

SACRAMENTO
REVITALIZATION



ARMY
DEPOT

**STRENGTHENING A TRADITION OF JOBS AND HOUSING
FOR SOUTHEAST SACRAMENTO**



STRENGTHENING A TRADITION OF JOBS AND HOUSING FOR SOUTHEAST SACRAMENTO

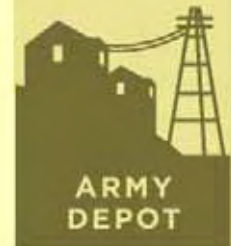


Originally a driving force behind the growth of southeast Sacramento, the Army Depot and adjacent residential neighborhoods share a historic past. Redevelopment of this area began in 1995 with the conversion of this former military base to a modern industrial park. The future of Army Depot involves energizing the industrial areas and neighborhoods again as a home to jobs and quality housing.



ARMY DEPOT

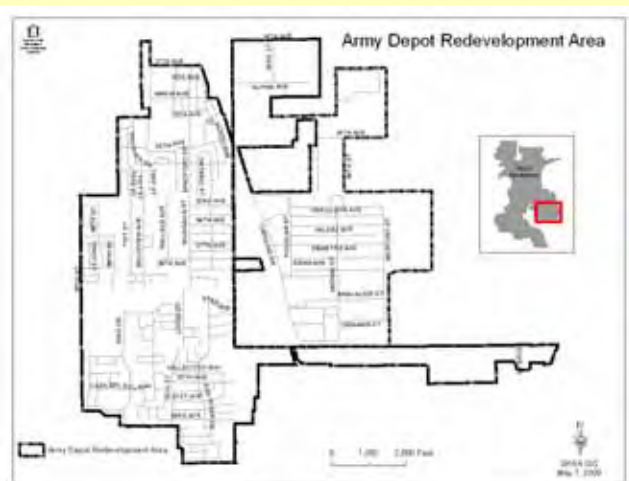




ABOUT ARMY DEPOT

In 1942, the Sacramento (Army) Signal Depot was located in temporary facilities at the State Fairgrounds on Broadway and Stockton Boulevard. In 1945, the United States Army moved the depot to its current location, a 485-acre site located 8 miles southeast of the capital. After World War II, the depot became an important storage and repair location for Army communications equipment. It also became a major economic force in Sacramento; employing at its 1968 peak 4,000 civilian employees.

As part of the Base Closure and Realignment Act of 1990, the Sacramento Army Depot was closed in early 1994 and the area was designated a redevelopment project area in 1995. This closure presented an opportunity to the City of Sacramento with potential for creating an employment and development center in a low-income area of the City. Packard Bell NEC consolidated its manufacturing operations on approximately 62 acres of the former Depot site. The company's operations on the site peaked in 1996, when nearly 5,000 people were employed. In November 1999 with Packard Bell NEC's closure, the City assigned the Packard Bell NEC lease to US National Leasing who has transformed the former base to a fully-secured industrial complex, now known as Depot Park.



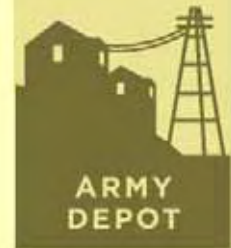
In 2004, the Redevelopment Agency of the City of Sacramento (Agency) amended the Redevelopment Plan to expand the Project Area by adding approximately 1,527 acres of property immediately to the west and south of the original Project Area. The addition of these residential neighborhoods, which include Colonial Manor, Colonial Village, Avondale, and Glen Elder, as well as other commercial and industrial properties provide the Agency the tools necessary to revitalize this southeast Sacramento community more comprehensively than ever before.

Currently, the Army Depot Redevelopment Area is faced with a new set of challenges such as the downturn in market and economic conditions, and the foreclosure crisis which has adversely affected this area by removing people from their homes, devaluing property values, and increasing crime and code enforcements issues.

This document outlines the strategies and projects to be implemented over the next five years to continue to respond to the neighborhood challenges and to support redevelopment of the commercial and industrial corridors.



Notable Anticipated Completions		What is There?																
Redevelopment Plan	Original Area Adopted 1995; Expires 2026 Amended to Add Properties 2004; Expires 2034	<p>2,817 Acres</p> <table border="1"> <caption>Land Use Distribution</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>33%</td> </tr> <tr> <td>Industrial</td> <td>20%</td> </tr> <tr> <td>Other</td> <td>23%</td> </tr> <tr> <td>Right-of-Way</td> <td>13%</td> </tr> <tr> <td>Vacant</td> <td>7%</td> </tr> <tr> <td>Public</td> <td>2%</td> </tr> <tr> <td>Commercial</td> <td>1%</td> </tr> </tbody> </table>	Category	Percentage	Residential	33%	Industrial	20%	Other	23%	Right-of-Way	13%	Vacant	7%	Public	2%	Commercial	1%
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Time Limit to Incur Indebtedness	Original Area 2015 Added Area 2024																	
Time Limit to Commence Residential Eminent Domain	Original Area expired in 2007 Added Area N/A																	
Time Limit to Commence Commercial Eminent Domain	Original Area expired in 2007 Added Area 2016																	
Time Limit to Repay Indebtedness	Original Area 2041 Added Area 2049																	
Implementation Plan	2009-2014																	
Housing Compliance Plan (For affordable housing program planning)	2005-2014																	



POSITIONING FOR THE FUTURE

During the current Implementation Plan period, the Agency championed several successful projects and programs in the Army Depot and adjacent residential neighborhoods due to the issuance of a \$10,000,000 Bond for the Project Area.

- George Sim Community Center Expansion:** The George Sim Community Center is a vital resource for the southeast Sacramento community. In 2008, the Agency provided \$10,246,000 towards the total project cost of \$18,000,200 for its expansion to meet the community's current and future needs. The project included: doubling the size of the Center with a 10,500 square foot addition, rehabilitation and upgrade of the existing Center, construction of a new gymnasium/auditorium, commercial kitchen, outdoor performance stage and pool equipment room, and modifications to the driveway and pool drop-off location through the acquisition of a small parcel which protruded into the park. The expansion was completed in September 2009.
- Southeast Sacramento Bicycle and Pedestrian Access Study:** The Agency and City of Sacramento Department of Transportation implemented a public outreach and planning project to identify walking and biking improvements in southeast Sacramento. The Study assessed the demand for biking and walking, and identified candidate improvements for bicycle and pedestrian travel in southeast Sacramento. The Study was completed in late 2008 and its results will be used to prioritize and consider future projects in the area. The Agency anticipates funding various projects in 2009.
- Depot Park Improvements:** Depot Park is a state-of-the-art facility which offers tenants highly flexible storage, industrial and office space and is fully-secured. Abundant parking, on-site childcare center and café, plus extensive landscaping all combine to make Depot Park an excellent site for businesses that want to attract and retain good employees. The Agency assisted Depot Park in replacing and upgrading window frames and glazing at clerestories of six 60-year old buildings and removal of asbestos which improves tenant amenities and helps maintain the competitive appeal of the light industrial space. The Agency provided \$1 million toward the total project cost of \$ 1,265,800.

Creating a Transportation Network

Fruitridge Road, Power Inn Road, Elder Creek Road and 14th Avenue are important commercial corridors in the Army Depot Redevelopment Area and southeast Sacramento. These corridors provide local residential and regional commercial access that is vital to the economic success in the area. Currently, these roads are not able to accommodate the volume of vehicle traffic and pedestrian/bike trips. In 2007, funds were provided to construct streetscape, pedestrian and bicycle improvements on Fruitridge Road between 65th Street Expressway and Power Inn Road. In 2008, funds were provided to prepare a 14th Avenue Master Plan, Power Inn Road Widening Feasibility Study and Elder Creek Road Feasibility Study which will analyze the current transportation conditions and provide needed recommendations for potential long term road improvements and funding. Information for the corridors will be used to prioritize future funding in the area to improve the transportation circulation and pedestrian infrastructure in order to create a cohesive transportation network which better links the City and encourages private investment.



REDEVELOPMENT PLAN GOALS

The following redevelopment area goals are from the Project Area's original adopted Plan of 1995 and amended in 2004 to include additional property that the Agency has and continues to use to guide the area's revitalization efforts.

- a. The conversion of existing military facilities to effective, economic public and private use. The creation and development of local job opportunities and the preservation of the existing employment base.
- b. The establishment of a redevelopment planning and implementation framework that will ensure the proper long term development of the Sacramento Army Depot area.
- c. 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.
- d. 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.
- e. The preplanning, redesign and development of underdeveloped or poorly developed areas that are underutilized or improperly utilized.
- f. 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.
- g. The provision for increased sales taxes, business license fees, and other fees, taxes and revenues to the City of Sacramento.



IMPLEMENTATION PLAN STRATEGY

The following implementation strategy represents the specific approach and criteria that the Agency will use over the next five years to select and implement projects in the Army Depot Redevelopment Area.

- a. Create a transportation system which better links the City and encourages private investment. Seek to improve public infrastructure in the area which is critical towards attracting new and retaining existing development. Improve the quality of life for existing residents, businesses and property owners by developing first rate infrastructure facilities and the installation of other needed improvements to help stimulate private development.
- b. Create more jobs for the area by capitalizing on the employment opportunities in the industrial portions of the area and the proximity of the potential work force in the residential neighborhood. Emphasize business attraction including industrial, office and retail and assist in the expansion and development of employment opportunities including green clean industries.
- c. Facilitate the development of complete neighborhoods through the creation of new housing opportunities at various affordability levels and housing types, encourage infill development, improvements to existing housing stock and provide high quality community facilities.



REDEVELOPMENT PROGRAM – 2009 THROUGH 2014

Over the next five years, the Agency proposes to implement the Army Depot redevelopment strategy by undertaking the following potential projects and programs:

Project/Description	Estimated Redevelopment Investment	Goals Achieved	Strategy Achieved
<p>Fruitridge Road Streetscape Phase 2 Design and construction of streetscape improvements on Fruitridge Road between 65th Street and Power Inn Road and sidewalks on Lowell Street. The Agency provided \$1,187,000 for the project. Design will continue in 2009 and construction is anticipated in 2010.</p> <p>Completion of this project will complete improvements identified in the Fruitridge Road Streetscape Master Plan completed in 2000 to improve pedestrian, bicycle and vehicular safety and aesthetics, and support existing and facilitate new private development along the commercial corridor.</p> <p><i>Anticipated Completion:2009 thru 2011</i></p>	<p>\$1,187,000</p>	<p>b, c, d, f</p>	<p>a</p>
<p>Power Inn Road Street Enhancement at Union Pacific Railroad Crossing Phase 1: Preliminary design concepts for streetscape and safety improvements from approximately 21st Avenue and Fruitridge Road were completed in 2007. In 2008, the Agency provided \$69,620 for final design and coordination with Union Pacific Railroad and a portion of the project lies in the 65th Street Redevelopment Area and \$48,380 was also provided for a total cost of \$118,000. Phase 2: Funds may be used to construct improvements after the final design and Union Pacific Railroad coordination is complete.</p> <p>Completion of this project will eliminate blight and promote economic development on commercial corridors.</p> <p><i>Anticipated Completion:2009 thru 2014</i></p>	<p>\$500,000</p>	<p>b, c, d, f</p>	<p>a</p>



Project/Description	Estimated Redevelopment Investment	Goals Achieved	Strategy Achieved
<p>14th Avenue Improvements Phase 1: Prepare a Mater Plan to identify infrastructure improvements and cost estimates for a new arterial street connecting Power Inn Road and Florin Perkins Road to decrease traffic congestion on adjacent streets. Project funds in the amount of \$400,000 were allocated in July 2008. Phase 2: Funds may be used for design and construction related activities to widen and construct the improvements.</p> <p>Completion of this project will eliminate blight and promote economic development on commercial corridors.</p> <p><i>Anticipated Completion:2009 thru 2014</i></p>	<p>Contingent upon available funding</p>	<p>b, c, d, f</p>	<p>a</p>
<p>Power Inn Road Widening Phase 1: Complete study to evaluate the feasibility of widening Power Inn Road from 4 lanes to 6 lanes from 14th Ave. (north) to City Limits (south). Project components include: traffic study, phasing, utility information, right of way information, cost estimation and Railroad information. Project funds in the amount of \$250,000 were allocated in July 2008. Phase 2: Funds may be used for design and construction related activities to widen and construct the improvements.</p> <p>Completion of this project will promote economic development on commercial corridors.</p> <p><i>Anticipated Completion:2009 thru 2014</i></p>	<p>Contingent upon available funding</p>	<p>b, c, d, f</p>	<p>a</p>



Project/Description	Estimated Redevelopment Investment	Goals Achieved	Strategy Achieved
<p>Elder Creek Road Improvements Phase 1: This project will determine appropriate infrastructure improvements to increase pedestrian and bicycle safety on Elder Creek Road between Power Inn Road and South Watt Avenue. Project funds in the amount of \$100,000 were allocated in July 2008. Phase 2: Funds will be used for design and construction of the necessary identified infrastructure improvements.</p> <p>Completion of this project will eliminate blight and promote economic development on commercial corridors.</p> <p><i>Anticipated Completion:2009 thru 2014</i></p>	<p>Contingent upon available funding</p>	<p>b, c, d, f</p>	<p>a</p>
<p>Southeast Sacramento Bicycle and Pedestrian Improvements The Agency anticipates funding design and construction of projects identified by the Redevelopment Advisory Committee from the Southeast Sacramento Bicycle and Pedestrian Study which was completed in the fall of 2008.</p> <p>Completion of this project will provide more amenities to the community to increase quality of life and make the area a more attractive place to live.</p> <p><i>Anticipated Completion:2009 thru 2014</i></p>	<p>\$400,000</p>	<p>b, c, d</p>	<p>a, c</p>



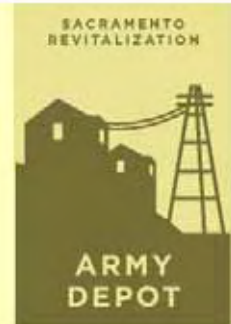
Project/Description	Estimated Redevelopment Investment	Goals Achieved	Strategy Achieved
<p>Public Facilities and Infrastructure</p> <p>Projects include transportation and streetscape improvements needed to improve the connectivity in the area, increase pedestrian and bicycle safety, relieve congestion and decrease impacts to neighborhoods. Infrastructure improvements may also include utilities upgrades to support development in the Project Area. Projects may include master plans, feasibility studies, engineering design, transportation and streetscape improvements, traffic calming and pedestrian and bicycle improvements, storm drainage, water line, sewer system upgrades and other infrastructure improvements or facilities.</p> <p>Completion of this project will improve the appearance and accessibility into the neighborhood and commercial/industrial areas and promote new and continuing private investment.</p> <p><i>Anticipated Completion:2009 thru 2014</i></p>	<p>Contingent upon available funding</p>	<p>c, d</p>	<p>a</p>



Project/Description	Estimated Redevelopment Investment	Goals Achieved	Strategy Achieved
<p>Development Assistance The program will provide funds to developers and property owners to construct new and existing residential and commercial buildings. Attract new residential, commercial, industrial and office uses to the area. Identify contaminated sites and collaborate with other agencies to eliminate potential toxic contamination that prevents development.</p> <p>Potential activities include acquisition of key sites, site assembly, planning/design work, marketing, gap financing, disposition of property, rehabilitation and remediation of existing properties, improvements to public facilities and infrastructure.</p> <p>Completion of these projects will eliminate factors hindering economically viable uses.</p> <p><i>Anticipated Completion:2009 thru 2014</i></p>	<p>Contingent upon available funding</p>	<p>a, b, c, d, e, f, g</p>	<p>a, b, c</p>
<p>Commercial Revitalization/ Exterior Rebate Program The program provides funds for exterior rehabilitation of commercial properties in the Project Area.</p> <p>Completion of this project would result in eliminating factors hindering economically viable use.</p> <p><i>Anticipated Completion:2009 thru 2014</i></p>	<p>Contingent upon available funding</p>	<p>c, f, g</p>	<p>b</p>
<p>Business Retention and Attraction Program Promote regional efforts to attract and retain jobs in the Project Area. The area stakeholders should work collaboratively to establish a vision to facilitate industries that promote clean and green practices.</p> <p>Completion of this project would provide jobs to area residents and promote the location of new businesses into the area.</p> <p><i>Anticipated Completion:2009 thru 2014</i></p>	<p>Contingent upon available funding</p>	<p>a, c, f, g</p>	<p>b</p>



Project/Description	Estimated Redevelopment Investment	Goals Achieved	Strategy Achieved
<p>Depot Park Improvement Program The improvement program to Depot Park, the major economic engine in the Project Area, will provide funds on-site to improve infrastructure and create economic development opportunities for job creation and retention in the Project Area.</p> <p>With Agency support, the continued growth of Depot Park can spur further development in the area by eliminating blighting conditions.</p> <p><i>Anticipated Completion:2009 thru 2014</i></p>	Contingent upon available funding	a, c, f, g	b
<p>Community Facilities The program may provide funds to improve and develop community centers and community spaces in the Project Area. Potential projects include: renovation and expansion of park amenities, preservation of community garden space, and development of child care centers.</p> <p>Completion of these projects would provide more amenities to the community and make the area a more attractive place to live which can help build up the area's vacant properties.</p> <p><i>Anticipated Completion:2009 thru 2014</i></p>	Contingent upon available funding	b, d, e,	c
Total Estimated Redevelopment Investment	\$2,087,000		



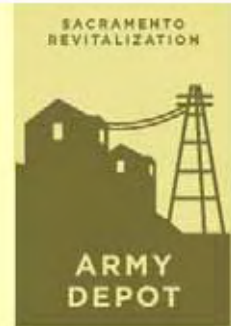
PROPOSED AFFORDABLE HOUSING PROGRAM – 2009 THROUGH 2014

Residential land use comprises over half of the Army Depot Redevelopment Area and single-family detached homes represent a significant amount of that land. Over the past five years the development of new single family housing was market driven and there was no need for Agency assistance to complete projects. However, certain issues remain which impact future housing development such as a high number of vacant and underutilized single-family lots, poor parcelization, and a lack of adequate infrastructure and large sites for a multi-family development.

The Agency’s housing program aims to facilitate the development of complete neighborhoods by providing various housing types for all income levels, improving the existing housing stock and promoting quality infill development. The Agency aims to reduce the number of vacant and underutilized properties in the residential neighborhoods through quality infill developments and rehabilitation and improvements to the existing single-family homes and multifamily developments.

Over the next five years, the Agency proposes to implement the residential component of the Army Depot redevelopment strategy by undertaking the following potential projects and programs:

Project/Description	Estimated Redevelopment Investment	Goals Achieved	Strategy Achieved
<p>Residential Development Contribute gap financing for projects that will revitalize the area and provide housing opportunities for a mix of income levels. Provide a vision and plan for areas that may be appropriate for new housing projects. Projects may include but not limited to Bibbs Drive, the Avondale Glenn Elder Areas and strategic vacant or underutilized parcels in the Project Area.</p> <p><i>Anticipated Completion:2009 thru 2014</i></p>	Contingent upon available funding	b, c, e, f	c



HOUSING PROGRAM COMPLIANCE OBJECTIVES

For more than 60 years, the Redevelopment Agency has played a key role in providing housing assistance to individuals and families of modest financial means ensuring that they have a safe, clean and affordable place to live and are able to participate in a dynamic economy. As required by the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, "CRL"), this section of the Implementation Plan identifies the Agency's housing assistance strategy including prior affordable housing activities, future anticipated housing need, and planned housing projects and programs. The CRL's requirements are explained below, as well as the Agency's past accomplishments and housing production requirements, and its future housing requirements.

In addition to the plans, activities, and projects just described in the redevelopment program, the facilitation and financing of affordable housing is an important and mandatory function of redevelopment. As tax increment revenues are generated in redevelopment project areas, 20 percent of the gross revenue stream is immediately set aside and placed in the Low and Moderate Income Housing Fund. Those funds, pooled with other federal and state resources and tax credits, provide an important financing tool to assist in the development of income-restricted, affordable housing projects.

In 2004, the Agency received the authority to expend Project Area housing set-aside funds either inside or outside the Project Area and to aggregate housing production activities and expenditure requirements among all of the Project Areas. The Agency approaches housing compliance from a citywide perspective to more effectively meet housing program objectives for the Agency and this Project Area in particular.

This section of the Implementation Plan, along with the Housing Compliance Plan for the City, addresses specific requirements in state law with respect to prior affordable housing activities and the anticipated housing program over a 10-year period, beginning in 2005. Redevelopment housing requirements generally fall into three categories: *Housing Production*, *Replacement Housing*, and *Expenditures by Household Type*. While *Housing Production* and *Replacement Housing* are reflected within this Implementation Plan, the *Expenditures by Household Type* is reflected in the Housing Compliance Plan for the City, which provides a comprehensive report reflecting the City's affordable housing compliance.

Housing Production

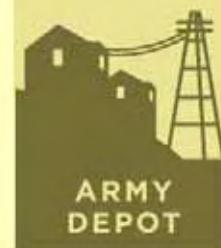
To estimate the number of housing units that need to be affordable to low- and moderate-income households earning, the Agency estimated the total number units to be constructed or substantial rehabilitated in the Project Area and applied formulas established in the CRL.

The following chart summarizes the production goals over various time periods as required by the CRL. 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.



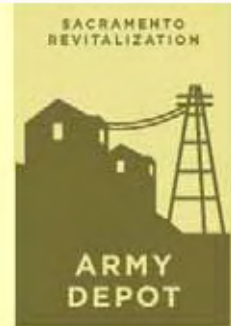
Actual and Projected Housing Production Needs by Time Period			
Time Period	Actual/Assumed Housing Units Constructed and Substantially Rehabilitated in Project Area	Required Affordable Units /1	
		Total	Very Low
Prior Period	1	1	1
10 Year Compliance Period	253	40	17
<i>Actual (2005 to 2009)</i>	153	25	11
<i>Projected (2010 to 2014)</i>	100	15	6
Future Forecast (2015 to 2049)	250	38	16
Redevelopment Plan Duration (1995 to 2049)	504	79	34
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 preceding table, the Agency anticipates a need for up to 40 affordable units, (including 17 very low-income units), to fulfill its production goals for the ten year period, and 79 affordable units (including 34 very low-income units) over the duration of the Redevelopment Plan. Fulfillment of these productions goals, including prior years, is shown on the following table.



Fulfillment of Affordable Housing Production Requirements by Time Period								
Time Period	Units Required (see previous table)		Units Produced		Units Requiring Future Production		Net Surplus Units Produced	
	Total	VL	Total	VL	Total	VL	Total	VL
Prior Period /1 <i>In Project Area</i> <i>Outside Project Area /2</i>	1	1	1	1	0	0	0	0
10 Year Compliance Period /3	40	17	25	11	15	6	0	0
Actual (2005 to 2009) <i>In Project Area</i> <i>Outside Project Area /2</i>	25	11	0	0	0	0	0	0
Projected (2010 to 2014) <i>In Project Area</i> <i>Outside Project Area /2</i>	15	6	0	0	15	6	0	0
Future Forecast (2015 to 2049)	38	16			38	16	0	0
Redevelopment Plan Duration (1995 to 2049)	79	34	26	12	53	22	0	0
Notes:								
1/ Includes one unit at Florin Meadows project.								
2/ Units produced outside project area credited on a 2-for-1 basis. In 2005, the Agency obtained 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. Includes units from Silverado Creek (32 units) and Willow Glen Apartments (18 units).								

As shown in the preceding table, the Project Area has a 40 unit affordable housing production need for the 10-year planning period, including 17 very low-income units. 25 units were required to be produced during the 2005-2009 period, and 25 units were produced outside the project area, thereby meeting the requirement. The Agency has plans to construct



sufficient affordable housing units outside the Project Area to meet the housing production goal requirements over the 10-year planning period.

Replacement Housing

CRL requires that whenever housing occupied by low and moderate income persons or households are destroyed as part of an Agency project, the Agency is responsible for ensuring that an equivalent number of replacement units are constructed or substantially rehabilitated. These units must provide at least the same number of bedrooms destroyed, and 100% of the replacement units must be affordable to the same income categories (i.e. very low, low, and moderate) as those removed. The Agency receives a full credit for replacement units created inside or outside the Project Areas.

The Agency anticipates removing 1 very low income housing units, consisting of 2 bedrooms, from the Sim Park/6243 Logan Street property during the 10-year period. The Agency is required to replace these units within four years of removal and the following table illustrates how the Agency anticipates satisfying replacement housing needs generated by the removal of the Sim Park/6243 Logan Street unit. The Agency anticipates creating 1 replacement unit with a total of 2 replacement bedrooms through the Silverado Creek project as detailed in the following table. The Agency's actions as detailed in the table confirm that it has met and will meet the anticipated replacement housing obligation for the 10-year period.

The Agency does not anticipate demolishing or removing any other affordable dwelling units during the remaining 10-year period.

Replacement Housing Obligations					
Project	Total Bedrooms	Total Units	Very Low Income Units	Low Income Units	Moderate Income Units
Units Removed					
Sim Park/6243 Logan St.	2	1	1	0	0
Total Units Removed	2	1	1	0	0
Replacement Units					
Silverado Creek	2	1	1	0	0
Total Replacement Units	2	1	1	0	0



Expenditures by Household Types

As reflected in the Housing Compliance Plan of the City, the Agency aggregates Project Area housing set-aside in order to more effectively meet housing program objectives. As a result, the *Expenditures by Household Types* can be found in the Housing Compliance Plan of the City.