age of 65.

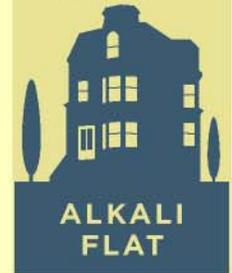
Based on statistics from the Regional Housing Needs Assessment, used by local government to meet state requirement for affordable housing by category, and 2000 Census statistics, the following minimum thresholds for housing program expenditures would be required over the term of the Implementation Plan:



Household Type	Minimum Percentage of Housing Set-Aside Expenditures over Implementation Plan
Very Low Income Households	9%
Low Income Households	34%
Households Under Age 65	89%
<p>Notes: Percentage of very low- and low-income household expenditures based upon City of Sacramento Regional Housing Needs Assessment in which 772 of the 8,277 units (nine percent) in the City's housing needs are applicable for very low-income households and 2,791 units (34 percent) are applicable for low-income households.</p> <p>Percentage of expenditures for housing to households under the age of 65 based on 2000 Census population for the City, wherein 360,575 residents (89 percent) of the total population of 407,018 are under the age of 65. No more than 11 percent of Project Area housing set-aside funds may be expended on housing for households age 65 and older.</p>	

- Housing Set-Aside Expenditures Since January 2002.** These proportionality requirements affect expenditures over a 10-year period, although the law permits the compliance initially for a period beginning in January 2002 and ending in December 2014. The chart below documents the amount of low- and moderate- income housing fund revenue used since January 2002 for these income categories:

Housing Expenditures and Proportionality Since 2002				
Income Category	2002	2003	2004	Period to Date
Very Low Income	\$9,512	\$7,941	\$5,850	\$23,303 (9%)
Low Income	\$0	\$0	\$0	\$0 (0%)
Moderate Income	\$103,571	\$75,935	\$58,050	\$237,546 (91%)
Total Expenditures	\$113,083	\$83,866	\$63,900	\$260,849 (100%)
<p>Notes: 2004 estimates based on preliminary projections as of August 2004 and subject to change.</p>				



- Family Units Assisted by Housing Set-Aside Fund.** State law also requires a recap of the number of the projects assisted by the housing set-aside fund over the past implementation plan period, divided by family projects (open to all age groups) and senior projects (restricted to residents age 65 and older). The chart below summarizes these statistics by project from January 2002 (when proportionality requirements took effect) through December 2004.

•Project/Location	Housing Set-Aside Expenditures	Units Assisted by Housing Set-Aside Fund (January 2002 – December 2004)				
		Ext. Low	Very Low	Low	Mod.	Tot.
Family Projects	\$260,849 (100%)	0	39	33	0	72
511 9 th Street	\$74,430	0	0	0	2	2
502-504 10 th Street	\$186,419	0	1	0	6	7
Senior Projects	\$0 (0%)	0	0	0	0	0
Totals	\$260,849 (100%)	0	1	0	8	9
Notes: 2004 estimates based on preliminary projections as of August 2004 and subject to change.						

- Housing Units Constructed During Prior Implementation Plan Without Housing Set-Aside Funds.** Since January 2000, no other funding source was used by the Agency to construct affordable units featuring long-term covenant restricted units (affordable units with covenants of at least 45 years for ownership housing or 55 years for rental housing).