

3 PROJECT DESCRIPTION

The information presented in this section and incorporated by reference is based on the Preliminary Report and Redevelopment Plan 3rd Amendment for the Army Depot Redevelopment Project (February 2004), the Notice of Preparation prepared by the Redevelopment Agency of the City of Sacramento (December 22, 2003), the Draft Environmental Impact Report (EIR) for the Sacramento Army Depot Redevelopment Plan (March 1995), the EIR for the 1988 City General Plan Update (SGPU EIR), aerial photographs and discussions with Sacramento Housing and Redevelopment Agency staff.

3.1 PROJECT AREA BACKGROUND

The original Sacramento Army Depot Redevelopment Project Area was established by the City Council by Ordinance No. 95-034 on June 27, 1995. On October 20, 1998, the City Council amended the boundaries of the original Project Area to delete a few parcels by Ordinance No. 98-043. No other modifications have been made to the Project Area boundaries, though a minor amendment to extend the duration of the Plan by one year (as permitted by Senate Bill 1045) was adopted by the City Council by Ordinance No. 2003-065 on November 13, 2003. At present, the total acreage of the existing Project Area (“Existing Project Area”) is approximately 1,290 acres; most of this property is in industrial use. The Existing Project Area does not contain a significant amount of residential uses.

The Redevelopment Plan was initially intended to both facilitate the reuse of the closed Sacramento Army Depot facility and catalyze economic development of the surrounding area. In addition, it was the intent of the Redevelopment Agency of the City of Sacramento (“Redevelopment Agency”) to employ housing set aside funds generated by the Existing Project Area into affordable housing projects in the adjacent neighborhoods. However, the redevelopment needs of the Existing Project Area exceeds the financial and redevelopment capacity of what can be accomplished within adjacent areas without expansion, and the conditions within the surrounding community have not improved. Due to this lack of progress with the redevelopment program, the Redevelopment Agency seeks to reverse this trend by including additional blighted properties in the Project Area, thereby enabling a broader and more effective redevelopment program to be implemented.

The Redevelopment Agency proposes to amend the Sacramento Army Depot Redevelopment Plan by adding approximately 1,527 acres (“Added Area”) to the Project Area (“Amendment”). The boundaries of the Added Area were selected from properties within the Amended Army Depot Redevelopment Survey Area, established by the City Council on September 30, 2003 by Resolution No. 2003-692.

Based on a preliminary feasibility analysis, the proposed Added Area contains properties with physical and economic blight that necessitate redevelopment. Conditions noted in the feasibility analysis include factors hindering economically viable use, deteriorating structures, depreciating property values, and high crime rates. The primary land use in the Added Area is single family residential, and the area includes the Avondale and Glen Elder neighborhoods as well as other residential neighborhoods. The Avondale and Glen Elder neighborhoods are within the City’s Weed and Seed Program area, a federally funded program that entails community development and policing programs and projects to improve homeownership, upgrade the area, and reduce criminal

activities. The expiration of this residential program in these neighborhoods is one of the several impetuses for initiating the Amendment to include the Added Area.

The properties included in the proposed Added Area were initially selected because a preliminary review of these properties in the feasibility analysis indicated the existence of blight, as defined by the California Community Redevelopment Law (“Law”). These conditions will be more extensively evaluated and documented during the redevelopment plan amendment preparation process, and will be set out in detail in the Redevelopment Agency’s Report to the City Council.

The City’s efforts using code enforcement and available Community Development Block Grants, Weed and Seed and other federal programs are insufficient to meet the magnitude of the problems in this older part of the City. With the development of contemporary neighborhoods and industrial developments in the western and northern portions of the City, residents in the southeastern part of the City face a lower standard of public infrastructure, obsolete and deteriorating residential structures, deteriorating and obsolete industrial areas, and higher crime rates. These problems have led to depreciation of property values and generally poor demand for infill development in this area. Crime is a continuing problem in the Added Area that demands a disproportionate level of service by the Sacramento Police Department. According to 2002 crime statistics from the Police Department, the percentage of crimes that occurred within 25 feet of Added Area residential uses are 64 percent higher than the rest of the City.

3.2 ADDED AREA LOCATION

The Existing Project Area and proposed Added Area are located in the southeastern portion of the City of Sacramento, Sacramento County, California (Figure 3-1). The proposed Added Area is adjacent to and immediately west and south of the Existing Project Area (Figure 3-2). The Added Area is approximately 1,527 acres in size, and generally bounded by 65th Street, 17th Avenue, Power Inn Road, Elder Creek Road, South Watt Avenue, and the southerly city limits.

3.3 ADDED AREA SETTING

Land uses in the Added Area include residential, vacant, industrial (heavy commercial or warehouse), public, and a small amount of neighborhood commercial (retail and service) and office. The majority (almost 57 percent) of Added Area acreage is in residential use, all located west of Power Inn Road. According to data collected from the Sacramento County Assessor, there are approximately 4,554 residential units in the Added Area; over half of these residential properties were developed over 40 years ago. Industrial acreage (which makes up less than 8 percent of the Added Area) is located east of Power Inn Road along the south side of Elder Creek Road.

There are five public parks interspersed throughout the Added Area, and the Morrison Creek Drainage Channel crosses east to west through the area, south of Lemon Hill Avenue. Major power lines are located along Power Inn Road, and the Union Pacific Rail line abuts the northeastern Added Area boundary, and passes through the industrial area south of Elder Creek Road.

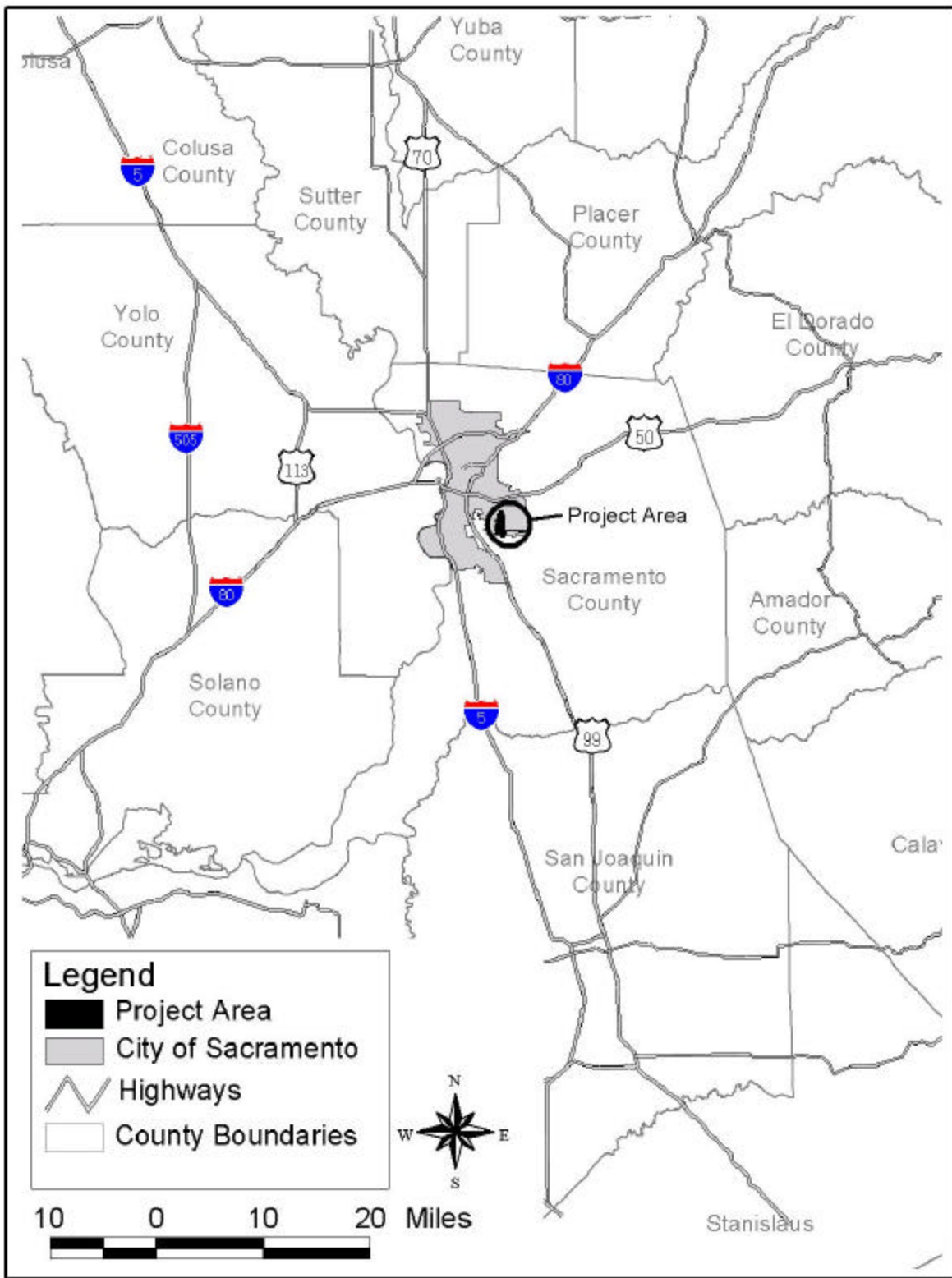


Figure 3-1
Regional Location Map- Added Area

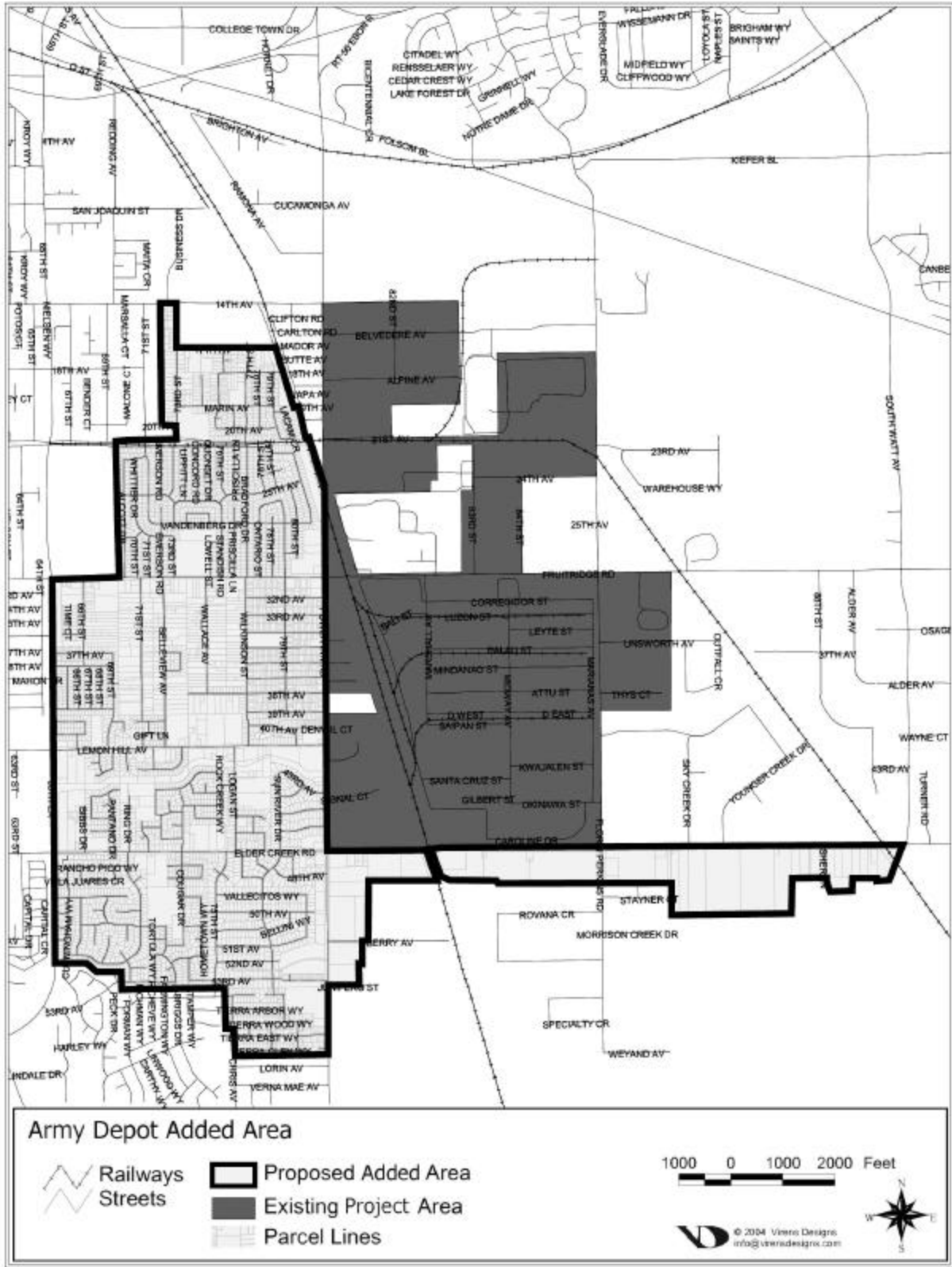


Figure 3-2
Project Area Map

Principal streets within the Added Area include 65th Street, Power Inn Road, South Watt Avenue, Fruitridge Road, Florin-Perkins Road, and Elder Creek Road. Sacramento Regional Transit bus routes serving the Added Area include Route 83 (Power Inn/Elder Creek/75th Street), Route 37 (Sim Park to the 39th Street Light Rail Station), Route 61 (Fruitridge Road), and Route 81 (65th Street).

Within the proposed Added Area, land uses shall be those permitted by the General Plan, as they exist today or are hereafter amended. Currently, the General Plan permits the following uses in the Added Area:

- Low Density Residential (LDR)
- High Density Residential (HDR)
- Heavy Commercial or Warehouse (HCW)
- Community/Neighborhood Commercial and Office (CNCO)
- Parks-Recreation-Open Spaces (OS)

The Added Area is generally characterized by blighting conditions such as high crime rates, residential overcrowding, factors hindering the economically viable use of lots, depreciated property values and impaired investments, vacant lots, incompatible uses, serious building code violations, and unsafe/unhealthy buildings. Based on demographic data reports from Applied Geographic Solutions, the year 2003 per capita income in the Added Area is approximately 42 percent lower than the City average and 49 percent lower than the entire County. Lower income causes households to sacrifice discretionary expenditures for items like home repairs and maintenance, leading to a number of deteriorated and neglected properties in the area.

According to field inspections of Added Area properties, 137 undeveloped vacant lots are interspersed throughout the area. Most of these lots are residentially zoned (119 parcels); the remaining lots are divided between industrial (14 parcels), and commercial (4 parcels) zoning. A total of 62 of the vacant lots are less than a half-acre in size, and most of the parcels are of standard one-unit per lot width (averaging 55 feet wide) but very deep (often more than double the depth of typical residential lots), so additional units could only be accommodated by unconventionally stacking units to the rear of other units. Because relatively small and/or irregularly shaped parcels, and parcels under mixed ownership are disbursed throughout the Added Area, Added Area parcels are more difficult and costly to develop (on a per-lot-basis) than other residential areas in the City. As a result, outlying areas are developing while infill lots in the Added Area remain vacant.

3.4 PROJECT OBJECTIVES

A redevelopment plan provides an agency with powers, duties and obligations to implement and further a redevelopment program for the redevelopment, rehabilitation and revitalization of a Project Area. It is long-term in nature, thus there is the need to maintain flexibility to respond to market conditions, property owner and developer interests, and other opportunities as they arise. Therefore, a redevelopment plan does not present a precise plan or necessarily establish specific projects for the redevelopment, rehabilitation and revitalization of a project area.

Rather, a redevelopment plan represents a process and a basic framework within which specific plans are presented, specific projects are established and specific solutions are proposed, and by which tools are provided to a redevelopment agency to fashion, develop and proceed with such specific plans, projects and solutions.

Certain goals and objectives set forth in the Amendment have been identified in connection with proposed redevelopment of the Added Area. These goals and objectives are in the existing Redevelopment Plan and remain unchanged. The accomplishment of these goals and objectives will achieve the purposes of the California Community Redevelopment Law (“Law”). In general, the goals and objectives for redevelopment in the Added Area are as follows:

1. The establishment, by effective use of the redevelopment process, of a planning and implementation framework that will ensure the proper, long term development of the Sacramento Army Depot area.
2. 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. The conversion of existing military facilities to effective, economic public and private use.
3. The replanning, redesign and development of underdeveloped or poorly developed areas that are underutilized or improperly utilized.
4. 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.
5. The provision for increased sales taxes, business license fees, and other fees, taxes and revenues to the City of Sacramento.
6. 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.
7. The creation and development of local job opportunities and the preservation of the existing employment base.

3.5 PROPOSED PROJECT CHARACTERISTICS

Redevelopment of the Added Area would attain the purposes of the Law by alleviating blighting conditions that the private sector, acting alone or with available government assistance, has not remedied. The purposes of the Law would be attained by implementation of redevelopment programs in the Added Area through the:

- Elimination of blighting influences, and the correction of environmental deficiencies including, among others, incompatible and uneconomic land uses, buildings in which it is unsafe or unhealthy for persons to live or work, small and irregular lots in multiple ownership,

depreciated or stagnant property values, and inadequate or deteriorated public improvements, facilities, and utilities;

- Participation of owners and tenants in the revitalization of their properties;
- Replanning, redesign and development of undeveloped or underdeveloped areas which are stagnant or improperly utilized;
- The increase, improvement, and preservation of the community's supply of housing available to low- and moderate-income persons and families;
- Encouragement of modern, integrated development with improved pedestrian, bicycle, and vehicular circulation; and
- Improvement of infrastructure to encourage commercial and industrial development.

Because land uses, transportation, and other development standards proposed for the Added Area incorporate existing City of Sacramento General Plan ("General Plan") policies, the proposed Amendment is consistent with the General Plan. The Amendment does not propose to institute additional land use policies not otherwise permitted by the General Plan, or other applicable codes and guidelines. Planning elements contained in the Amendment incorporate by reference the applicable provisions of the General Plan and all other state and local codes and guidelines, as they may be amended from time to time, so that consistency will be assured throughout the term of the Amendment.

The Amendment specifies that the Redevelopment Agency shall not use the power of eminent domain to acquire any real property in the Added Area that is occupied as a residence. No eminent domain proceedings to acquire property within the Added Area shall be commenced after twelve (12) years following the date of the adoption of Ordinance approving and adopting the Amendment.

3.5.1 GENERAL REDEVELOPMENT AGENCY ACTIVITIES

The proposed Amendment would authorize the following programs and activities in implementing the Redevelopment Agency's goals:

1. Providing for participation by owners and tenants presently located in the Added Area and the extension of preferences to business occupants desiring to remain or relocate within the redeveloped Added Area;
2. Acquisition of certain real property and the assemblage of adequate sites for the development and construction of residential, commercial, and heavy commercial warehouse facilities;
3. Management of any property acquired by and under the ownership and control of the Redevelopment Agency;
4. Relocation assistance to displaced Added Area occupants;
5. Demolition or removal of certain buildings and improvements;
6. Installation, construction, expansion, addition, extraordinary maintenance or reconstruction of streets, utilities, and other public facilities and improvements;

7. Disposition of property for uses in accordance with the Amendment;
8. Redevelopment of land by private enterprise and public agencies for uses in accordance with the Amendment;
9. Rehabilitation of structures and improvements by present owners, their successors, and the Redevelopment Agency;
10. Rehabilitation, development or construction of low and moderate income housing within the Added Area and/or the City; and
11. Providing for the retention of controls and establishment of restrictions or covenants running with the land so that property will continue to be used in accordance with the Amendment.

3.5.2 PROPOSED PROJECTS, PUBLIC IMPROVEMENTS AND PUBLIC FACILITIES

The central purpose of a redevelopment project is the elimination of blighting conditions and the overall revitalization of a project area. The redevelopment projects, programs and activities of the Redevelopment Agency would include: 1) property owner participation; 2) construction, reconstruction, and installation of public improvements and facilities; 3) demolition, clearance and site preparation for the construction of buildings and public improvements; 4) relocation assistance; 5) construction and enhancement of low- and moderate-income housing; 6) property acquisition; 7) property disposition; 8) public and private cooperation; 9) establishment of restrictions and enforcement programs; and 10) other actions as appropriate.

Every five years the Redevelopment Agency is required to adopt an implementation plan that contains the specific goals and objectives of the Redevelopment Agency for the Project Area, the specific programs, including potential projects, and estimated expenditures proposed to be made during the next five years, an explanation of how the goals and objectives, programs, and expenditures will eliminate blight within the project area, and a description of how the Redevelopment Agency proposes to address its affordable housing obligations in the project area over the next five- and ten-year periods, as well as over the duration of the Redevelopment Plan. The adoption of an implementation plan is not subject to CEQA review pursuant to Section 33490 of the Health and Safety Code. The current Implementation Plan for the Existing Project Area was adopted on February 29, 2000. In connection with the Amendment, the Agency will be preparing an amendment to the Implementation Plan for the Existing Project Area to incorporate relevant information applicable to the Added Area.

Redevelopment activities in the Added Area, including public improvements and facilities, will be financed through: tax increment revenues allocated to the Redevelopment Agency pursuant to the Amendment; costs borne by private developers; City general fund revenues; federal revenue sharing; and any other funding becoming available to the Redevelopment Agency.

POTENTIAL PUBLIC INFRASTRUCTURE PROJECTS

Improvements to Added Area public infrastructure are intended to alleviate traffic congestion and improve public safety, remove costly impediments to development, and upgrade infrastructure to contemporary standards to stimulate private development. The proposed traffic/circulation improvement projects include, but are not limited to roadways, landscape, street lights, pedestrian

walkways, bridges, interchanges, curbs, gutters, sidewalks, parking, street widening, traffic signals, over or underpasses, utility undergrounding, bicycle paths, street medians, trails, and trolley crossings.

The proposed sewer and drainage improvement projects include, but are not limited to, monitoring systems, sewer parallels, drainage lines, sewer lines, sump improvements, detention basins, wastewater treatment facilities, flooding systems, flood control dikes, and sewer systems. The proposed utility and communication improvement projects include, but are not limited to, electrical distribution systems, natural gas distribution systems, cable TV and fiber optic communication systems, water distribution systems, and windbreakers.

Numerous infrastructure projects have been identified in the City's 2003-2006 Capital Improvement Program, the 2002 Transportation Programming Guide, and the draft 2004 Transportation Programming Guide. The Redevelopment Agency may assist in the funding of these projects, as well as other projects, as follows:

1. Traffic Circulation Improvements

a. Traffic Signals

- i. Fruitridge Road – At Bradford Drive/Wilkinson Street
- ii. 14th Avenue – At 73rd Street
- iii. Other intersections, as necessary

b. Speed Humps

- i. Tierra Wood Way – Bridle Trail Way and Tierra Green Way
- ii. 53rd Avenue – Sun River Drive to 75th Street
- iii. Sun River Drive – 43rd Avenue to Elder Creek Road
- iv. Rancho Pico Way – Cunningham Way to Rancho Adobe Drive
- v. Briggs Drive – Tortola Way to City/County Limits
- vi. 50th Avenue – Sun River Drive east to 90 degree bend
- vii. Other Interior Streets, as necessary

c. Street and Roadway Improvements

- i. Streetscape and Roadway Improvement Projects
- ii. Power Inn Road – UP Rail Road tracks to City/County Limits
- iii. Elder Creek Road – Power Inn to South Watt Avenue
- iv. Fruitridge Road – 65th Street to Power Inn Road
- v. 65th Street – Fruitridge Road to City/County Limits
- vi. Lemon Hill Avenue – 65th Street to Power Inn Road
- vii. Other Interior Streets, as necessary

d. Sidewalks to Schools Projects

- i. Earl Warren Elementary School – Fruitridge Road between Lowell Street to 79th Street and Lowell Street between Vandenberg Drive to Fruitridge Road.

e. Street Lights

- i. Area-wide, as necessary

- f. Curbs, Gutters, and Sidewalks
 - i. Area-wide, as necessary
- 2. Water System Improvements
- 3. Sewer System Improvements
- 4. Flood Control Improvements

Prior to implementation, all of the foregoing improvement projects will be subject to environmental review and General Plan and Zoning Code compliance.

POTENTIAL COMMUNITY FACILITIES

The proposed community facilities improvement projects include, but are not limited to, parks, open spaces, schools, school facilities, fire and police facilities, communication systems, libraries, cultural centers, community centers, city maintenance facilities, plazas, recreational facilities, playgrounds and civic centers.

Projects may include, but are not limited to, the following:

- A. Improvements to Max Baer Park
- B. Improvements to George Sim Community Center and Park

OTHER REDEVELOPMENT ACTIVITIES

The above summary of proposed projects and public improvements may not be complete in that other projects may be proposed by the Redevelopment Agency to eliminate blighting conditions, facilitate rehabilitation and development, or to otherwise carry out the Redevelopment Agency’s purposes in the Added Area. In addition, the Redevelopment Agency would have various administration and operational requirements associated with carrying out the above programs and activities. These will include program staff conducting planning and other studies, and securing legal and other technical assistance. The Redevelopment Agency anticipates that approximately \$50 million in non-housing tax increment revenue will be spent on public infrastructure and facilities improvements over the duration of the Amendment. These funds may be used to supplement the City’s Capital Improvement Program where appropriate.

3.5.3 COMMERCIAL REHABILITATION AND ECONOMIC DEVELOPMENT INCENTIVES

The Redevelopment Agency anticipates a sizable portion of the non-housing revenue from the Added Area will be expended on projects to assist property owners with rehabilitation to older structures, redesign and reconstruction of obsolete properties, improve public safety, on-site improvements construction of buffers to surrounding uses, and other improvements needed to address existing deficiencies in the Added Area. The preliminary cost of these activities is anticipated to be \$51 million over the duration of the Plan.

These activities are designed to address blighting conditions by assisting business and property owners with rehabilitation, expansion, or acquisition activities. The Redevelopment Agency proposes to provide funds to assist in land acquisition and on-site and off-site infrastructure improvements. Consistent with the General Plan and South Sacramento Community Plan, the

Redevelopment Agency will seek to use redevelopment tools to stimulate private investment throughout the entire Added Area. Where appropriate, the Redevelopment Agency may provide grants and/or loans for small business or property owners who desire to install façade improvements, redesign parking areas, or add buffers to surrounding uses. In instances where more significant redevelopment work is needed, the Redevelopment Agency may work with multiple owners of property to create shared parking areas to improve the supply of convenient off-street parking and reduce potential safety hazards. The Redevelopment Agency may also participate with property owners who desire to reconstruct improvements by providing off-site improvements or other incentives to eliminate the financial shortfall facing many prospective Added Area developers and property owners. Finally, the Redevelopment Agency could employ its authority to assemble property, including the use of eminent domain on nonresidential properties as a means to create more developable parcels.

3.5.4 HOUSING PROGRAMS

The Redevelopment Agency is required by Redevelopment Law to set aside at least 20 percent of its gross tax increment revenues into a fund to increase, improve, and preserve the community’s supply of affordable housing. Such funds may be used outside the Added Area boundaries if the Redevelopment Agency and the City Council determine that such use will be of benefit to the Added Area. The Redevelopment Agency anticipates expending approximately \$43 million on affordable housing projects over the duration of the Amendment.

Housing fund expenditures will assist in satisfying the Redevelopment Agency’s affordable housing obligations, as well as the goals and policies of the Housing Element of the City’s General Plan.