



**Sacramento  
Housing &  
Redevelopment  
Agency**

**REPORT TO THE REDEVELOPMENT AGENCY  
of the City of Sacramento**  
915 I Street, Sacramento, CA 95814-2671  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

**INFORMATION  
May 16, 2006**

Honorable Chair and Members of the Board

**Subject:** REVIEW AND UPDATE OF 2003-2008 DEL PASO HEIGHTS  
IMPLEMENTATION PLAN

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

**Recommendation:**

This report presents an update to the 2003-2008 Del Paso Heights Implementation Plan and is provided as information only. This report requires no action.

**Contact:**

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

**Presenters:**

None.

**Department:** Sacramento Housing and Redevelopment Agency

**Summary:**

This report contains the required update to the 2003-2008 Del Paso Heights Redevelopment Area Implementation Plan which is attached as Exhibit A.

**Committee/Commission Action:**

At its meeting of April 13, 2006, the Del Paso Heights Redevelopment Advisory Committee (RAC) reviewed the implementation plan document and updated the projects as necessary. All comments received from members of the RAC have been incorporated into the attached update.

At its meeting of May 3, 2006, the Sacramento Housing and Redevelopment Commission convened the required public hearing for the 2003-2008 Del Paso Heights Redevelopment Area Implementation Plan update. Comments received at that meeting, if any, are included as an attachment to the report to Council.



**Background Information:**

Since 1995, California Community Redevelopment Law (CRL) has required that redevelopment agencies adopt implementation plans for each redevelopment project area covering a five year period. The 5-year implementation plan outlines projects and programs that could be funded using tax increment funds within the project area. The plan currently in place for Del Paso Heights is for the period of June 2003 through June 2008, and was approved with the 6<sup>th</sup> Amendment to the Del Paso Heights redevelopment plan on June 17, 2003. CRL also requires that, at least once during the five year period, the Agency review the status of the projects in the area and hold a public hearing on the implementation plan. This staff report and attached information serves as the CRL required review and update for Del Paso Heights. The decision was made to keep Del Paso Heights on the 2003-2008 implementation plan cycle, which is different than the remaining redevelopment areas administered by SHRA, in order to avoid interruption of the 10-year inclusionary housing obligation period for the area. Implementation plans for the remaining redevelopment areas, which were adopted for the 2005-2009 period, will be reviewed in 2007.

The implementation plan includes the goals of the Del Paso Heights Redevelopment Plan, the proposed projects, programs and expenditures for the five year period; and demonstrates how the proposed projects and programs would alleviate blighting conditions in the project area. The purpose of this review and update is to revisit the proposed projects and update the progress on the plan. Exhibit A on page 5 illustrates the current status of the implementation plan. The required noticed public hearing for the update was held at the Sacramento Housing and Redevelopment Commission's May 3, 2006 meeting.

Implementation plan progress highlights include:

- Joe Mims Jr. Hagginwood Community Center which is now under construction and will re-open this summer.
- 25 Housing Authority owned homes in Del Paso Heights that will be sold as affordable homes to first time home buyers.
- Construction on Phases 4 and 5 of Del Paso Nuevo in late summer of 2006 which will bring over 160 new owner occupied homes to the community.
- Completion of the North Avenue Apartment Development which is currently under construction and will provide 80 units of very-low income rental housing to needy families and individuals.

Over the next two years, planned projects in the area include:

- Commercial development projects along the Marysville Boulevard commercial corridor, such as at the Agency owned site at 3801 Marysville Blvd.
- Affordable and mixed income housing developments at Agency owned sites along Rio Linda Boulevard,
- Commercial development at the Del Paso Nuevo Town Center at Norwood Avenue and Silver Eagle Road, and
- Completion of toxic remediation at 3739 Marysville Blvd. and initiation of development at this site, formerly Indus Gas.

**Financial Considerations:**

No funding appropriations are being made with this staff report. The Agency will consider projects on a case-by-case basis through the budget and project approval process.

**Environmental Considerations:**

The redevelopment plan for the Del Paso Heights project area was subject to environmental review at the time of adoption and amendment. Projects undertaken within the project area that may be funded with the bond proceeds or tax increment funds are subject to environmental review individually prior to their approval.

The proposed action to review and update of the Del Paso Heights Implementation Plan is exempt from environmental review per CEQA Guidelines Section 15378(b)(2). In addition, pursuant to Health and Safety Code Section 33490, adoption of an implementation plan does not constitute a project within the meaning of Section 21000 of the Public Resources Code. NEPA does not apply.

**Policy Considerations:**

The proposed action in this staff report meets the Agency's goals of eliminating blight and increasing economic opportunities, as well as promoting the City of Sacramento's goal of preserving and enhancing neighborhoods. The implementation plan comports with the goals established in the redevelopment plan for Del Paso Heights.

Per CRL, the Agency must conduct a public hearing on the Implementation Plan mid-term review and update. This public hearing took place at the Sacramento Housing and Redevelopment Commission on May 3, 2006, and all relevant comments are included.

**M/WBE Considerations:**

Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding.

Respectfully Submitted by:  \_\_\_\_\_  
ANNE M. MOORE  
Executive Director

Recommendation Approved:

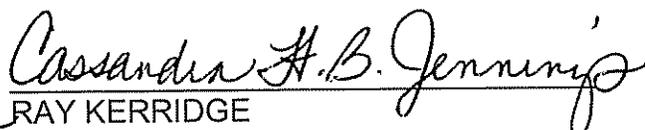
  
for RAY KERRIDGE  
City Manager

Table of Contents

Pg	Description
5	Exhibit A: 2003-2008 Del Paso Heights Redevelopment Implementation Plan – Current Status

**2003 THROUGH 2008 DEL PASO HEIGHTS REDEVELOPMENT  
IMPLEMENTATION PLAN - CURRENT STATUS OF COMMERCIAL  
AND HOUSING PROGRAMS**

**COMMERCIAL PROGRAMS**

Project/Description	Estimated Redevelopment Investment	Status as of May 2006
<p><b>Marysville Boulevard Town Center Development</b> Continue the theme of building a sense of place. The goal of Town Center is to facilitate development that will provide housing opportunities and promote neighborhood-serving businesses in the Marysville Boulevard/Grand Avenue area.</p> <p>Completion of this project would result in reversing impaired investments and factors hindering economically viable use</p>	<p>\$2,000,000</p>	<p>Project planning underway.</p>
<p><b>Del Paso Nuevo Commercial Development</b> Facilitate neighborhood serving retail development adjacent to the Del Paso Nuevo development.</p> <p>Completion of this project would result in eliminating factors hindering economically viable use</p>	<p>\$500,000</p>	<p>Developer solicitation issued in March of 2006. Selection of Developer &amp; and DDA pending.</p>
<p><b>Marysville Blvd. Urban Design Plan Phase III</b> Continue to improve the appearance and safety of the Marysville Boulevard commercial corridor by implementing Phase III of the Marysville Boulevard Urban Design Plan, which encourages safe vehicle interaction with the businesses and promote the use of public transportation. Proposed improvements include increased street lighting, tree wells in sidewalks, and bus shelters.</p> <p>Completion of this project would result in improving inadequate public improvements</p>	<p>\$1,500,000</p>	<p>Project planning underway.</p>

Project/Description	Estimated Redevelopment Investment	Status as of May 2006
<p><b>Development of Del Paso Center (Marysville/Grand Site – Formerly Neighborhood Central)</b> Concentrate efforts and resources toward the redevelopment of vacant Agency-owned land located at 3801 Marysville Boulevard through construction of a mixed-use office and retail building within the next two years.</p> <p>Completion of this project would result in eliminating factors hindering economically viable use.</p>	\$770,000	<p>Staff finalizing agreement with selected developer. Anticipate staff report to council to approve project in June of 2006</p> <p>\$1.5 million allocated in 2006</p>
<p><b>Joe Mims Jr. Hagginwood Community Center Renovation</b></p> <p>Improve the gateway to the Marysville Boulevard commercial corridor and increase community services through the renovation of the deteriorated existing community center building and addition of 5,800 square feet of new usable community center space.</p> <p>Completion of this project would result in improving inadequate public improvements.</p>	\$650,000	<p>Construction underway and is scheduled to be completed by Summer 2006.</p> <p>\$870,000 allocated in 2004</p>
<p><b>Norwood/ I-80 Business Park Development</b></p> <p>Partner with the City's Economic Development Department to market the business park and provide financial assistance as needed to encourage development.</p> <p>Completion of this project would result in eliminating factors hindering economically viable use, excessive vacant lots, and low lease rates.</p>	\$500,000	<p>Program ongoing. Specific requests to be reviewed and approved by the RAC and Council based on funding availability</p>
<p><b>Department of Human Assistance Facility</b></p> <p>The Agency will work with the County to develop a Department of Human Assistance (DHA) service center on Marysville Boulevard. This facility will bring additional resources to the community and employees who will patronize area businesses.</p> <p>Completion of this project would result in eliminating factors hindering economically viable use and developing of vacant lots.</p>	Unknown at this time	Project feasibility still being explored

Project/Description	Estimated Redevelopment Investment	Status as of May 2006
<p><b>Public Facility Improvements</b>                      As part of the strategy to promote Del Paso Heights as a destination with high quality facilities and services, the Agency will provide funding for public facility improvements that will significantly improve the quality of life for area residents.</p> <p>Completion of this project would result in improving inadequate public improvements</p>	<p>\$50,000 to \$250,000</p>	<p>Project feasibility still being explored</p>
<p><b>Commercial Revitalization/ Exterior Rebate Program</b>                      Provide funding to spur business and property owners to invest in improvements to their outdated and/or dilapidated storefronts and properties. Future development should provide for a comfortable coexistence with new and existing light industrial, office, commercial, and residential developments.</p> <p>Completion of this project would result in eliminating factors hindering economically viable use</p>	<p>\$500,000</p>	<p>Program ongoing. Specific commercial loan fund requests to be reviewed and approved by the RAC and Council.                      Exterior Rebate program funds allocated upon receipt of application and based on funding availability.</p>
<p><b>Developer's Assistance</b>                      Provide gap financing for projects that will bring continued revitalization to Marysville Boulevard and the Del Paso Nuevo commercial area. Provide assistance to existing and new property owners who plan to develop and improve neighborhood-serving businesses.</p> <p>Completion of this project would result in eliminating factors hindering economically viable use.</p>	<p>\$500,000</p>	<p>Program ongoing. Specific requests to be reviewed and approved by the RAC and Council based on funding availability.</p>
<p><b>Toxic Remediation Program</b>                      Seek opportunities to leverage funding for initial assessment or clean-up of sites in the neighborhood that are potentially toxic and that are hindering development.</p> <p>Completion of this project would result in improving impaired investments and eliminating factors hindering economically viable use.</p>	<p>\$100,000</p>	<p>Program ongoing. Specific requests to be reviewed and approved by the RAC and Council based on funding availability.</p>
	<p><b>\$7,070,000 to \$7.2 million</b></p>	<p><b>Current Commercial Investment: \$2.3 million</b></p>

## HOUSING PROGRAMS

Project/Description	Estimated Redevelopment Investment	Status as of May 2006
<p><b>Del Paso Nuevo Phases IV-VII</b> The Del Paso Nuevo project fulfills a multitude of goals, including building a sense of place, providing a variety of housing choices, and converting vacant and underutilized land to productive use. This project will ultimately bring a total of 300 new homes into the community with 51 percent of the homes sold as affordable units.</p> <p>Completion of this project would eliminate factors hindering economically viable use.</p>	\$2,700,000	<p>Del Paso Nuevo will break ground on Phases 4 and 5 in late summer of 2006 which will bring over 160 new owner occupied homes to the community. Acquisitions continue for phases VI and VII. \$4.4 mill allocated to project in 2005.</p>
<p><b>North Avenue Apartments</b> This project will redevelop the neighborhood by providing 80 units affordable exclusively to very low-income households along with services such as homeownership preparation courses.</p> <p>Completion of this project would eliminate factors hindering economically viable use.</p>	\$350,000	<p>Project is under construction which will provide 80 units of very-low income rental housing to needy families and individuals. \$350,000 allocated in 2004.</p>
<p><b>Rio Linda Boulevard (East) Single Family Homeownership Development</b> This project will contribute to the overall enhancement of the area by assisting with the development of single-family homeownership units that will be marketed to a mix of income levels.</p> <p>Completion of this project would eliminate factors hindering economically viable use.</p>	Unknown	<p>Agency Owned Land Donation = \$435,200 appraised value</p>
<p><b>Rio Linda Boulevard (West) Housing Development</b> A large vacant lot will be eliminated and the property improved through the development of affordable single-family homeownership or senior residential development at this site. Preliminary estimates of the amount of financial assistance and average subsidies suggest that at least eight affordable units could be created by this project.</p> <p>Completion of this project would eliminate factors hindering economically viable use.</p>	\$750,000	<p>\$900,000 allocated in 2005 for property acquisition and toxic remediation</p>

Project/Description	Estimated Redevelopment Investment	Status as of May 2006
<p><b>Public Housing Rehabilitation/ Reconfiguration</b>            Provide funds to assist the Housing Authority to make improvements to and better utilize their properties. Assuming an average assistance of \$50,000 per unit, the Agency could rehabilitate approximately four units in this program.</p> <p>Completion of this project would eliminate factors hindering economically viable use.</p>	<p>\$200,000</p>	<p>1 home sold; 2 complete &amp; waiting for sale; 9 homes will be complete and ready to go on the market in April; 5 homes will be complete and ready to go on the market in August 2006.            \$740,000 allocated in 2005</p>
<p><b>First Time Homebuyer Program</b>            This program provides down payment assistance to homebuyers. Assuming that the all assistance is provided at the maximum assistance level of \$5,000 per unit, this program could yield approximately 40 units assisted over the next two years.</p> <p>Completion of this project would eliminate factors hindering economically viable use.</p>	<p>\$200,000</p>	<p>Funding still available. Funding for 26 families in the redevelopment are approved from 2003-2006</p>
<p><b>Single Family Rehabilitation Loan Program</b>            This program provides loans to owner occupants to make improvements to their property. 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>\$500,000</p>	<p>Funding still available. Funding provided for: 23 Emergency Repair Grants; 3 Retrofit Grants (accessibility modifications); 7 Home Repair Loans from 2003 to 2006.</p>
<p><b>Youthbuild Program</b>            This project will facilitate the development of single-family homeownership units. As an additional benefit to the neighborhood, these units may be developed through a Youthbuild training grant. Residents will receive mentorship and valuable training in the construction industry. Properties to be included in the program are located at Grand and Altos Avenues, and Altos Avenue and Harris Street. The number of units will be contingent upon the level of participation in the program and the supply of available sites.</p> <p>Completion of this project would eliminate factors hindering economically viable use</p>	<p>Land write down only (donation)</p>	<p>2005 Youthbuild grant application to the Federal Dept. of Labor was unsuccessful. Will apply for future funds as they become available.</p>

Project/Description	Estimated Redevelopment Investment	Status as of May 2006
<p><b>Boarded &amp; Vacant Program</b>                      This program provides assistance to developers to purchase and rehabilitate boarded and vacant 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>	\$500,000	Program ongoing. Specific requests to be reviewed and approved by the RAC and Council based on funding availability
<p><b>Infill Vacant Lot Program</b>                      The program to 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>	\$500,000	Program ongoing. Specific requests to be reviewed and approved by the RAC and Council based on funding availability
<p><b>Housing Development Assistance</b>                      Gap financing is invested in projects that will bring continued revitalization to Del Paso Heights 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>	\$500,000	Program ongoing. Specific requests to be reviewed and approved by the RAC and Council based on funding availability.
<p><b>Multifamily Rehabilitation</b>                      The goal is to help stabilize neighborhoods by improving the quality of multi-family housing. Assuming assistance of \$500,000 (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>	\$500,000	Assistance provided to North Avenue Apartments. Additional requests to be reviewed and approved by the RAC and Council based on funding availability.
	<b>\$4.8 million</b>	<b>Current Housing Investment: \$6.8 million</b>

