
CHAPTER 3

PROJECT DESCRIPTION

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3.1 Summary

The Draft R Street Area Implementation Plan (RSAIP) has been prepared by the Capitol Area Development Authority (CADA) to guide the implementation of redevelopment activities in the R Street Corridor Redevelopment Area. The R Street Redevelopment Area was established in 2002 by State Legislation (Senate Bill 1460). In accordance with the legislation, Section 8182.5 of the California State Code requires that CADA prepare a redevelopment plan for the R Street Redevelopment Area which is consistent with the adopted State of California Capitol Area Plan (1997). The plan is to be prepared in cooperation with the City of Sacramento, to reflect the adopted planning strategies of the City of Sacramento.

CADA is a joint powers agency of the State of California created by State legislation in 1978 to implement the plans and objectives of the State's Capitol Area Plan. The State Capitol Area Plan governs the land uses and development activities in a 60 block area of the Central City of Sacramento. Approximately 42 blocks of the Capitol Area are owned in whole or in part by the State of California. The initial Capitol Area was bounded by 5th Street on the west, 17th Street on the east, L Street on the north and R Street on the south. In 2002, CADA's project area was expanded by State Legislation to include the central section of City of Sacramento's R Street Corridor located immediately south and east of the Capitol Area. Therefore, the new R Street Redevelopment Area includes the R Street Corridor extending from 9th/10th Street to 19th/20th Streets. (Figure 3-1)

The RSAIP has been developed to be consistent with both the State of California Capitol Area Plan (CAP) adopted in 1997, and the City of Sacramento's General Plan which includes the Central City Community Plan and the R Street Corridor Master Plan. Thus, the RSAIP does not change the land uses adopted by the City's General Plan or the Capitol Area Plan, but rather the RSAIP provides an approach to implementation of the corridor that includes the goals and strategies for the development and redevelopment for the expanded CADA Project Area. This includes how redevelopment (tax increment) funds should be targeted to achieve the housing and development goals for the R Street Corridor.

3.2 Project Location

The R Street Corridor is an east-west corridor of the Central City of the City of Sacramento. Figure 3-1 shows the exact boundaries of the R Street Redevelopment Area. This portion of R Street was designated as a redevelopment area by special State Legislation (Senate Bill 1460) passed in 2002. The subject area includes this expanded redevelopment area and includes the

area generally bounded by 9th Street on the west, 19th Street on the east, the south side of Q Street on the north and the north side of S Street on the south.

3.3 Project Purpose

The purpose of the proposed R Street Corridor Implementation Plan is to comply with the requirements of the State Senate Bill 1460 which established the R Street Redevelopment Area and designated CADA as the authority for collection of tax increment funds and the oversight and coordination of redevelopment activities. Senate Bill 1460 amended the State of California Codes to set forth the specific requirements for the administration of the newly created R Street Redevelopment Area. Specifically, California State Code Section 8182.5 states:

The authority(CADA) shall, in cooperation with the City of Sacramento, prepare an appropriate plan for the development and redevelopment of that portion of the project area set forth in paragraph (2) of subdivision (a) of Section 8180 (the R Street Area), that furthers the purposes and objectives set forth in the Capitol Area Plan.

Thus, the RSAIP is intended to prepare a plan for redevelopment activities which is consistent with the 1997 Capitol Area Plan and consistent with the adopted planning policies of the City of Sacramento. The RSAIP serves therefore, as the Redevelopment Plan governing the strategies for implementation of housing, public improvements and other activities to eliminate blight. Major sections of R Street have deficient infrastructure, and therefore, a focus of the RSAIP is to prioritize funding and efforts to replace or upgrade infrastructure in a coordinated fashion. Additionally, in accordance with the legislation establishing the R Street Redevelopment Area, At least 30 percent of the housing units developed by CADA within the R Street Area shall be affordable to very low-income households. At least 15 percent of all units developed by public or private entities other than CADA within the R Street Area shall be affordable for low or moderate-income households. Of these R Street units, at least 40 percent shall be affordable to very low-income households. The RSAIP therefore, also addresses strategies for meeting the housing requirements for the R Street Corridor.

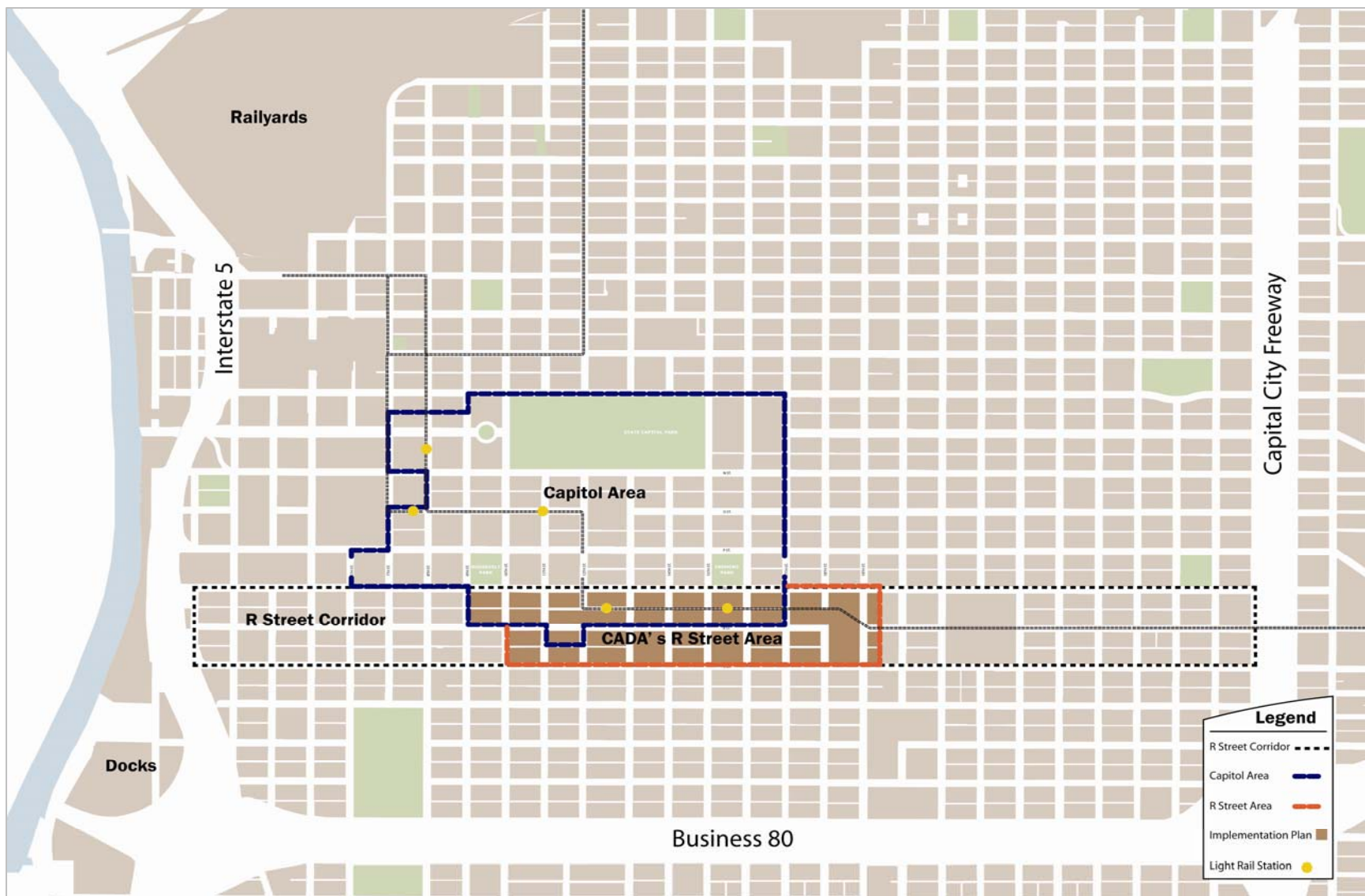


FIGURE 3-1: R Street Project Area Portion of the Capitol Area

3.4 Project Goals and Objectives

The goals and objectives of the RSAIP are:

1. Create a Mixed Use, Mixed Income Neighborhood

Develop the R Street Area with the appropriate mix of housing, commercial, and neighborhood serving to create a distinct and stable neighborhood that will create opportunities for all income levels.

2. Orient Development to Transit Stations

Encourage new development to build at the appropriate densities, intensities, design, and land uses to support the 13th and 16th Street Light Rail Stations.

3. Preserve Historic Structures and Character

Maintain the interesting history and rich physical characteristics that provides R Street with its unique place within the City.

4. Enhance Neighborhood Livability through Sufficient Open Space

Provide the appropriate parks and open space for future residents and employees of R Street in order to create an active, enriching, and walkable neighborhood.

5. Develop R Street Streetscape at a Pedestrian Scale

Improve the pedestrian experience on R Street by creating streetscape that is pleasant, safe, walkable, and aesthetically pleasing. An attractive streetscape lined with well designed buildings will make the area more appealing to residents and will raise the bar for investment.

6. Provide Public Infrastructure Necessary for Development

Prepare R Street for private investment by making the public commitment to upgrading public systems needed to support new higher density development.

7. Create R Street as a Neighborhood Destination

Market and develop R Street as Sacramento's premier example of urban living in a mixed use neighborhood.

8. Encourage Participation of Property and Business Owners in the Revitalization Efforts

Create a network of stakeholders and leadership within the private sector. Future success of R Street will ultimately need strong private investment. Leadership needs to arise from the private sector to champion the R Street Corridor Investment.

3.5 Project Description

The R Street Area Implementation Plan (RSAIP) focuses on the portion of the R Street Corridor bounded by Q Street (north); 19th Street (east); 9th/10th Street (west) and S Street (south). This 21 block area comprises the R Street Redevelopment Area for which CADA serves as the Redevelopment Agency. The purpose of creating a redevelopment area for this district was to correct for blight and urban deficiencies. This portion of R Street is an older railroad corridor which still includes many older (in some cases vacant) warehouses and former industrial buildings. As a rail corridor, R Street in some areas lacks up to date street improvements including drainage and streetscape. In addition, as an historic area of the Central City, many of the other infrastructure systems such as water and sanitation are out dated or not adequate to support re-use and redevelopment contemplated in the adopted Capitol Area Plan and the City of Sacramento R Street Corridor Master Plan. Both of these guiding land use plans emphasis mixed uses including residential and commercial in the R Street Corridor. However, because of the infrastructure constraints and the deteriorated state of some of the buildings, private investment alone has not been sufficient to revitalize the area. As a redevelopment agency, CADA can collect tax increment funds and leverage other public and private funds to support the revitalization of the area.

The RSAIP is a strategic plan which sets forth the strategies and priorities for improvement of the R Street Corridor including specific activities to encourage private reinvestment, complete necessary infrastructure and streetscape improvements, and support a mixture of market rate and affordable housing in accordance with the enabling legislation for the R Street Corridor.

As previously noted, the RSAIP does not change or govern land uses and zoning in the R Street Redevelopment Area. Rather the land uses set forth in the City of Sacramento R Street Master Plan (adopted and incorporated as part of the Central City Community Plan, a component of the City of Sacramento General Plan), will remain in affect. The State of California Capitol Area Development Plan similarly reflects those land uses adopted in the R Street Corridor Master Plan. The RSAIP therefore, does not pose any changes to land use or the zoning designations in the area. ¹

¹ Some refinement to existing land use requirements are however, jointly proposed by the City of Sacramento and CADA as represented by the draft R Street Special Planning District amendments. Again, these amendments do not change the land use designations along the R Street Corridor.

The redevelopment programs and activities proposed in the RSAIP are more fully described in Section 3.6 Project Components (below).

3.6 Project Components

3.6.1 On-Going Redevelopment Support Components

Development Assistance and Facilitation

This component provides development assistance to encourage mixed-use, transit oriented development to support the goals and policies of the R Street Corridor Master Plan. Activities that may occur under this project component include CADA support for design, engineering and feasibility studies and other technical assistance to land owners and developers.

Brownfield/Toxic Remediation

This project component includes activities on behalf of CADA to secure or support the voluntary clean-up and remediation of toxic properties along the corridor to improve development conditions. Such activities may include partnerships with the Environmental Protection Agency, Business Environmental Resource Center (BERC), City of Sacramento, County of Sacramento, and other agencies that provide funding, technical assistance or regulatory oversight for toxic substances.

R Street Marketing and Website

This component continues CADA's efforts to maintain a strong marketing presence and public communication system to inform and engage stakeholders and other interested parties about the activities and potentials of the R Street Corridor. Activities include preparation and distribution of marketing materials, maintaining and updating the R Street website, and presentations to raise the development interest and profile of R Street.

R Street District Management and Financing Plan

This component includes the analysis of a management and/or financing districts to fund the cost of maintaining the unique streetscape and possible future event planning for R Street. Parking management may also need a management strategy within and around the R Street Corridor.

3.6.2 Streetscape Improvements

R Street Streetscape – Phase I

This project includes roadway reconstruction and streetscape enhancements (benches,

shade trellises, lighting, public art) to R Street between 10th and 13th Streets. This project is currently funded and is the subject of a separate project specific environmental review process sponsored by the City of Sacramento who is the lead agency for implementation of this component.

R Street Streetscape Phase II – Market Plaza

This phase of street improvements targets the area between 16th and 18th Streets. This area is designated by the R Street Urban Design Plan as the Market Plaza. The project would develop a pedestrian connection/urban plaza within the City of Sacramento R Street right-of-way between 16th and 18th Streets. To accomplish this, the right of way would be reconfigured to provide some vehicle access and designated parking along with pedestrian areas. The project would be coordinated with adjacent property owners to ensure proper access to properties. It is anticipated that this project would be in the design phase in years 2007-2008 and construction phase starting 2009-2010

R Street Streetscape -Phase III

The third phase of street improvements would address roadway and streetscape improvements between 13th and 15th Streets according to the R Street Urban Design Guidelines. It is not anticipated that this project would enter design or construction before 2009.

R Street Streetscape Phase IV

This phase of street improvements includes the design and construction of streetscape improvements on R Street between 15th and 16th Streets in order to connect the East and West portions of the CADA R Street Area. It is not anticipated that this project would enter design or construction before 2013.

3.6.3 Water System Improvements

Water Main Replacement Phase II

In 2005, the City of Sacramento completed the design and construction of water main improvements in the area between 10th and 13th Streets. This project would continue to upgrade R Street water system between 16th and 18th Streets. Additional water capacity and pressure will help ensure adequate fire protection and water service to the new developments on this portion of the corridor. This project is anticipated to start design and construction after 2009.

Water Main Replacement Phase III

The third phase of water main improvements is proposed to upgrade R Street water

system between 13th and 15th Streets in order to meet additional water capacity and pressure will help ensure adequate fire protection and water service to the new developments on this portion of the corridor. This improvement is scheduled for year 2012 or beyond.

3.6.4 Transit Support Projects

13th and 16th Street Light Rail Station Improvements

This component includes improvements to the two light rail stations serving the area to improve accessibility and use. Specific activities may include pedestrian connections for better access to the station, enhanced ADA improvements, shelters and benches, signage and lighting. This project was funded through the Sacramento Area Council of Governments (SACOG) Community Design Grant Program and is being implemented by the Regional Transit District in coordination with the City of Sacramento, and CADA. This project has completed project specific CEQA and NEPA environmental review.

16th Street Light Rail Station Relocation Feasibility Study

This component would review the feasibility of relocating the 16th Street Light Rail Station to the east of 16th Street in order to provide an expanded site for the station. The 16th Street LRT Station is the regional transfer station for the three major light rail lines. The study would be coordinated by CADA with Regional Transit and the City of Sacramento and would assess the costs and benefits of station relocation.

3.6.5 Acquisition and Land Assembly

Property Acquisition Fund

This component includes the establishment of authorization and funding to allow CADA to acquire properties within the redevelopment area as a means of facilitating appropriate new development or eliminating blight or assist in the provision or mixed uses and affordable housing in the corridor.

Parks and Open Space

In order to meet the increased demand for parks and open space as a result of new housing development in the R Street Corridor, the Implementation Plan recommends that CADA work with the City of Sacramento to acquire and develop properties for parks and open space uses. Since available land is both scarce and expensive, CADA and the City of Sacramento will need to work closely to identify sites, programs, and strategies to meet the future open space needs of residents.

3.6.6 Housing Projects

Capitol Lofts – Adaptive Reuse of Historic Warehouse

This project involves CADA securing financial and technical assistance to support the adaptive re-use of the CADA Warehouse for the Capitol Lofts. The project is located on the South Side of R Street between 11th and 12th Streets. Capitol Lofts is a catalyst project for the R Street Corridor that will add 122 units and 3,000 square feet of commercial/retail to the plan area.

Replacement Housing Program

This component would assist in identifying and financing replacement housing for any loss of housing in the redevelopment area as a result of redevelopment activities. CADA must ensure that any housing units destroyed or removed as a result of a CADA redevelopment project are replaced within four years. Although it is not a substantial amount of displacement of housing would occur, it is required that CADA be prepared to provide replacement dwelling units in compliance with the requirements under CADA's R Street Area Legislation.

Affordable Housing (Set Aside) Fund

Under the State of California Community Redevelopment Act (CRA), redevelopment agencies are typically required to set aside funding to support the development of housing affordable to low income households. Similarly, the R Street Area legislation requires CADA to set aside 20% of tax increment funds and subsequent bond proceeds of the 30-year duration of the project area on housing affordable to very low-income households and low-income households. These funds should be spent, over the 30-year life of the CADA R Street Area, in the following manner: 1) Be consistent with the proportionate need for housing for very low-income, low-income, and moderate-income households, as determined by the City of Sacramento's Housing Element, and 2) Spend tax increment funds in the following amounts: no less than 33 percent to house very low-income households and no less than 33 percent for low-income households.

Housing Production Program

Government Code 8193.1 states the affordable housing production requirements for the R Street Area over the 30-year duration of the project area. The RSAIP anticipates the need for 119 affordable units (including 48 very low-income units) to fulfill the production goals for the R Street Area.²

² The housing production estimate of 119 units is based on 15% of the estimated residential build-out of the R Street Redevelopment Area based on existing land use designations. The estimated build-out is 797 units of which 15% is 119 units.

CADA's primary production obligation is to ensure that 15 percent of the privately produced housing units are affordable to lower income households. Specifically, 6% of the privately produced units must be affordable to and occupied by very low-income households and 9% the privately produced units must be affordable to and occupied to low and moderate income households.

If CADA develops and owns a residential project within the R Street Area then a secondary production obligation of 30 percent affordability is required for that project. Half of the CADA developed units or 15 percent of all tax increment financed housing production must be affordable to and occupied by very low income households and the other half must be affordable to and occupied by low and moderate income households.

The RSAIP anticipates development of one or two affordable housing projects in the project area that may result in sufficient units to meet the housing production goal. In order to develop a strategic affordable project, it would be advantageous for CADA to obtain a housing site now rather than wait for land costs rise and the number available properties to diminish. However, limited funding makes this strategy difficult to achieve within the 10 year forecast. If additional affordable units are needed or land is not available, CADA may meet affordability requirements by constructing projects outside the project area. However, CADA affordable housing projects built outside the R Street Area may only count 50% of built units towards the required affordable housing production goals.