

May 19, 2010



Sacramento Housing and Redevelopment Commission
Sacramento, California

Honorable Members in Session:

SUBJECT

Neighborhood Stabilization Program – Programmatic Replacement Housing Plan

RECOMMENDATION

Staff recommends adoption of the attached resolution: a) approving the Neighborhood Stabilization Program (NSP) Replacement Housing Plan for the replacement of up to 15 residential units including 3601/03 Pansy Avenue, 3530 10th Avenue, and 210 Nimitz Street; b) authorizing the Executive Director or her designee, to take all actions reasonably necessary to demolish structures under the NSP in accordance with the established Property Recycling Program Guidelines, Section 6.1; and c) make related findings.

CONTACT PERSONS

Chris Pahule, Assistant Director, Housing and Community Development, 440-1350

SUMMARY

The Neighborhood Stabilization, Property Recycling Program (PRP) guidelines (Attachment 2) identify three eligible activities including the redevelopment of properties that support a larger site assembly effort or that are severely dilapidated to the point necessitating demolition. Activities requiring demolition will be in conjunction with one of the following three strategies as specified in the program guidelines: land banking, change of use, or new construction.

This report requests approval of a programmatic replacement housing plan (Attachment 3) in anticipation of future redevelopment activities requiring the demolition of housing units. The plan proactively identifies housing units that will be created to replace the maximum number of units anticipated for demolition under the remaining life of the Property Recycling Program. For redevelopment purposes, it is anticipated that no more than ten units will be demolished in the City NSP Target Area and no more than five units will be demolished within the County NSP Target Area over the remaining life

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of the program. Of the ten city units, four have already been identified for demolition and land banking due to the substandard and severely dilapidated condition of the existing structures. These properties are identified in Attachment 3.

The replacement housing plan applies specifically to those properties meeting the following requirements:

- o Properties acquired with NSP funds;
- o Properties acquired within the established NSP Target Area (see Attachment 1);
- o Properties acquired for eligible redevelopment purposes as specified in the PRP guidelines; and
- o Properties acquired within the remaining duration of the Neighborhood Stabilization Program.

A detailed record of those properties acquired, demolished and replaced under the PRP will be maintained in the project file.

BACKGROUND

In February 2009, the County Board of Supervisors and the Sacramento City Council approved resolutions to implement the federally funded Neighborhood Stabilization Program (NSP) which addresses foreclosures in impacted neighborhoods through three specific activities: the Vacant Properties Program, the Block Acquisition/ Rehabilitation Program, and the Property Recycling Program (PRP). The PRP specifically consists of a highly targeted acquisition strategy focusing on properties in the NSP target areas that meet the following targeting requirements:

- Support larger site assembly efforts for the County, City or Redevelopment Agency;
- Property can be absorbed into the Housing Authority's property management portfolio; or
- Property is significantly deteriorated such that the property is unmarketable or rehabilitation is not reasonable. Properties meeting this targeting requirement would likely be blighted and pose a health and safety issue to the neighborhood, thus likely necessitating demolition and land banking for a period of time to alleviate the negative impacts of foreclosure in the neighborhood.

Properties in this program may additionally require an intermediate hold strategy in accordance with a long-term plan that can be fully implemented once the market can support the additional investment. As such, demolition and land banking activities are viable intermediate actions that can bring an immediate impact with the potential for an even larger benefit in the future.

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This report recommends the approval of a programmatic replacement housing plan to proactively identify replacement units for those properties demolished under the Property Recycling Program. Prior to this report, three separate replacement housing plans were approved, identifying replacement housing units for two triplex properties and one duplex property within the city and two single family properties within the county. It is anticipated that not more than 15 additional units will be demolished within the NSP Target Area under the program.

FINANCIAL CONSIDERATIONS

This report does not recommend financial changes to the approved 2010 Agency budget or the Neighborhood Stabilization Program.

POLICY CONSIDERATIONS

The actions contained in this report meet the NSP goal of revitalizing neighborhoods through strategic redevelopment of vacant properties and providing affordable homeownership and improved affordable rental opportunities to Sacramento families.

ENVIRONMENTAL REVIEW

The Replacement Housing Plan consists of an administrative action designating units within a previously approved low-income housing development, with a separate CEQA review and approval process, to replace low-income units lost through demolition activity. Only three properties (two single-family residences and a duplex) have been identified for demolition at this time. The proposed action of demolishing and removing no more than three single-family residences, and no more than six multifamily units, is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301 (1)(2). Therefore, the demolition of these four units is exempt under CEQA. The remaining units have not been identified; therefore, there is no project at this time requiring CEQA review. As individual properties are identified for demolition, the appropriate level of CEQA review will be determined. The Replacement Housing Plan does not have the potential to cause a significant effect on the environment, and is exempt from CEQA pursuant to CEQA Guidelines section 15061 (b) (3). Therefore, the entirety of the proposed action is exempt from further CEQA review.

The Replacement Housing Plan, as an administrative action, is exempt under NEPA Section 58.34 (a) (3). This action would also give the authority to the Executive Director to approve demolition of the identified structures and other unidentified structures in accordance with the NSP program guidelines. Because this action does not directly approve the demolition of structures, and additional clearance would be required at a later date, NEPA review is not required for the demolition of properties at this time. All NEPA review will be completed prior to demolition of each structure.

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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,

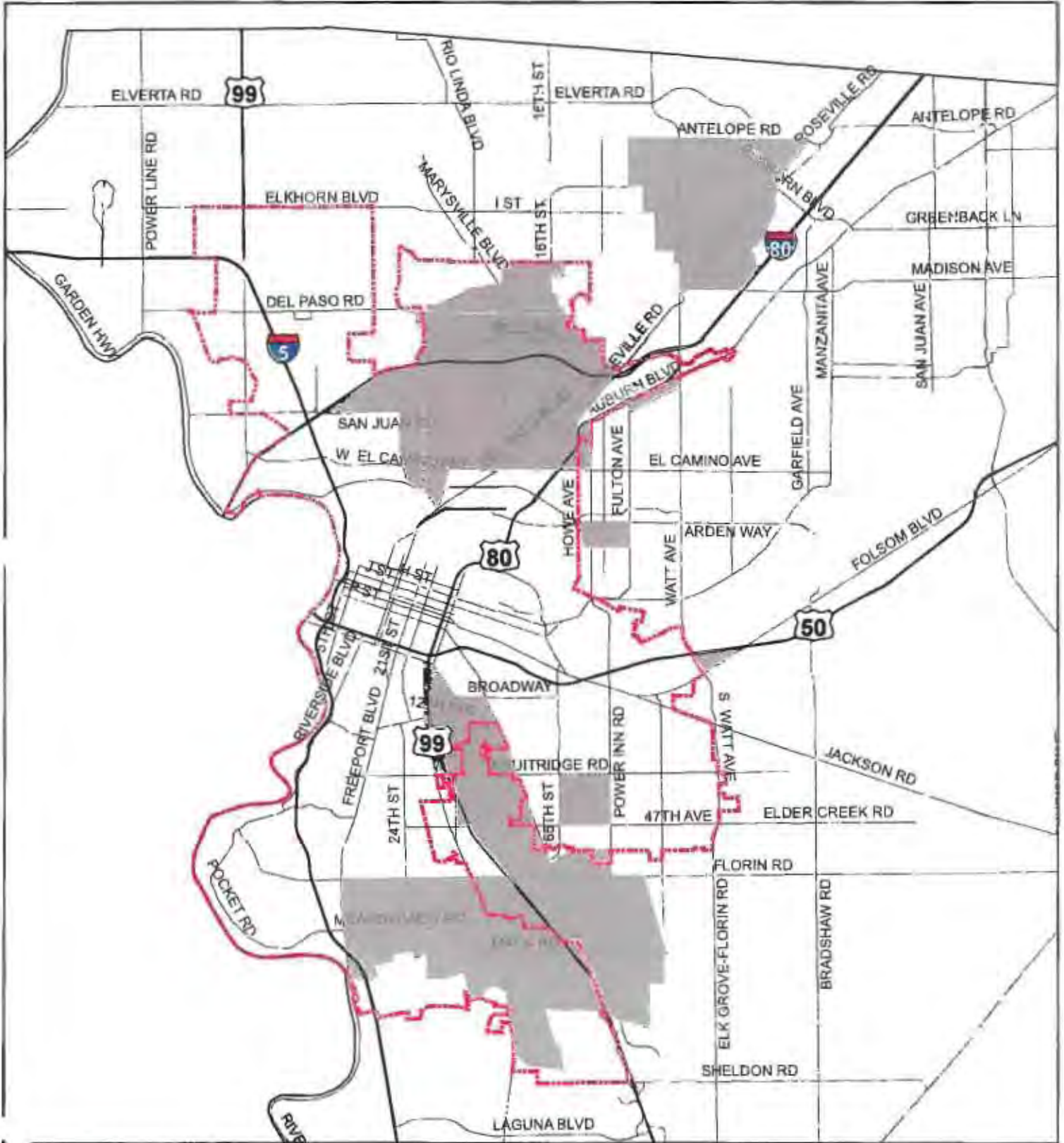

LASHELLE DOZIER
Executive Director



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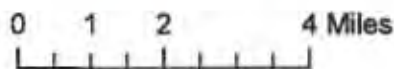
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NSP Target Areas



 City of Sacramento Boundary
 NSP Target Area



SHRA GIS
January 11, 2010



Sacramento Neighborhood Stabilization Program Property Recycling Program

Property Recycling Program

The Sacramento Property Recycling Program (PRP) focuses on stabilizing neighborhoods through strategic investments and partnerships. The PRP aims to transform the most impacted neighborhoods, streets and properties; those areas where the market alone cannot ensure change. Working with governmental, non-profit and for-profit partners, the PRP provides access to properties and funding to remove the blight of foreclosures through redevelopment activities, acquisition, rehabilitation and rental of affordable housing, and acquisition and rehabilitation of single family homes for sale throughout Sacramento. The PRP is complimentary to the other programs funded under the Neighborhood Stabilization Program (NSP), all of which seek to reduce the impacts of foreclosures.

- 1.0 Administration.** The Property Recycling Program is administered by the Sacramento Housing and Redevelopment Agency (SHRA). SHRA is a joint powers authority of the City and County of Sacramento, and the recipient and administrator of the NSP funding. SHRA's primary role in the PRP is acquisition of properties and disposition to the appropriate Community Partner (see Section 7.0). SHRA's affiliated entities, the Redevelopment Agencies of the City and County of Sacramento and the Housing Authorities of the City and County may also serve as the purchaser of properties.
- 2.0 Eligible Areas.** All activities under the PRP will be for properties located in the NSP target areas, with a priority on areas that are characterized by significant code violations/actions, disproportionate foreclosure activity and/or other blighting conditions. See the attached map of the NSP target areas.
- 3.0 Eligible Properties.** Through the PRP, SHRA and its affiliated entities are authorized to purchase foreclosed residential and vacant properties within the NSP target areas. NSP regulations regarding acquisition of properties at a discount from market appraised value will be applicable both on a property level and on a portfolio level. The current market appraised value is established through an appraisal made in conformity with the appraisal requirements of the URA at 49 CFR 24.103 and completed within 60-days from the date of the final offer.
- 4.0 Affordability.** All residential units resulting from the acquisition, rehabilitation or construction through PRP activities must house families at or below 120% of area median income (AMI). Affordability definitions are based on the area median income (AMI) for the Sacramento Metropolitan Statistical Area (MSA) as established by the US Department of Housing and Urban Development (HUD). The median income is subject to change annually.

Properties purchased through the PRP are presumed to be "naturally affordable" based on the location and market conditions of the targeted areas (24 CFR 92.254(a)(5)(i)(B)). Units that will be sold (either initially or through a lease to own program) as a result of PRP activities must be sold to a family whose income does not exceed 120% of AMI (adjusted for family size) but will not require a long term affordability covenant. Rental units resulting from PRP activities will include long term affordability covenants that restrict income and occupancy to families at or below 50% AMI, consistent with HOME rent standards (24 CFR 92.252) and will be subject to additional affordability requirements of the SHRA Multi-family Lending and Mortgage Revenue Bond Policies or Investment Property Program. In the instance of a multi-unit property, these affordability requirements will apply to the number of units proportionally assisted with NSP funding.

- 5.0 Property Acquisition.** Under the PRP, SHRA can acquire residential and vacant properties that are located in a target area for one of three eligible activities, described in Section 6.0. In addition to purchases through local brokers, realtors and other publicly accessible routes, SHRA has established a relationship with the National Community Stabilization Trust (NCST). NCST allows partner governmental entities to view and acquire foreclosed properties within the NSP target areas at a significant market discount, prior to the properties being actively listed. All property acquired under the PRP is subject to the federal Uniform Relocation Act (49 CFR Part 24), as applicable.
- 6.0 Eligible Activities.** The PRP includes three distinct activities, each of which is described in detail below.

- 6.1 Redevelopment.** Properties that support a larger site assemblage effort of the City or County Redevelopment Agency or Housing Authority or that are severely dilapidated to the point

necessitating demolition, will be acquired through the PRP. Properties under this activity may require an intermediate hold strategy in accordance with a long-term plan that can be fully implemented once the market can support the additional investment. As such, demolition and land banking activities are viable intermediate actions that can bring an immediate impact with the potential for an even larger benefit in the future.

- 6.1.1 Demolition.** Activities requiring demolition will be in conjunction with one of the following three strategies: land banking, change of use, or new construction. Demolition and new construction activities will require additional environmental determinations under the National Environmental Protection Act (NEPA) and the California Environmental Quality Act (CEQA). SHRA will complete a programmatic replacement housing plan that will identify units that will be created in the City and County in order to replace the maximum number of units that may be demolished in the Target Areas under the program.
- 6.1.2 Land Banking.** Land banking activities will be in support of efforts where Agency intervention was necessary to prevent further deterioration of a neighborhood or in coordination with larger projects. No property placed in the land bank can be held by SHRA for more than ten years, as outlined under NSP.
- 6.1.3 Redevelopment.** SHRA will partner with non-profit and for-profit developers to construct housing units on vacant properties. These properties that are purchased with NSP funds will be developed with new construction. SHRA may also partner with governmental agencies to utilize properties for a public use.

6.2 Rehabilitation and Resale of Single Family Housing. Existing single family (1-4 units) properties that are foreclosed upon and vacant may be acquired by SHRA for disposition to a Community Partner (see Section 7.0 below) to rehabilitate and sell. SHRA may require the Community Partner to provide a percentage of acquisition cost at the time of disposition to offset overall Agency funding commitment. SHRA will carry back the remaining cost of the acquisition until the property is sold to an eligible buyer. These properties will primarily come through the NCST, and, as such, will require expedient inspection, appraisal and purchase negotiations. Pre-approved Community Partners will be required to comply with all requirements of the NSP Property Recycling Program, including rehabilitation standards, payment of Prevailing Wages, and lead based paint requirements.

6.3 Rehabilitation of Rental Housing. Existing properties that are foreclosed upon may be acquired by SHRA for disposition to a Rental Housing Developer (see Section 7.4 below). SHRA may also fund the rehabilitation of such projects; however, a rental rehabilitation project must comply with all requirements of the SHRA Multi-Family Lending and Mortgage Revenue Bond Policies or Investment Property Program, including rehabilitation standards, management standards and resident service requirements. NSP restrictions will be placed on the proportionate number of units funded with NSP money (e.g. if half of the project cost is funded with NSP, half of the units will be restricted by NSP). NSP units in rental properties must be affordable to families at or below 50% AMI. Properties may also be acquired and rehabilitated for long-term rental housing by the Housing Authority.

7.0 Community Partners. For multi-family and single-family properties acquired for rehabilitation and rent or resale, SHRA will work with a variety of pre-approved community partners. There are four types of Community Partners, described below, that SHRA will work with, subject to successful qualification, to ensure broad access to properties and nimble recycling of properties.

7.1 Mission-Driven Organizations. These are non-profit organizations that have an existing program and track record of rehabilitating or constructing single family homes, with a larger community purpose or goal. Such missions may include job training, youth empowerment, affordable housing, community reinvestment, etc. Partnerships among existing non-profit organizations are encouraged if needed to amass the appropriate experience.

- 7.1.1 Selection.** SHRA will issue a Request for Qualifications (RFQ) for qualified Mission-Driven Community Partners. The RFQ will require information on past performance, community purposes, financial capacity and type(s) of properties desired. Approval under the RFQ is a pre-requisite for participation as a Mission-Driven Community Partner.
- 7.1.2 Property Access.** Approved Mission-Driven Community Partners will be provided first access to homes that meet their needs and that match with the particular community needs. Should more than one Mission-Driven Community Partner request the same property, SHRA will offer it first to the partner who has not received a property and second to the partner needing the least financial assistance. Should the Mission-Driven

Community Partner not want the properties offered, they will be offered to the volume builder(s) or VPP participants, in that order.

- 7.1.3 Financial Assistance.** Mission-Driven Community Partners will be offered the rehabilitation loan and developer fee assistance under the Vacant Properties Program. In addition, based on SHRA staff review of the partner's financial capacity, the property may be offered at a discount from the SHRA purchase price or as a donation, if needed to support a reduced sales price based on the partner's mission or to support the cost of training or other community components of the partner's mission. If a property is offered to a Mission-Driven Partner as a donation, then SHRA will not provide a developer fee.

7.2 Volume Builders. These are non-profit or for-profit single family builders who have the financial capacity to rehabilitate at least 10 scattered homes at a time, including the ability to provide capital for purchase, the ability to support carrying costs on the homes and the ability to provide sufficient labor.

- 7.2.1 Selection.** SHRA will issue a Request for Qualifications (RFQ) for qualified Volume Builder Community Partners. The RFQ will require information on past construction and rehabilitation projects, financial capacity and projected volume capacity. SHRA anticipates selecting one Volume Builder Community Partner who can efficiently and expeditiously acquire, rehabilitate and sell the majority of units purchased under the NCST. Approval under the RFQ is a pre-requisite for participation as a Mission-Driven Community Partner.
- 7.2.2 Property Access.** All properties not appropriate for or not desired by the Mission-Based Community Partner(s) will be offered to the Volume Builder Community Partner(s).
- 7.2.3 Financial Assistance.** Homes will be sold to the Volume Builder Community Partner(s) at a price determined by SHRA, not to exceed the price paid for property. The partner(s) will be offered a rehabilitation loan and developer fee assistance under the Vacant Properties Program.

7.3 Vacant Property Program Participants. These are the single family developers/builders approved through the Vacant Property Program RFQ process.

- 7.3.1 Selection.** The Vacant Property Program has a separate application process to become a "Preferred Builder." Approval under this application process will be deemed approval under the PRP.
- 7.3.2 Property Access.** Any property not acquired by the Mission-Driven or Volume Builder Community Partners will be offered to the VPP participants on a first-come, first-serve basis.
- 7.3.3 Financial Assistance.** Homes will be sold to the VPP Community Partner(s) at the same price when purchased by SHRA. The partner(s) will be offered the same rehabilitation loan and developer fee assistance under the Vacant Properties Program.

7.4 Rental Housing Developers. These are non-profit, for-profit, governmental entities or the Housing Authority that develop rental properties, with experience in constructing, rehabilitating, operating and/or maintaining affordable rental housing. As multi-family properties become available that are not suitable for the Housing Authority, SHRA will release property specific Request for Proposals (RFP) to obtain the best developer and project for the particular site. Financial assistance will be considered consistent with SHRA Multi-family Lending and Mortgage Revenue Bond Policies or Investment Property Program.

8.0 Disposition Process. Properties purchased for demolition and redevelopment or rental housing objectives, unless utilized by the Housing Authority, will be disposed of by the Redevelopment Agency through a public process. The Disposition and Development Agreement (DDA) for the properties will be subject to legislative approval.

Properties purchased for rehabilitation and re-sale to owner occupants will be disposed of to pre-selected Mission Driven or Volume Builder Community Partners, described in Section 7.1 – 7.2, above. Concurrent with the acquisition from NCST, SHRA will "triage" the property to determine the best end use, and work with the identified Community Partners on their interest and capacity in the property. It is expected that at the time of SHRA's close of escrow on the property, they will be positioned to immediately transfer the property to the identified Community Partner through a Disposition and Development Agreement (DDA). SHRA may require the Volume Builder Community Partner(s) to provide a percentage of acquisition cost at the time of disposition to offset to overall Agency funding commitment. SHRA will carry back the remaining cost of the acquisition until the property is sold to an eligible buyer. If a Mission Driven or Volume Builder Community Partner(s) do

not acquire the property, SHRA will offer the properties to the Vacant Property Program Participants through a bid process, with disposition through a property specific DDA.

After rehabilitation of single family for sale homes, Community Partners will be responsible for the sale of the homes to income eligible buyers, consistent with standards of the Property Recycling Program. Maximum sales prices may not exceed the total of acquisition, rehabilitation, and disposition costs. Disposition costs may include real estate commissions and closing costs but these costs shall not exceed 10 percent of the sales price. Homes must be sold to homeowner occupants making no more than 120% of area median income, adjusted for family size who have completed 8 hours of HUD approved homebuyer education counseling and who have attained a fixed rate, 30 year first mortgage.

Neighborhood Stabilization, Property Recycling Program Replacement Housing Plan

Description of Properties

The duplex located at 3601/03 Pansy Avenue in the City of Sacramento includes two, two-bedroom units. The property is approximately 45 years old and in a state of disrepair. On June 30, 2009, the property was foreclosed upon and on November 9, 2009, the Redevelopment Agency of the City of Sacramento (Agency) purchased the property under the Neighborhood Stabilization Property Recycling Program (PRP).

The residential property located at 3530 10th Avenue in the City of Sacramento consists of one, two-bedroom single family unit. The property is approximately 50 years old and in a state of disrepair. On March 6, 2008, the property was foreclosed upon and on January 29, 2010, the Agency purchased the property under the PRP.

The residential property located at 210 Nimitz Street in the City of Sacramento consists of one, three-bedroom single family unit. The property is approximately 67 years old and in a state of disrepair. On October 21, 2009, the property was foreclosed upon and on February 16, 2010, the Agency purchased the property under the PRP.

The above listed properties were purchased due to their severely deteriorated condition and subsequent blighting influence on the surrounding residential neighborhoods. The PRP guidelines identify three eligible activities including the redevelopment of properties that support a larger site assembly effort or that are severely dilated to the point necessitating demolition. Activities requiring demolition will be in conjunction with one of the following three strategies as specified in the program guidelines: land banking, change of use, or new construction. Upon demolition of the above listed properties, the undeveloped parcels will be land banked by the Agency until such time the market can support redevelopment of single family residential housing at these locations.

In addition to the properties specified above, it is anticipated that up to six (6) additional low- to moderate-income residential units located within the City Neighborhood Stabilization Program (NSP) Target Area and up to five (5) additional units located within the County NSP Target will be demolished in accordance with the established PRP guidelines. Properties acquired under the PRP are typically vacant at the time the Agency learns of the real estate listing and at the time of acquisition. Any existing structures are boarded and secured prior to demolition and the properties are maintained by the Agency until such time the properties are transferred for redevelopment purposes.

This replacement housing plan applies specifically to those properties meeting the following requirements:

- o Properties acquired with NSP funds;
- o Properties acquired within the established NSP Target Area;

- o Properties acquired for eligible redevelopment purposes as specified in the PRP guidelines; and
- o Properties acquired within the remaining duration of the Neighborhood Stabilization Program.

A detailed record of those properties acquired, demolished and replaced under the PRP will be maintained in the project file.

Responsibility of Agency

California statutes require redevelopment agencies to replace low and moderate-income housing lost to residential use if that action involved either a development agreement or financing by the Agency. The specific provision of the California Health and Safety Code (Sec. 33413) is as follows:

"Whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low- and moderate-income housing market as a part of a redevelopment project which is subject to a written agreement with the Agency or where financial assistance has been provided by the Agency, the Agency shall, within four years of the destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to person and families of low or moderate income, an equal number of replacement dwelling units which have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the territorial jurisdiction of the Agency. When dwelling units are destroyed or removed after September 1, 1989, 75 percent of the replacement dwelling units shall replace dwelling units available at affordable housing cost in the same income level of very low income households, lower income households, and persons and families of low and moderate income, as the persons displaced from those destroyed or removed units. When dwelling units are destroyed or removed on or after January 1, 2002, 100 percent of the replacement dwelling units shall be available at affordable housing cost to persons in the same or a lower income category (low, very low, or moderate), as the persons displaced from those destroyed or removed units."

Replacement Housing Needs

State Guidelines

Under state law, if a unit was occupied by a very low or low income family (regardless of actual housing costs), and taken off line through demolition or other actions, that unit must be replaced at the same income level, and must be regulated at that affordability level for the longest feasible time as determined by the Agency but for not less than the period of the land use controls established in the Redevelopment Plan. State law requires that replacement units be created within four years of removal or destruction.

Although the four housing units listed above were vacant/unoccupied at the time the Agency acquired the properties and it is anticipated that future units acquired for demolition and redevelopment purposes will also be vacant/unoccupied at the time of

acquisition, the Agency will replace each residential unit at the low- and very low-income levels. However, the number of bedrooms per unit is unknown for those properties which have yet to be acquired. To date, the majority of properties acquired under the PRP are two-bedroom units. As such, the Agency has conservatively set aside three and four bedroom replacement units. All units will be replaced within the required four-year time period.

The affordability level, type and number of units/bedrooms required to be replaced are outlined below:

Units Identified To Date:

Address	Owner Occupied	Rental	Bedrooms	Units	Very Low Income	Low Income
3601-3603 Pansy Ave	no	no*	4	2	2	0
3530 10th Ave	no	no*	2	1	1	0
210 Nimitz Street	no	no*	3	1	1	0
Totals			9	4	4	0

Anticipated Acquisition/Demolition

NSP Target Area	Owner Occupied	Rental	Bedrooms	Units	Very Low Income	Low Income
City	no	no*	Unknown	Up to 6	Unknown	Unknown
County	no	no*	Unknown	Up to 5	Unknown	Unknown

* Note: no occupants at time of purchase.

Replacement Dwelling Units

The Agency will replace the residential units on Pansy Avenue, 10th Avenue and Nimitz Street with comparable two- and three-bedroom units as part of the La Valentina development project. La Valentina is located at 429 12th Street in the City of Sacramento, City Council District 3 and is scheduled for completion in June 2012. Each unit will be replaced at a level affordable to very low-income households. Three additional two-bedroom residential units and nine, three-bedroom units located at the La Valentina development project will be reserved to replace up to an additional six (6) units to be demolished within the established City NSP Target Area. The additional reserved units will ensure the replacement of bedrooms at a one for one ratio.

Seven, three-bedroom units located at the Mutual at the Highlands residential development project will be reserved to replace up to five (5) units to be demolished within the established County NSP Target Area. Mutual at the Highlands is located at 6010 34th Street in the County of Sacramento, County District 1 and is scheduled for

completion in August 2011. Each unit will be replaced at a level affordable to very low-income households.

All replacement units within the City and County will have recorded affordability restrictions attached and will run for not less than 55 years.

Schedule for Demolition

The housing units at 3601/03 Pansy Avenue, 3530 10th Avenue and 210 Nimitz Street are anticipated to be demolished by August 2010. Future acquired units will be demolished within three to five months of property acquisition.

RESOLUTION NO. SHRC- 10-06

ADOPTED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION UNDER THE AUTHORITY DELEGATED TO THE COMMISSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE, SECTION 33282 BY RESOLUTION NO. RA 81-083 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ON OCTOBER 26, 1981, AND BY RESOLUTION NO. RA-83 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981, AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34292 BY RESOLUTION NO. HA 81-098 ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON OCTOBER 26, 1981, AND BY RESOLUTION NO. HA-1497 ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981.

ON DATE OF

May 19, 2010

NEIGHBORHOOD STABILIZATION PROGRAM REPLACEMENT HOUSING PLAN

WHEREAS, the actions contained in this report meet the Neighborhood Stabilization Program (NSP) goal of revitalizing neighborhoods through strategic redevelopment of vacant properties and providing affordable homeownership and improved affordable rental opportunities to Sacramento families.

WHEREAS, on June 16, 2009, the Sacramento City Council authorized the Sacramento Housing and Redevelopment Agency (Agency) to amend and submit changes to the Neighborhood Stabilization Program (NSP) in the 2009 One-Year Action Plan to the U.S. Department of Housing and Urban Development (HUD), authorizing the Agency to establish and implement the Vacant Properties Program, the Block Acquisition and Rehabilitation Programs, and the Property Recycling Program to undertake NSP activities.

WHEREAS, on June 16, 2009, the Sacramento Board of Supervisors and City Council authorized the Agency to modify the NSP Property Recycling Program Guidelines to allow Agency to purchase foreclosed properties within the NSP Target Areas to be transferred for redevelopment purposes.

WHEREAS, the proposed action to adopt the Replacement Housing Plan consists of an administrative action designating units within a previously approved low-income housing development that have not been identified; therefore, there is no project at this time requiring CEQA review. The proposed action of demolishing and removing no more than three single-family residences, and no more than six multifamily units, is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301 (1)(2). As individual properties are identified for demolition, the appropriate level of CEQA review will be determined.

WHEREAS, the Replacement Housing Plan, as an administrative action, is exempt under NEPA Section 58.34 (a) (3). Because this action does not directly approve the demolition of structures, and additional clearance would be required at a later date, NEPA review is not required for the demolition of properties at this time. All NEPA review will be completed prior to demolition of each structure.

NOW, THEREFORE, BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1: All evidence presented having been duly considered, the findings, including environmental findings regarding this action as stated above, are approved.

Section 2: The Executive Director, or her designee, is authorized to take all actions reasonably necessary to demolish the structures and maintain the properties located at 3601/03 Pansy Avenue, 3530 10th Avenue and 210 Nimitz Street.

Section 3: The Replacement Housing Plan to replace the four (4) residential units located at 3601/03 Pansy Avenue, 3530 10th Avenue and 210 Nimitz Street and up to six (6) additional residential units located within the established City of Sacramento Neighborhood Stabilization Program (NSP) Target Area and up to five (5) additional units located within the established County of Sacramento NSP Target Area to be demolished in accordance with the approved NSP Property Recycling Program guidelines is approved.



CHAIR

ATTEST:



CLERK