SACRAMENTO
REVITALIZATION

AUBURN
BOULEVARD

LOCATION, CONVENIENCE AND VISIBILITY

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The freeway-visible Auburn Boulevard area is experiencing a renaissance like few other redevelopment areas in the State, with a return to a safe environment that attracts everyone from seniors, to tourists, to shoppers from the greater Sacramento area.

AUBURN BOULEVARD

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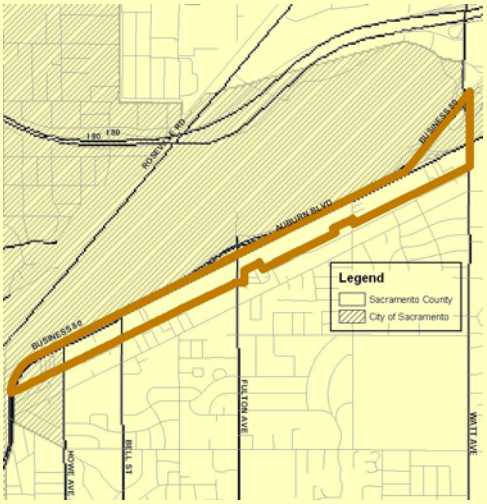
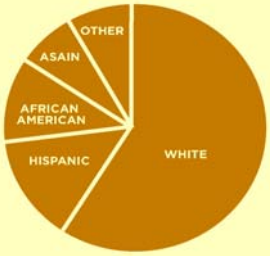
ABOUT AUBURN BOULEVARD



The Auburn Boulevard Redevelopment Project Area is comprised of 118 acres within both the City and County of Sacramento along a two-mile commercial corridor fronting the Business 80 freeway. There has been a dramatic change in this area in the past 12 years. Crime, especially prostitution, has essentially been eliminated from the area. The infrastructure has been overhauled and new investment has occurred. The future looks bright for Auburn Boulevard.

The Project Area was adopted in October 1992, in response to physical, economic, and social deterioration. In response to these poor conditions, the Agency successfully partnered with other agencies to address the health and safety issues involved, including funding two full-time sheriff's deputies.

Freeway accessibility and visibility are important for Auburn Boulevard properties. Boulevard lots tend to be narrow and deep. Although the depth allows for ancillary uses to the rear of the property frontage, the narrowness impedes high impact frontage construction that would profit from more visibility. Parcel assemblage could provide this width. Further challenges for redevelopment include inadequate public improvements including an unsightly freeway barrier, missing or deteriorating sidewalks, unsightly landscaping, and poorly maintained trailer parks. Notwithstanding these challenges, general and light commercial businesses such as auto centers, furniture stores, auto service centers, and hotels have been traditionally attracted to the Boulevard.

Notable Timeframes		**What is There?**	**Who is There?**
Redevelopment Plan	Adopted 1992 Expires 2025	118 Acres EXISTING LAND USE 	1,123 Residents ETHNICITIES 
Implementation Plan	**2005-2009**		
Housing Compliance Plan (for affordable housing program planning)	**2005-2014**		

POSITIONING FOR THE FUTURE

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

- **Auburn Boulevard Waterline:** Lack of sufficient water flow prohibited all new development. In 2001, two miles of 12-inch water line were installed. The Agency funded this $1.2 million project with CDBG funds.

- **Hampton Inn:** A new 67-room Hampton Inn and Suites was constructed in 2002 at the site of the old Rolling Green motel. The Agency provided $350,000 for furniture, fixtures, and equipment. The total investment was $5.4 million.

- **Capitol Billiards:** This business constructed a 3,500 square foot warehouse facility in 2003. This long-time Auburn business owner's operation constructs pool and billiards tables. The business used a Grow Sacramento Fund loan of $230,000.

- **Assembly of Parcels for New Development:** In 2003, the Agency acquired and cleared two parcels, totaling two acres, in preparation for future development. The planned-development has not occurred, and the Agency intends to request proposals for the site.

- **Lerwick Road Rental Property Improvement:** The Agency formed a partnership with County Code Enforcement and the Sheriff's Department to reduce crime and upgrade properties in this crime-ridden neighborhood. The most effective program element was establishing unified professional property management services and re-activating an owner's association. Agency funds included $150,000 for street lighting and $106,000 for the rehabilitation of three fourplexes. Crime has been reduced by 37 percent.

Ladi Senior Apartments

One of the most successful projects on Auburn Boulevard. was the construction of the 146-unit Ladi Senior Apartments, which opened in 2003. This project involved major reconstruction of the infamous Dodge City Inn—one of the old motels that had fallen into disrepair and was eventually shut down. During the 1990's when the Boulevard deteriorated and crime escalated, it was difficult for investors to get financing for projects on Auburn Boulevard. SHRA creatively structured financing for the conversion of this motel, using a variety of funding sources including HELP, a HOME loan, $7,685,439 in tax credits and private financing. The total project costs were $10,826,222 for permanent financing. Government funds were leveraged at an excellent 13:1 ratio and because the project involved rehabilitation of an existing structure, the construction costs were 40 percent less per unit than new construction.

REDEVELOPMENT PLAN GOALS

The Auburn Boulevard Redevelopment Plan was adopted in 1992 to address blighting conditions found in the Project Area. The Plan's goals are identified as:

CLEAN

Eliminate the Blight: The elimination and prevention of the spread of blight and deterioration, conservation, rehabilitation of the Project Area in accordance with the applicable general plans, specific plans, and local codes and ordinances. Included are the re-planning, redesign, and development of areas which are stagnant or improperly utilized.

INVEST

Attract New Investment: The promotion of new and continuing private sector investment within the Project Area to prevent the loss of and facilitate the capture of commercial sales activities. The reduction of the City and County's annual cost of the provision of local services to and within the Project Area is part of this goal.

GROW

Insist on Quality Design: The achievement of an environment reflecting a high level of concern for architectural, landscape, and urban design and land use principles appropriate for attainment of the objectives of the Redevelopment Plan.

HELP

Enhance Community Facilities: The consolidation of facilities used by the providers of social services within the Project Area to achieve compatibility with commercial development and to serve the population more effectively.

SHOP

Stimulate Economic Growth: The retention and expansion of as many existing businesses as feasible by means of redevelopment and rehabilitation activities and by encouraging and assisting the cooperation of owners, businesses and public agencies in the revitalization of the Project Area. Increasing sales tax revenue, business license revenue and other fee, tax, and miscellaneous revenues to the County and City of Sacramento while reducing the City's and County's annual cost of providing services to and within the Project Area support this goal.

WORK

Jobs for the Neighborhood: The creation and development of local job opportunities and the preservation of the area's existing employment base.

ACCESS

Eliminate Environmental Deficiencies: The elimination or amelioration of certain environmental deficiencies, such as substandard vehicular circulation systems; inadequate water, sewer and storm drainage systems; and insufficient off-street parking.

LIVE

Housing for All Families: The expansion of the community's supply of housing (inside or outside the Project Area), including opportunities for low- and moderate-income households.

OUR REDEVELOPMENT STRATEGY

In order to accomplish the goals identified in the redevelopment plan, the Implementation Plan outlines a specific strategy for Auburn Boulevard. The redevelopment strategy for Auburn Boulevard focuses on leveraging the key attributes of the area: location, convenience, and visibility. Auburn Boulevard lies along the Business Route 80 corridor, and is a gateway to the Fulton Avenue "auto row" and other retail uses. Auburn Boulevard's future involves attracting redevelopment projects that would benefit from this unique location. These redevelopment projects will be funded from sources other than tax increment because any tax increment revenue generated, other than the housing set-aside funds, must be applied to existing debt.

- **Encourage Commercial Development:** Over the next five years, the Agency will concentrate its redevelopment program on site-specific redevelopment projects to introduce new commercial uses in the area, and improve public right-of-ways to enhance the aesthetic appeal of Auburn Boulevard to businesses and shoppers.

- **Green the Street:** The Agency will undertake a major streetscape design and construction program over the next five years. This upgrading of the Project Area is crucial to the long-term viability of the corridor. The Agency also intends to eliminate infrastructure deficiencies along with completing the streetscape improvements, to further strengthen the long-term competitiveness of the Project Area.

- **Planning:** The Agency will pursue additional strategic planning activities such as amending the Redevelopment Plan to extend eminent domain authority and providing more flexible zoning through a special planning area.

- **Create a Dynamic Business Environment:** Many of the businesses on Auburn Boulevard have been serving Sacramento for years and the Agency intends to continuing assisting owners who are interested in upgrading the exterior appearance of their facilities. The Agency will continue to work with them to create a positive image of the corridor.

- **Reinforce the Area's Role as an Auto Sales Center and Hotel Corridor:** The greatest strength of Auburn Boulevard is its history as an excellent market location for auto sales and hotel business. The Agency will help them undertake the modernization and expansion they need to compete in today's market by assembling parcels and identifying financing.

- **Housing Program Strategy:** Auburn Boulevard housing funds are anticipated to be fully committed to the repayment of mortgage revenue bonds used to finance prior housing projects, and no additional residential uses are anticipated to be developed in the Project Area. However, the Agency may use other funds, to modernize, convert, or reconfigure existing motels and mobile home parks and assist new housing development and improvements in the adjacent residential neighborhoods.

PROPOSED REDEVELOPMENT PROGRAM – 2005 THROUGH 2009

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

Project/Description	**Estimated Redevelopment Investment**[1]	**Goals Achieved**
2200 Auburn Boulevard Facilitate the relocation of Skip's Music, a long-time business in the project area, along with construction of new 40,000 sq. ft. retail center at a new location at the corner of Howe Avenue and Auburn Boulevard. Completion of this project would eliminate factors hindering economically viable use of Project Area properties. *Anticipated Completion..... By 2006*	No Agency tax increment funds are anticipated to be used for this project.	SHOP
Vacant Site Development Market key sites and available development incentives. Coordinate development of sites for retail and industrial development with local brokers, City and County economic development officials, developers, and business owners. Completion of this project would result in development of vacant lots and eliminate factors hindering economically viable use of Project Area properties. *Anticipated Completion..... By 2009*	No Agency tax increment funds are anticipated to be used for this project.	SHOP WORK HELP

[1] Funds other than tax increment revenue will be used to implement these projects.

Project/Description	Estimated Redevelopment Investment[1]	Goals Achieved
Hotel Development Assist developers in securing financing for development of a new hotel adjacent to the Hampton Inn. Completion of this project would result in development of vacant lots and eliminate factors hindering economically viable use of Project Area properties. *Anticipated Completion..... By 2006*	No Agency tax increment funds are anticipated to be used for this project. Estimated $600,000 HUD 108 loan for furniture, fixtures and equipment	CLEAN HELP INVEST
Re-zoning and Land Use Plan Evaluate current land use entitlements and establish a Special Planning Area to remove development obstacles and encourage new investment for such uses as hotels and auto commercial. Completion of this plan would eliminate factors hindering economically viable use of project area properties and reduce costs of new development. *Anticipated Completion..... By 2006*	No Agency tax increment funds are anticipated to be used for this project. $100,000 CDBG funds	CLEAN HELP
Exterior Rebate/Commercial Loan Program The Program implements the strategy to assist businesses to locate and expand on the boulevard by providing funds for exterior rehabilitation of commercial properties. Completion of this project would result in eliminating factors hindering economically viable use. *Anticipated Completion..... By 2009*	No Agency tax increment funds are anticipated to be used for this project. $200,000 CDBG funds	CLEAN HELP

Project/Description	Estimated Redevelopment Investment[1]	Goals Achieved
Obsolete Motel Reuse/Reconfiguration Program To improve existing housing stock and attract high quality design on key sites, funds will be identified to reuse obsolete motels on the corridor. Potential projects include assemblage of parcels, financial assistance to developers, and reuse of sites, possibly for new commercial development or mixed-use projects. Completion of this project would result in eliminating factors hindering economically viable use. *Anticipated Completion..... By 2009*	No Agency tax increment funds are anticipated to be used for this project. Housing funds (HOME, Housing Trust Fund, other to be determined)	CLEAN HELP INVEST
Auburn Boulevard Streetscape Design and install new landscaping, lighting, sidewalks and street upgrades. Completion of this project would improve the image and attractiveness of the area which currently discourages economically viable use of project area properties. *Anticipated Completion..... By 2009*	No Agency tax increment funds are anticipated to be used for this project. $350,000 CDBG funds for first phase for design and implementation	CLEAN ACCESS

PROPOSED AFFORDABLE HOUSING PROGRAM – 2005 THROUGH 2009

Over the next five years, the Agency will implement the residential component of the Auburn Boulevard redevelopment strategy by undertaking the following projects and programs. It is anticipated that all tax increment revenue generated and set-aside for affordable housing will be used to repay existing debt. However, if revenues exceed the debt amount, the Agency will implement additional housing projects:

Project/Description	**Estimated Redevelopment Investment**	**Goals Achieved**
Repayment of Mortgage Revenue Bond Debt The Agency's housing set-aside revenues are dedicated towards repayment of mortgage revenue bonds used to finance completed housing projects.	$200,000	LIVE
Redevelop Motel Sites for Residential Use Some obsolete motel sites are suitable for new residential development. The strategy will focus on attracting developer attention to these possibilities and identifying financial assistance for them. Completion of this project would result in conversion of blighted areas into uses that have a positive impact on the surrounding neighborhoods. *Anticipated Completion:……Thru 2009*	Any tax increment generated above anticipated projections. HOME, Housing Trust Fund	LIVE
Single Family and Multi-family Rehab Non-tax increment funded Agency housing programs will be used to improve the housing stock and reduce crime in the residential neighborhoods adjacent to the project area. Completion of this project would result in improvement of nearby properties that spread blighting influences and crime into the project area along with the conversion of blighted areas into uses that have a positive impact in the project area. *Anticipated Completion:……Thru 2009*	No Agency tax increment funds are anticipated to be used for this project. Existing HOME and CDBG funded programs	LIVE

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 their 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 is for redevelopment agencies to ensure that the Project Area will generate another $145,000 in 20 percent housing set aside revenue. Future housing set aside deposits would be subject to targeting specific household types as described in the chart below.

- 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 of units to be constructed or substantial rehabilitated in the Project Area and applied formulas established in State law.

The chart below 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	289	45	18
10 Year Forecast *2005 to 2009* *2010 to 2014*	**0** **0** **0**	**0** **0** **0**	**0** **0** **0**
Redevelopment Plan Duration *(1992 to 2025)*	289	45	18
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 does not anticipate a need to produce additional affordable units to fulfill its production goals for the 10-year period. Over the duration of the Redevelopment Plan, the Agency anticipates a need for 45 affordable units (including 18 very low income units). Fulfillment of these productions goals is shown in 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**
Prior to 2005 /1 *In Project Area* *Outside Project Area /2*	45	18	146 *146* *0*	146 *146* *0*	**0**	**0**	**101**	**128**
10 Year Forecast /3	**0**	**0**	**101**	**128**	**0**	**0**	**101**	**128**
Redevelopment Plan Duration *(1992 to 2025)*	45	18	146	146	**0**	**0**	**101**	**128**

Notes:
1/ Includes units in Ladi Senior Apartments (146 units)
2/ 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 62-unit affordable housing production surplus, and a surplus of 81 very low income units due to prior years' production activities. Due to the fact that no additional units are anticipated to be developed or substantially rehabilitated in the Project Area, the Agency does not anticipate the need to produce additional housing units to meet housing production requirements for this Project Area. In the future, the Agency may use surplus units produced by Auburn Boulevard housing activities to meet the needs of other project areas in the Agency's jurisdiction.

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.

Expenditure 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 $26,000 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 $145,000 in 20 percent housing set-aside revenue.

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 the 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 2000 Census statistics and statistics from the Regional Housing Needs Assessment used by the local government to meet state requirements for affordable housing by category, 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	41%
Low Income Households	28%
Households Under Age 65	89%

Notes:
As a joint (City/County) Project Area, it is the Agency's policy to use the more restrictive County requirements.

Percentage of very low- and low-income household expenditures based upon County of Sacramento Regional Housing Needs Assessment in which 5,589 of the 13,638 units (41 percent) in the County's housing needs are applicable for very low income households and 3,765 units (28 percent) are applicable for low-income households.

Percentage of expenditures for housing to households under the age of 65 based on 2000 Census population for the County, wherein 1,087,624 residents (89 percent) of the total population of 1,223,499 are under the age of 65. No more than A maximum of 11 percent of Project Area housing set-aside funds may be expended on housing for households age 65 and older.

- **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. Since January 2002, the Agency has not expended Project Area housing set-aside funds on projects assisting low- and moderate- income units.

- **Family Units Assisted by Housing Set-Aside Funds.** State law also requires a recap of the number of the projects assisted by housing set-aside funds 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). As stated previously, the Agency has not expended Project Area housing set-aside funds on projects assisting low- and moderate- income unites since January 2002.

- **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).