

**65th STREET
REDEVELOPMENT ADVISORY COMMITTEE
Meeting Minutes**



I. CALL TO ORDER

The meeting was called to order at approximately 6:10p.m. by Chairperson J.D. Stack.

II. ROLL CALL

Roll call was conducted.

RAC Members Present: Mel Billingsley, Chandra Clady, Steven R. Jones, Gary A. Little, Marcia Maleske, Maggie O'Mara, Scott Rasmussen, Dave Sikich, Linda Shafer, J.D. Stack, Christopher Wilson

RAC Members Absent: Matthew Altier, Taiwo Jaiyeoba, Betty Lopez

Staff Present: Gregory Ptucha and Chris Pahule, SHRA

III. INTRODUCTIONS

Chairman J.D. Stack thanked audience members for their attendance and invited audience members to introduce themselves. Mr. Robbie Abelon was introduced as a new appointee to fill the standing RAC position of Associated Students, Inc. Mr. Abelon's nomination is currently being processed by the City Clerk.

IV. APPROVAL OF RAC MEETING MINUTES

The minutes of the January 5, 2005 meeting were unanimously approved upon a motion by Gary Little that was seconded by Scott Rasmussen.

V. REDEVELOPMENT ITEMS

A. FY 2006 Budget

Redevelopment Manager Chris Pahule referred to a printed budget summary to describe current budgeted funds totaling \$507,285 that are available for use in the 65th Street Redevelopment Area (65th St. RDA) as a result of loans from the Sacramento Housing and Redevelopment Agency (SHRA). Since the 65th St. RDA is relatively new (plan adoption on June 29, 2004), the SHRA loans made it possible to pursue redevelopment activities in advance of the receipt of tax increment revenue. Total current budgeted funds include \$487,785 for non-housing redevelopment and \$19,500 in the low/moderate-income housing

fund (low/mod). These are from the official SHRA budget for 65th St. RDA, adopted in November 2005. This budget did not anticipate significant tax increment revenue.

Referring to the budget summary, Mr. Pahule summarized current obligations and tentative uses of these funds, which total \$498,672:

- \$39,872 obligated for the 65th Street tunnel feasibility study (reviewed at the January 5, 2006 meeting).
- Up to \$114,700 pledged as the 11.47% local match if the Sacramento Area Council of Governments (SACOG) grants the \$885,300 Community Design Funding Program grant (currently being evaluated with other applications for the \$12 million available in grants).
- Up to \$344,100 pledged as the local match if SACOG grants \$2,655,900 requested from the same funding program for Redding Avenue bicycle and pedestrian improvements.

Mr. Pahule then expanded on his description from the January 5, 2006 meeting about how 2005 assessment values are expected to provide more tax increment than was originally projected. To take advantage of the new revenue, SHRA's Finance Department is suggesting the following:

- 1.) Use new tax increment revenue to pay off the existing "start-up" loans from SHRA to 65th St. RDA. SHRA typically expects such loans to be repaid as quickly as possible when new tax increment revenue is received.
- 2.) Partner with the City to receive an approximate \$6 million loan to be repaid with future RDA funds. The source of the borrowed funds would be a much larger bond issuance by the City that is expected to occur before June 30, 2006.
- 3.) The expected loan terms from the City as 5% interest and loan maturity in 30 years.

Audience and RAC members asked questions about the particulars of affordable housing obligations as they affect 65th St. RDA (in the context of units for "very low", "low" and "moderate" income households). Mr. Pahule described how the agency has obligations under redevelopment law that are different than the City's "inclusionary housing" regulations. Mr. Billingsley inquired about eligible uses for low/mod housing funds in terms of new construction compared to rehabilitation, and, project location if outside 65th St. RDA boundaries. Ms. Clady asked about eligible uses of funds for affordable housing programs as compared to "bricks-and-mortar" projects (rehabilitation and/or new construction). Mr. Pahule described the ability to invest in low/mod housing programs, as well as in projects located outside the 65th St. RDA boundaries, but that such projects are evaluated on a case-by-case basis.

B. Project Prioritization Process

Mr. Pahule described how, in light of the anticipated receipt of approximately \$6 million in loan proceeds from the City of Sacramento, the RAC and community members will need to help determine how the funds should be spent. To facilitate a discussion about project prioritization, staff Gregory Ptucha distributed a memorandum dated February 2, 2006. The memorandum suggested that the RAC, over the next three months, consider project priorities in the context of the goals/objectives of the redevelopment area, as well as the project priorities of all stakeholders, including elected officials, various city departments (e.g., transportation, utilities, parks/recreation), institutions, community-based organizations, residents and businesses.

RAC members revisited the nine goals of the 2004 Redevelopment Plan for 65th St. RDA. Then, Mr. Ptucha reviewed all various potential projects that were identified in the March 2004 Five-year Implementation Plan for the RDA. Potential projects were listed in each of three categories:

- 1.) Public Infrastructure & Facility Program
- 2.) Commercial & Economic Development Program
- 3.) Housing Program

Mr. Ptucha itemized the potential projects from the Implementation Plan and highlighted those in which there has already been some investment of public resources (city/SHRA staff time, consultant time or money).

When potential projects had been considered previously, it was assumed that implementation funds would not be available yet. This changed circumstance requires that the RAC revisit potential projects to do the following:

- 1.) Confirm project list and add new ones if necessary;
- 2.) Evaluate potential projects using criteria that has yet to be agreed upon;
- 3.) Consider the priorities of other stakeholders;
- 4.) Determine project priorities and/or a basis to evaluating proposals that may be presented to the RAC over the next three years.

Mr. Ptucha then reviewed the process followed this evening:

1. Revisit project area goals and implementation plan project list.
2. Review status of projects that are underway.
3. Consider alternative approaches to ranking projects.
4. Review potential project list and modify if needed.
5. Post-meeting: distribute project list to stakeholders to confirm it is comprehensive.

He then suggested steps of a three-month process that would lead to project rankings and recommendations to SHRA in April 2006.

March 2, 2006 meeting:

1. Review how adopted city plans rank certain types of projects (Capital Improvement Program, Transportation Programming Guide).
2. Agree on ranking criteria, weighting (if any) and method.
3. Confirm project list.
4. Rank projects (preliminary).
5. Post-meeting: forward projects, rankings and criteria to stakeholders for reaction and recommendation.

April 6, 2006 meeting:

1. Review comments and suggested rankings of stakeholders.
2. Modify RAC rankings as appropriate based on outside comment and/or new information.
3. Endorse rankings and make formal recommendation to the Agency.

Comments during the discussion that followed:

1. Mr. Pahule reinforced the need to be informed of the priorities of all stakeholders before developing priorities. It was recommended that materials be circulated to encourage a high level of participation.
2. Mr. Billingsley recommended revisiting the original goals of the redevelopment area so that projects chosen will foster appropriate development.

3. Sewer capacity limits need to be increased to accommodate new development needs.
4. Mr. Rasumssen, Mr. Jones and Mr. Wilson speculated on the most effective means to solicit input, and mentioned alternative ways—electronic and otherwise—to seek ideas from community-based organizations and others.
5. Mr. Rasmussen recommended project “readiness” for implementation as being a primary criterion.
6. Mr. Sikich recommended that a specific project status list be distributed to the RAC (Ptucha to do so).
7. Ms. O’Mara discussed cause/effect relationships in terms of the sequencing of publicly-funded projects to induce desirable private development. She noted that the playground at Tahoe Park isn’t near enough to the redevelopment area for walking and that a nearby park with a playground, benches and other amenities might attract new families with children and other residents to housing constructed in the north and south transit villages. Ms. Shafer discussed park development and Mr. Billingsley mentioned how RAC decisions need to consider alternative funding sources that can be leveraged with redevelopment monies (or be used in place of redevelopment monies). Audience member Mae Fong endorsed development of parks facilities, and pointed to the former 13.5 acre driving range as a park development opportunity. Steven Jones emphasized how the RAC needed to fully understand existing plans, projects and priorities of the City’s Department of Parks and Recreation. Mr. Pahule pointed to the South 65th Street Area Plan as a guide for making recommendations that might involve a change of land use.
8. Mr. Pahule reminded those present that the projected \$6 million is near-term revenue that will be supplemented with other, future revenues (e.g., tax increment and bond proceeds).
9. Mr. Wilson referred to optional methods/means to rank projects (described in section V on page 6 of the memorandum) and suggested considering a formula to allocate funds to projects in each of the three categories, i.e., infrastructure, economic development or housing. Mr. Rasumssen emphasized infrastructure, and the use of weighted criteria to favor projects that achieve desirable goals.
10. Ms. O’Mara suggested a new project, involving a new surface transportation route (street or bicycle/pedestrian tunnel) to connect the areas of 65th St. RDA that lie east and west of the Union Pacific Railroad (UPRR) tracks. Mr. Pahule recommended that this type of project be considered in the context of the circulation plan for the 65th/Folsom area.
11. Undergrounding utilities was mentioned as a potential project.
12. It was recommended that the RAC create a vision statement and hierarchy of values to use as a basis for ranking projects.
13. Ms. Clady asked for clarification on any “inclusionary” housing regulations affecting the area which might have been enacted by state government.

C. Redevelopment Area Update

Gregory Ptucha updated the RAC and audience on the following items:

- Detention Basin: Per Andy Hunt of the Department of Utilities, i-Bank loan application was not acted on in January. There was no update on site acquisition, which is going through the eminent domain process.
- “Barn” site: No new information is available. Ms. O’Mara asked whether the hotel development would be inconsistent with Transit Village Plan goals.
- University Garage: Code Enforcement officer Bill Hutcheon met with Senior City Planner Jeanne Corcoran in late January to ask for suggestions about what can be

required of the property owner to do to comply. Mr. Hutcheon pointed out that cars on display may be in the public right of way. They will determine where the private property ends and the public right of way begins. Once confirmed, vehicles are parked on the right of way will be removed.

Mr. Hutcheon believes that the owner will be required to do some improvement such as putting in planters, etc. The owner will have to get a building permit for new fencing and may have to remove the existing wall. No new fines have been assessed

- Target Corporation site: Staff Greg Ptucha distributed a recent article from the January 27, 2006 edition of the *Sacramento Business Journal* about the Target store in Broadway and Riverside Boulevard. It was reported that Target intends to submit an application to the City for entitlements to redevelop the site for a prototypical Target store. Mr. Billingsley recommended a follow-up letter to Target to encourage dialogue with the community about how the site is planned for redevelopment.

III. COMMUNICATION FROM RAC MEMBERS AND PUBLIC ON ITEMS NOT ON THE AGENDA

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IV. ADJOURNMENT

At approximately 8:00 pm, the meeting adjourned upon unanimous vote on a motion by Marcia Maleske and a second by Mel Billingsley.