

SACRAMENTO
REVITALIZATION



ARMY
DEPOT

**STRENGTHENING A TRADITION OF JOBS AND HOUSING
FOR SOUTHEAST SACRAMENTO**



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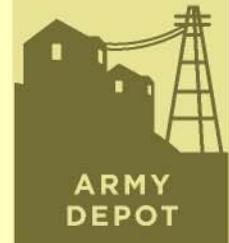


Originally a driving force behind the growth of southeast Sacramento, the Army Depot and adjacent residential neighborhoods share a historic past. Redevelopment of this area began in 1995 with the conversion of this former military base to a modern industrial park. The future of Army Depot involves energizing the industrial areas and neighborhoods again as a home to jobs and quality housing.



ARMY DEPOT





POSITIONING FOR THE FUTURE

During the current Implementation Plan period, the Agency has championed several successful projects and programs in the Army Depot and adjacent residential neighborhoods, despite inadequate funding resources for the Project Area.

- Pre-Apprenticeship Program:** In 2000, three homes were constructed through a pre-apprenticeship construction training program for low-income persons, which were then sold to income-qualified homebuyers. In 2004, the Agency assisted in the acquisition of one property to construct another home through the training program.
- Weed and Seed Program:** In 2000, the Avondale/Glen Elder neighborhoods were designated a Weed and Seed neighborhood by the U.S. Department of Justice. This designation enabled the area to receive federal funds for law enforcement efforts and social services. The Agency has provided over \$400,000 in tax increment funding to improve the housing stock in the Weed and Seed neighborhood, including the rehabilitation of 15 homes on one day in April 2004 through the “Dream Street” event.
- Commercial Revitalization Program:** In a continuing effort to revitalize Sacramento area commercial corridors, the Agency offered its Commercial Revitalization Program to businesses and commercial property owners on Fruitridge Road between Power Inn Road and 65th Street. The program provided matching grant funds for those who upgraded the appearance of their buildings. Through this program, the Agency committed \$151,779 to help four businesses complete façade improvements. T&D Glass, Children’s Island Too, South Area Electronics and Alta’s Place Inc. participated in the program.

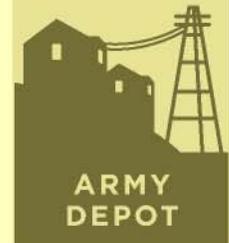
Depot Park Reuse

The Depot has been an important part of the Sacramento community and its economy.

On March 10, 2000, U.S. National Leasing LLC, a Fischer Properties company, purchased Packard Bell’s rights to The Depot. Today, following a dramatic transformation, Depot Park has entered the 21st century as a state-of-the-art solution for value-conscious tenants needing highly flexible storage, industrial and office space.

Depot Park is the only fully secured industrial complex in Northern California – with an enclosed perimeter, gated entry points and round-the-clock uniformed patrol.

Abundant parking, on-site childcare center and café, plus extensive landscaping all combine to make Depot Park an excellent site for businesses that want to attract – and retain – good employees.



REDEVELOPMENT PLAN GOALS

The Army Depot Redevelopment Plan was adopted in 1995, and amended to include additional property in 2004 to address blighting conditions found in the Project Area. The Plan's goals are identified as:



WORK

Jobs and Options for the Area: The conversion of existing military facilities to effective, economic public and private use. The creation and development of local job opportunities and the preservation of the existing employment base.



HELP

Plan for Success: The establishment of a redevelopment planning and implementation framework that will ensure the proper long term development of the Sacramento Army Depot area.



CLEAN

Eliminate the Ugliness: The elimination and prevention of the spread of blight and deterioration, and the conservation and rehabilitation of the Project Area in accordance with the General Plan, applicable specific plans, and local codes and ordinances.



ACCESS

Deliver First Rate Public Facilities: The elimination or amelioration of certain environmental deficiencies, such as insufficient off-street parking, storm water drainage, and other similar public improvements, facilities and utilities deficiencies adversely affecting the Project Area.



GROW

Emphasize Environmental Character: The preplanning, redesign and development of underdeveloped or poorly developed areas that are underutilized or improperly utilized.



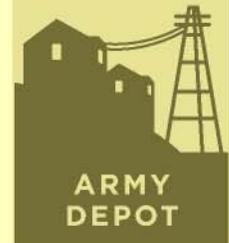
LIVE

Leverage Private Sector Investment: The promotion of new private sector investment and strengthening of the economic base of the Project Area by redevelopment and rehabilitation of structures and installation of needed site improvements.



INVEST

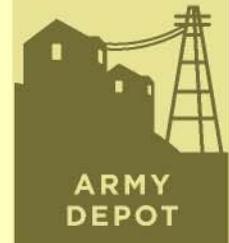
Stimulate Economic Growth: The provision for increased sales taxes, business license fees, and other fees, taxes and revenues to the City of Sacramento.



OUR REDEVELOPMENT STRATEGY

The redevelopment strategy for the Project Area is a three-pronged approach that focuses on: 1) returning businesses and jobs to the area; 2) creating and improving the public facilities in the area; and 3) improving the community's supply of quality affordable housing.

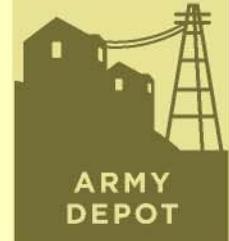
- **Jobs and Options for the Area:** This strategy seeks to capitalize on employment opportunities in the industrial portions of the area and the potential work force residing in close proximity to those jobs. Recognizing the importance of the successful conversion of the former military base to Depot Park, this strategy emphasizes business attraction, including office and retail, assistance in the expansion and development of employment opportunities in the area, and expanded community based services such as day care centers for area residents and employees.
- **Deliver “First-Rate” Public Facilities:** This strategy seeks to make public infrastructure and facility improvements in the area, which are critical towards attracting new development to the area and improving the quality of life for existing residents, businesses and property owners. Projects may include recreational facilities, landscape beautification, improved pedestrian, bicycle and vehicular circulation, and the installation of other needed improvements to help stimulate development.
- **Housing Program Strategy:** The Agency's housing strategy is to provide housing for all income levels, improve the existing housing stock, promote quality infill development, and encourage quality mixed-use developments through the following initiatives:
 - **Quality Infill Development:** Over the next five years, the Agency will set its sights on reducing the number of vacant properties in the residential neighborhood. The neighborhoods in the area suffer from a high number of vacant or underutilized single-family lots. Through an aggressive vacant lot program and partnerships with housing developers, the Agency will seek to make significant strides in reducing the number of vacant properties in the neighborhood.
 - **Improve Existing Housing Stock:** Through innovative Agency programs and neighborhood initiatives, the Agency expects to rehabilitate and improve a number of existing single-family homes and multifamily developments.
 - **Mixed-Use Development:** The Agency will explore the opportunity for new residential development within the current industrial area, including the development of mixed-use projects along the commercial corridors.



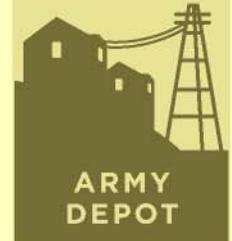
REDEVELOPMENT PROGRAM – 2005 THROUGH 2009

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

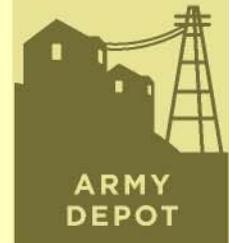
Project/Description	Estimated Redevelopment Investment	Goals Achieved
<p>Depot Park Improvement Program The improvement program to Depot Park, the major economic engine in the Project Area, will provide funds on-site to improve infrastructure and create economic development opportunities for job creation and retention in the Project Area.</p> <p>With Agency support, the continued growth of Depot Park can spur further development in the area by eliminating blighting conditions.</p> <p><i>Timeline: 2005-2009</i></p>	<p>\$1,000,000</p>	 INVEST  WORK  GROW
<p>Public Infrastructure Projects In order to implement the “first-rate” public facilities strategy, funds will be used for transportation and streetscape improvements in the Project Area. Potential projects include: Power Inn Road streetscape, Fruitridge Road streetscape, Elder Creek Road improvements, Depot Park public infrastructure projects, traffic calming devices in the Project Area, and enhancements to pedestrian and bicycle routes.</p> <p>Completion of this project will improve the appearance and accessibility into the neighborhood and commercial/industrial areas.</p> <p><i>Timeline: 2005 thru 2009</i></p>	<p>\$4,000,000</p>	 ACCESS  CLEAN  HELP



Project/Description	Estimated Redevelopment Investment	Goals Achieved
<p>Community Facilities Program This program will provide funds to improve and develop community centers and community spaces in the Project Area. Potential projects include: expansion of the George Sim Community Center, development of additional community centers in the Elder Creek and Colonial Village area, preservation of community garden space, and development of child care centers.</p> <p>Completion of these projects would provide more amenities to the community. These services will make the area a more attractive place to live which can help build up the area's vacant properties.</p> <p><i>Timeline: 2005 thru 2009</i></p>	<p>\$1,000,000</p>	<p> HELP</p> <p> ACCESS</p> <p> GROW</p>
<p>Development Assistance Program The program will provide gap financing to developers and commercial property owners and tenants to build new structures and improve existing commercial buildings. Development assistance funds are also an important tool to help attract new commercial, industrial and office investment and uses into the area.</p> <p>Completion of these projects would provide more amenities to the community by providing new services, programs, and businesses such as a grocery store. These services will make the area a more attractive place to live which can help build up the area's vacant properties.</p> <p><i>Timeline: 2005 thru 2009</i></p>	<p>\$3,000,000</p>	<p> CLEAN</p> <p> INVEST</p> <p> HELP</p>
<p>Job Creation and Retention Program The program will provide funds to assist the expansion of existing business and to promote new business development in order to create jobs in the area.</p> <p>Completion of this project would provide jobs to area residents and promote the location of new businesses into the area.</p> <p><i>Timeline: 2005 thru 2009</i></p>	<p>\$500,000</p>	<p> CLEAN</p> <p> INVEST</p> <p> HELP</p>



Project/Description	Estimated Redevelopment Investment	Goals Achieved
<p>Exterior Rebate/ Commercial Loan Program The program provides funds for exterior rehabilitation of commercial properties in the Project Area.</p> <p>Completion of this project would result in eliminating factors hindering economically viable use.</p> <p><i>Timeline: 2005 thru 2009</i></p>	<p>\$500,000</p>	 <p>CLEAN</p>  <p>INVEST</p>  <p>HELP</p>
<p>Total Estimated Redevelopment Investment</p>	<p>\$10,000,000</p>	

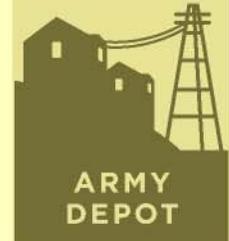


PROPOSED AFFORDABLE HOUSING PROGRAM – 2005 THROUGH 2009

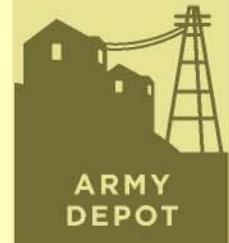
Over the next five years, the Agency will implement the residential component of the Army Depot redevelopment strategy by undertaking the following projects and programs:

Project/Description ¹	Estimated Redevelopment Investment	Goals Achieved
<p>Vacant Lot Development Program This program, which provides for quality infill development, assists developers and builders through financial incentives for construction of single family homes for ownership on vacant lots. Assuming assistance of \$375,000 (averaging \$25,000 per unit), approximately 15 units could be assisted by this project.</p> <p>Completion of this project will facilitate development of vacant lots and eliminate factors hindering economically viable use.</p> <p><i>Timeline: 2005 thru 2007</i></p>	<p>\$375,000</p>	
<p>First Time Homebuyer Program In order to provide housing for persons of all income levels, this program provides down payment assistance to homebuyers. Assuming the all assistance is provided at the maximum assistance level of \$5,000 per unit, this program could assist approximately 25 units over the next five years.</p> <p>Completion of this project will eliminate factors hindering economically viable use.</p> <p><i>Timeline: 2005 thru 2009</i></p>	<p>\$125,000</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>Rehabilitation Loan Program The program seeks to improve the area's existing housing stock through loans to owner occupants to make improvements to their properties. Assuming a maximum loan amount of \$50,000, resulting in at least seven units that may be rehabilitated through this program.</p> <p>Completion of this project will address unsafe and unhealthy buildings and eliminate factors hindering economically viable use.</p> <p><i>Timeline: 2005 thru 2009</i></p>	<p>\$375,000</p>	
<p>Boarded & Vacant Program The program improves the existing housing stock in the area by providing assistance to developers to purchase and rehabilitate boarded and vacant properties. Assuming a maximum developer fee of \$25,000 each, resulting in at least 15 units that may be assisted through this program.</p> <p>Completion of this project will address unsafe and unhealthy buildings and eliminate factors hindering economically viable use.</p> <p><i>Timeline: 2005 thru 2009</i></p>	<p>\$375,000</p>	
<p>Housing Development Assistance The program provides gap financing for projects that will bring continued revitalization to the area and provide housing opportunities for all, including seniors and low-income residents.</p> <p>Completion of this project will eliminate factors hindering economically viable use.</p> <p><i>Timeline 2005 thru 2009</i></p>	<p>\$1,250,000</p>	
<p>Total Estimated Redevelopment Investment</p>	<p>\$2,500,000</p>	



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:

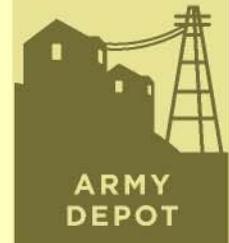
- Housing Production – based on the number of housing units constructed or substantially rehabilitated over a 10-year period, a redevelopment agency is to ensure that a percentage of these units are affordable to low- and moderate- income households.
- Replacement Housing – another legal obligation for redevelopment agencies to replace any housing units destroyed or removed as a result of an Agency redevelopment project 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

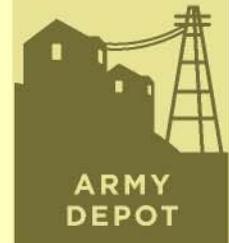
To estimate the number of housing units that need to be affordable to low- and moderate-income households earning, the Agency estimated the total number units to be constructed or substantial rehabilitated in the Project Area and applied formulas established in State law.

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	Required Affordable Units /1	
		Total	Very Low
Prior to 2005	1	1	1
10 Year Forecast	60	10	4
<i>2005 to 2009</i>	30	5	2
<i>2010 to 2014</i>	30	5	2
Redevelopment Plan Duration <i>(1995 to 2049)</i>	120	20	8
Notes:			
1/ 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 up to 14 affordable units, to fulfill its production goals for the ten year period, and 18 affordable units (including eight very low-income units) over the duration of the Redevelopment Plan. Fulfillment of these productions goals, including prior years, is shown in the next table.

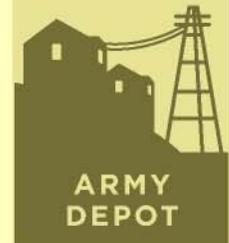


Fulfillment of Affordable Housing Production Requirements by Time Period								
Time Period	Units Required (see previous table)		Units Produced		Additional Units Required		Net Surplus Units Produced	
	Total	VL	Total	VL	Total	VL	Total	VL
Prior to 2005 /1 <i>In Project Area</i> <i>Outside Project Area /2</i>	1	1	1	1	0	0	0	0
10 Year Forecast /3	10	4	0	0	10	4	0	0
Redevelopment Plan Duration (1995 to 2049)	18	8	1	1	17	7	0	0
Notes:								
1/ Includes one unit at Florin Meadows project.								
2/ Units produced outside 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.								
3/ Units produced for 10-year period include any surplus units produced prior to 2005.								

As shown in the above table, the Project Area has a 10 unit affordable housing production need for the next 10 years, including four very low-income units. As described earlier in this implementation plan the Agency anticipates development of affordable housing projects in the Project Area over the next 10 years that may result in sufficient units to meet the housing production goal, thereby achieving these housing production goals for the Army Depot area.

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

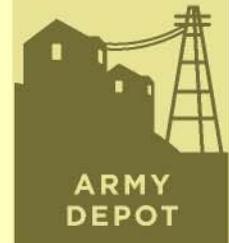
Based on preliminary estimates, over the five-year period ending on December 31, 2009, staff conservatively estimates that the Project Area will generate approximately \$800,000 in 20 percent housing set aside revenue. However, it is the goal of the Agency to expend an additional five percent of the Project Area's gross tax increment revenue annually on housing projects (up to \$200,000 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.

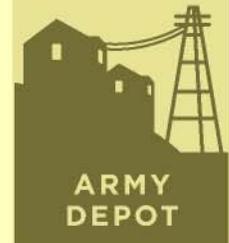
Household Type	Minimum Percentage of Housing Set Aside Expenditures over Implementation Plan
Very Low Income Households	9%
Low Income Households	34%
Households Under Age 65	89%
<p>Notes:</p> <p>Percentage of very low- and low-income household expenditures based upon City of Sacramento Regional Housing 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	\$0	\$20,000	\$0	\$20,000 (17%)
Low Income	\$0	\$77,680	\$0	\$77,680 (83%)
Moderate Income	\$0	\$0	\$0	\$0 (0%)
Total Expenditures	\$0	\$97,680	\$0	\$97,680 (100%)
Notes: 2004 estimates based on preliminary projections as of August 2004 and subject to change.				

- 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 following chart 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	\$97,680 (100%)	0	6	10	0	16
Pre-Apprenticeship	\$47,680	0	0	1	0	1
Rebuilding Together	\$50,000	0	6	9	0	15
Senior Projects	\$0 (0%)	0	0	0	0	0
Totals	\$97,680 (100%)	0	6	10	0	16
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).