

**REBIRTH OF AN HISTORIC DELTA COMMUNITY**

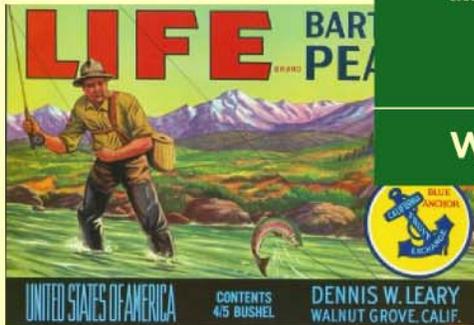


## REBIRTH OF AN HISTORIC DELTA COMMUNITY

With historical roots dating to 1850, Walnut Grove became home for Chinese and Japanese immigrants who came to America in the late 1800's and early 1900's, to work in nearby orchards. Attractively located on the banks of the Sacramento river, Walnut Grove is a growing tourist destination for those looking to learn its history, eat and shop in its unique stores, or leisurely boat on the river.



## WALNUT GROVE

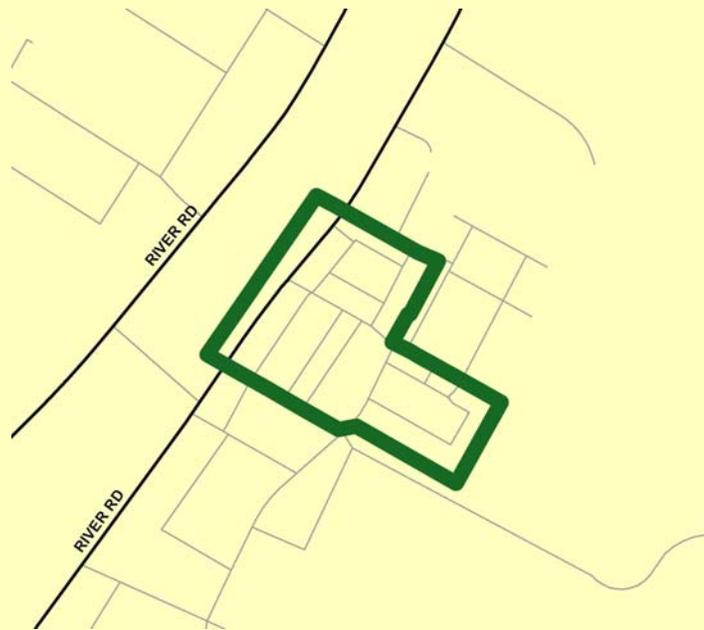


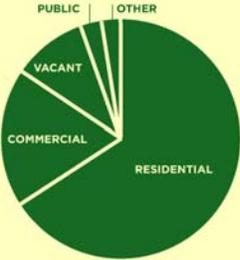
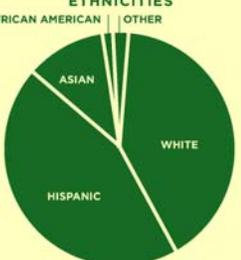
## ABOUT WALNUT GROVE

Established in 1850, Walnut Grove is one of the earliest settlements on the Sacramento River, possessing a unique charm and rich history. The town became a major shipping port for the wealth of agricultural products produced in the fertile delta soils, shipping asparagus, pears and other produce to markets across the country. Due to the demands for rich agricultural land, its size stayed compact, but Walnut Grove has the distinction of being the only river town along the Sacramento River to occupy both the east and west riverbanks.

The economic success of the Delta Region owed most to the contributions made by Chinese and Japanese settlers who supplied much of the labor for the construction of the levees and railroads and worked in the fields and orchards while creating vibrant communities of their own in Walnut Grove. The Historic Chinese and Japanese Districts date back to the early 1900's and remind visitors of the former days when Walnut Grove was a bustling commercial center.

Today Walnut Grove is a popular destination for recreational boaters and others looking to escape from the hustle and bustle of the city and connect with the past in this historic town.



Notable Timeframes	What is There?	Who is There?
Redevelopment Plan      Adopted 1982 Expires 2022	<p>15 Acres</p> <p>EXISTING LAND USE</p> 	<p>128 Residents</p> <p>ETHNICITIES</p> 
<b>Implementation Plan      2005 -2009</b>		
<b>Housing Compliance Plan      2005-2014</b> (For affordable housing program planning)		



## POSITIONING FOR THE FUTURE

In the last five years, the Agency has championed several successful projects and programs in Walnut Grove.

The Agency's commercial revitalization program has been a major factor in the remarkable change to the Chinese and Japanese historic districts. After years of disinvestment and neglect due in large part to building owners' inability to secure title to the land under their buildings, building owners, developers and investors have responded favorably to the change in status of the land ownership. As a result owners could invest in their properties with full confidence of their status as owners. In many instances the owners also were able to secure private loans in addition to Agency assistance thus leveraging the Agency's investment in the area.

Once vacant and badly deteriorating buildings have been restored through the program and have created a tide of interest in the community spurring even more building rehabilitation. The Agency coordinates rehabilitations of historic buildings with the State Office of Historic Preservation in order to ensure that these projects are faithful in preserving the unique and historic nature of Walnut Grove

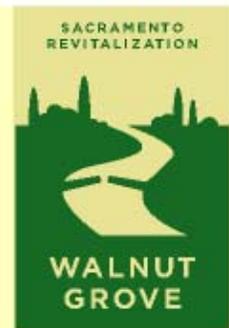
One notable project under this program took advantage of a blank wall adjacent to an Agency-constructed public stairway to serve as a canvas for local artist Marty Stanley to recreate part of the history of this community. The mural depicts the Boon Dox Hotel, which was the largest building in Walnut Grove drawing guests from around the region.

### Extending Ownership Opportunities in Walnut Grove

*The character of Walnut Grove was defined in its early years by successive waves of immigrants. The state Alien Land Act of 1913 prohibited non-citizens from owning land, forcing immigrants to construct homes and businesses on leased land. Over decades this bifurcated land and building ownership structure resulted in deteriorated housing stock, a depressed commercial sector, and many vacant buildings. In response to this situation, the Sacramento County Board of Supervisors adopted the Walnut Grove Redevelopment Plan in 1982. SHRA used its power of eminent domain to acquire one large parcel in Walnut Grove which it then sold to the Walnut Grove Homeowners and Merchants Association (WGHMA). Using a subdivision map funded by SHRA, the WGHMA then was able to convey land to owners of individual buildings, thereby eliminating the split ownership situation for most of the Project Area.*



Photo Courtesy of the Walnut Grove Buddhist Church



## OUR REDEVELOPMENT STRATEGY

In the years since adopting the Walnut Grove Redevelopment Project Area the Agency has focused on badly needed public improvement projects, including installation of a sewer system. The Agency also has assisted in the installation of a community-serving water well in Walnut Grove. Transportation/tourism oriented Agency projects include the construction of a public courtesy boat dock, parking on River Road, and construction of curbs, gutters, and sidewalks throughout the Project Area.

The Agency also prepared and submitted applications to the State of California to register three sections of Walnut Grove as historic districts: the Japanese District, the Chinese District, and the Anglo District. The establishment of the districts has further reinforced the historic character and focus in the community. The Agency's focus in the Project Area is on completing the remaining commercial building rehabilitation and on projects which will enhance Walnut Grove as a tourist destination making use of other Agency resources.

The time limitation for establishing debt for the Project Area expired on January 1, 2004. The effectiveness of the Redevelopment Plan extends to 2022. The Project Area will continue to receive tax increment for servicing existing debt and for compliance with the requirements for low- and moderate-income housing.

## REDEVELOPMENT PLAN GOALS

The Walnut Grove Redevelopment Plan was adopted in 1982 to address blighting conditions found in the neighborhood. The Plan's goals are identified as:



**Create Ownership Opportunities:** To facilitate the transfer of real property to the Walnut Grove Homeowners and Merchants Association and to the building owners.



**Eliminate the Ugliness:** To reduce the damaging effects on the health and safety of the residents of the Project Area.



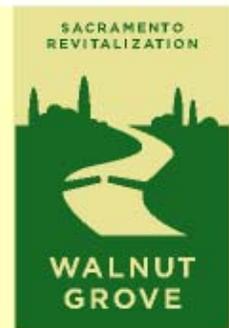
**Housing for All Families:** To provide for the rehabilitation of residential structures within the Project Area.



**Reduce Environmental Deficiencies:** To provide for public utilities, facilities, streets, sewers, storm drains, as well as promote the sound development and redevelopment of under-utilized and disused areas and promote the general welfare of the citizens.



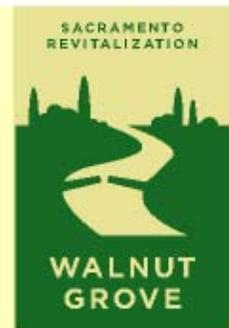
**Jobs for the Neighborhood:** To expand employment opportunities for jobless, under-employed, and low-income persons and promote commercial growth and development.



## PROPOSED REDEVELOPMENT PROGRAM – 2005 THROUGH 2009

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

Project/Description	Estimated Redevelopment Investment	Goals Achieved
<p><b>Commercial Revitalization Program</b>            Enhance the character of the area and restore historic facades by providing funding to property and business owners to encourage façade and accessibility improvements, the correction of code deficiencies, site improvements, and business expansion.</p> <p>Completion of this project will improve unsafe and unhealthy buildings and eliminate factors hindering economically viable use.</p> <p><i>Anticipated Completion..... 2005-2009</i></p>	<p>No Agency tax increment funds are anticipated to be used for this program.</p>	 <b>CLEAN</b>
<p><b>Walnut Grove Public Art</b>            Assist the Walnut Grove Homeowners and Merchants Association with efforts to improve and beautify common areas accessible to the public by incorporating public art which reflects the rich history of Walnut Grove.</p> <p>Completion of this project will improve inadequate public infrastructure and facilities.</p> <p><i>Anticipated Completion..... 2005-2009</i></p>	<p>\$15,000</p>	 <b>ACCESS</b>
<p><b>Total Estimated Redevelopment Investment</b></p>	<p><b>\$15,000</b></p>	

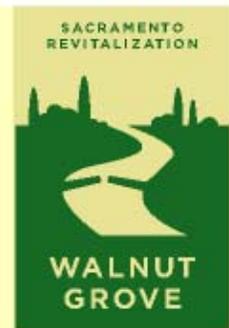


## PROPOSED AFFORDABLE HOUSING PROGRAM – 2005 THROUGH 2009

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

Project/Description <sup>1</sup>	Estimated Redevelopment Investment	Goals Achieved
<p><b>Housing Rehabilitation</b> Provide assistance for the rehabilitation of existing rental housing within the Project Area. Assuming an average assistance of \$50,000 per unit, the Agency could assist approximately two units in this program.</p> <p>Completion of this project will correct unsafe and unhealthy buildings and eliminate factors hindering economically viable use.</p> <p><i>Anticipated Completion..... 2005-2009</i></p>	\$100,000	
<p><b>Vacant Lot Development</b> Assist the development of infill housing on vacant lots within the Project Area. The amount of redevelopment funds that may be available may be sufficient to assist in the development of two housing units during the implementation plan period.</p> <p>Completion of this project will aid in the development of vacant lots in the Project Area.</p> <p><i>Anticipated Completion..... 2005-2009</i></p>	\$40,000	
<p><b>Total Estimated Redevelopment Investment</b></p>	<b>\$140,000</b>	

<sup>1</sup> 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.



## 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:

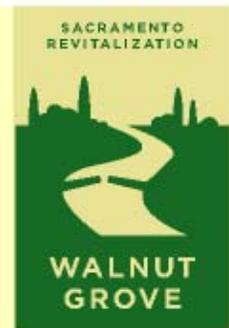
- Housing Production – based on the number of housing units constructed or substantially rehabilitated over a 10-year period, a redevelopment agency is to ensure that a percentage of these units are affordable to low- and moderate- income households.
- Replacement Housing – another legal obligation for redevelopment agencies to cause the replacement of 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

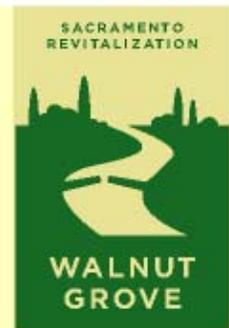
To estimate the number of housing units that need to be affordable to low- and moderate-income households, the Agency estimated the total number of units to be constructed or substantially rehabilitated in the Project Area and applied formulas established in state law.

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.



<b>Actual and Projected Housing Production Needs by Time Period</b>			
Time Period	Actual/Assumed Housing Units Constructed and Substantially Rehabilitated in Project Area	Required Affordable Units /1	
		Total	Very Low
Prior to 2005	30	5	2
<b>10 Year Forecast</b>	<b>7</b>	<b>2</b>	<b>1</b>
<i>2005 to 2009</i>	<i>7</i>	<i>2</i>	<i>1</i>
<i>2010 to 2014</i>	<i>0</i>	<i>0</i>	<i>0</i>
Redevelopment Plan Duration <i>(1982 to 2022)</i>	37	7	3
<b>Notes:</b>			
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 five affordable units (including two very low income units) to fulfill its production goals for the 10-year period, and seven affordable units (including three very low income units) over the duration of the Redevelopment Plan. Fulfillment of these productions goals 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>	5	2	9	3	0	0	4	1
<i>Outside Project Area /2</i>			6	0				
			3	3				
<b>10 Year Forecast /3</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>
Redevelopment Plan Duration (1982 to 2022)	7	3	9	3	0	0	2	0
<b>Notes:</b>								
1/ Includes three units in Renwick Square Senior Apartments.								
2/ 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.								
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 housing production surplus of two units due to prior year's 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 Walnut Grove housing activities to meet the needs of other project areas in the County'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.



## 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 \$80,000 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 \$70,000 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 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%
<p><b>Notes:</b>            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.</p> <p>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. A maximum of 11 percent of housing set-aside dollars can be spent 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. 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 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). As stated above, the Agency has not expended Project Area housing set-aside funds on projects assisted low- and moderate- income units 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).