



CITY OF SANTA BARBARA

REDEVELOPMENT AGENCY AGENDA REPORT

AGENDA DATE: November 20, 2007

TO: Chairperson and Boardmembers

FROM: Housing and Redevelopment Division, Community Development Department

SUBJECT: Acquisition Of Real Property At 633 And 635 Bath Street For The Mission Creek Flood Control Enhancements Project

RECOMMENDATION: That the Agency Board:

- A. Authorize expending \$1,175,000 from the Agency's Mission Creek Flood Control Enhancements Project Account to purchase real property at 633 Bath Street and 635 Bath Street;
- B. Authorize the Executive Director and Deputy Director to execute all documents necessary for the Agency's purchase of the real property at 633 Bath Street for the appraised fair market value of \$500,000, plus related costs, and the real property at 635 Bath Street for the appraised fair market value of \$620,000, plus related costs, in a form approved by Agency Counsel;
- C. Adopt, by reading of title only, A Resolution of the Redevelopment Agency of the City of Santa Barbara Adopting the Relocation Impact Statement and Last Resort Housing Plan for Lower Mission Creek Acquisition/Relocation Project (Bath and Ortega Streets) Dated December 12, 2005, for 633 and 635 Bath Street;
- D. Adopt, by reading of title only, A Resolution of the Redevelopment Agency of the City of Santa Barbara Adopting the Replacement Housing Plan for the Lower Mission Creek Acquisition/Relocation Project (Bath & Ortega Streets) Dated March 6, 2006, for 633 and 635 Bath Street; and
- E. Authorize the Executive Director and Deputy Director to approve tenant relocation benefits of up to \$50,000, consistent with the Relocation Impact Statement and Last Resort Housing Plan for Lower Mission Creek Acquisition/Relocation Project dated December 12, 2005.

REVIEWED BY: _____ Finance _____ Attorney _____ Name of Additional Department(s) That Need to Review CAR

Agenda Item No. _____

EXECUTIVE SUMMARY:

At the direction of the Agency Board, staff has successfully negotiated acquisition agreements for the two residential properties at 633 and 635 Bath Street. Staff seeks approval of the Agency Board for these purchases and authorization to execute the necessary agreements. These property acquisitions will further the City and Agency priorities set forth in the Mission Creek Flood Control Enhancements Project and the West Downtown Neighborhood Improvement Program. The properties are contiguous and adjacent to Mission Creek which makes them desirable for subsequent conversion to a West Downtown neighborhood park that would also serve as open space adjacent to Mission Creek.

DISCUSSION:

Background:

Mission Creek Flood Control Enhancements

The impetus for the Mission Creek Flood Control Enhancements project stemmed from the austere design brought forward by the Army Corps of Engineers for the Mission Creek improvements. It was envisioned that enhancements of the creek corridor could be achieved through the creation of pocket parks or through aesthetic treatment of historic bridges and pedestrian paths.

The project was originally funded with \$2,475,000 from the Agency's 2001A Series Bond Issue. On August 27, 2002, Agency Board directed staff to proceed with negotiations with various property owners regarding real property as part of the Lower Mission Creek Project and the Redevelopment Agency's West Downtown Neighborhood Improvement Program.

In 2002, Agency staff hired a relocation consultant, Crossroads R/W, to assist with relocation services for the property occupants pending a purchase of four contiguous properties on Bath Street and one on East Ortega Street. The consultant team met with the residents and determined the replacement housing and relocation needs. A Draft Housing Replacement Plan and a Draft Relocation Impact Statement were prepared in accordance with California Redevelopment Law (CRL). The project was then placed on hold for two years due to funding shortfalls (when the Agency was required to provide backfill funds to the State's Education Resource Augmentation Fund (ERAF)). Progress resumed in 2005 following the Board's reassessment of the Agency's pending projects and funds.

Staff then resumed negotiations with the property owners to acquire both properties.

West Downtown Neighborhood Improvement Program

Agency Board appropriated \$50,000 in the 2002 budget to identify needs in the West Downtown neighborhood. The three highest priority improvements identified in the community meetings are: 1. improved lighting; 2. sidewalks, parkways and cross walks; and 3. open space and parks.

Responding to the recommendations in the neighborhood meetings, the Agency appropriated funds for pedestrian improvements along the West Anapamu Street and West Ortega Street pedestrian corridors between Highway 101 and Chapala Street. Property acquisition along Bath Street for use as a neighborhood park and additional open space adjacent to Mission Creek would fit well with the neighborhood's concerns.

Project Description

This project involves acquisition of two residential properties with removal of the structures in order to augment the open space adjacent to Mission Creek and provide a neighborhood children's park in the West Downtown area. Property information is summarized in the table below:

Address	633 Bath Street	635 Bath Street
Property Owner	Lopez	Jenkins
Occupancy	1 Tenant	2 Tenants
Assessor's Parcel Number	037-113-010	037-113-009
Lot Size (approximate)	1,318 square feet	1,370 square feet
Land Use	Single Family Residence (one bedroom, one bath)	Single Family Residence (one bedroom, one bath)
Structure Description	One-story, wood frame, with approximately 565 square feet of living area with one bedroom, one bathroom, a kitchen, a living room with dining area and a laundry area.	Two-story wood frame and concrete block, one bedroom, one bathroom, with 589 sq. ft. living area on the second floor above a 589 sq. ft., oversize, two car garage.
Structure Age	80 years (estimated)	12 years (rebuilt in 1995)
Zoning	R-4 Hotel-Motel-Multiple Residence Zone	R-4 Hotel-Motel-Multiple Residence Zone
Within 100-year flood zone?	Yes	Yes

As required by law, fair market value determined by appraisal was offered to purchase each parcel. The property owners were advised that they could seek independent appraisals of their property at the Agency's cost up to \$5,000. Both property owners declined the offer.

Property Sale Prices

The properties were appraised by Stephen G. Schott, MAI to determine current fair market value, and in accordance with applicable laws, a written offer and pertinent items were delivered to the property owners for consideration. Using the appraisals as a starting point, the sale prices were negotiated.

Address	633 Bath Street	635 Bath Street
Property Owner	Lopez	Jenkins
Property Sale Price	\$ 500,000	\$ 620,000
Escrow fees (est.)	\$ 3,000	\$ 3,000

The Agency's purchase offers have been accepted and the Agreements for Acquisition of Real Property recommended herein were signed by the property owners pending review and approval by the Agency Board to purchase the properties. In addition to the agreed upon purchase price, escrow and title insurance fees will be applicable. The Agency is exempt from documentary transfer taxes and recording fees.

Resident Relocation Costs

The Agency's relocation consultants estimate that relocation costs may be approximately \$50,000.

Project Funding

The project was initially funded by the Agency's Series 2001A Bond Issue. In 2005, during a special meeting of the Agency Board, project funding was reallocated from the Agency's Series 2003A Bond Issue. Currently, \$2,437,842 is available in the project account.

Escrow

A 150-day escrow has been requested by the property owners of 633 Bath Street with escrow close anticipated in April 2008. The property owner of 635 Bath Street has requested a short escrow period. Close of escrow for this property is anticipated in January 2008.

Replacement Housing Plan

The project will remove two 1-bedroom units from the City's housing stock. The Agency is required to replace two housing units within the community and the units must be affordable to the same or lower income level as the persons displaced from the demolished units.

California Redevelopment Law requires that before an Agency provides financial assistance to a project where affordable housing is destroyed or removed, a plan must be prepared to replace the lost housing with at least as many affordable units and at least as many bedrooms within a time period of no more than four years. Staff has prepared a replacement housing plan that identifies pending affordable housing projects in the redevelopment project area that satisfy the legal requirement for replacement housing. This plan has been made available for public review and comment,.

Relocation Impact Statement and Last Resort Housing Plan

The Agency will provide assistance in accordance with the *Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended* and the *California Code of Regulations, Title 25* and the 2007 Amended Redevelopment Plan for the Santa Barbara Central City Redevelopment Project, Sect IV.E (SEC. 409), Relocation of Displaced Persons.

Environmental Review

The project is exempt under California Environmental Quality Act Section 15304, Minor Alterations to land and Section 15325, Transfer of the ownership of land for park purposes. A Notice of Exemption (MST2006-00480) has been prepared for the project.

Post-Acquisition

Resident Relocation

Following acquisition, a Relocation Advisor will be assigned to each household. The Relocation Advisor will provide ongoing advisory assistance by assisting the occupant(s) in locating and securing a comparable replacement dwelling. A summary of residential occupant benefits is presented within the Relocation Impact Statement.

Design Development of the Neighborhood Park

Following the acquisition, Agency staff will work closely with the neighborhood, Parks and Recreation Department and Public Works Department to develop a design.

Coordination with Lower Mission Creek Construction

The Public Works Department reports that while bridge replacement in the segment of Mission Creek at W. Ortega Street is targeted for spring 2009, it is more probable that construction will begin in spring 2010. Use of the two Bath Street properties has been requested for construction staging. To accommodate the request, the properties would need to be cleared of their structures at least two months prior to the start of construction.

Interim Residential Use

Agency staff, accompanied by a building inspector, has inspected both units and finds them suitable for interim rental. The potential exists for possible rent back agreements with the existing tenants until such time that the properties need to be cleared. Staff will negotiate with the affected tenants regarding possible rent back. If the tenants vacate, the units could also be offered for use by the Housing Authority on a short term basis.

Site Clearing

In an attempt to minimize construction waste, the two residential structures will be made available for relocation. If no response is received or if the structures cannot be relocated in a timely manner, it is anticipated that they would be demolished shortly in advance of the construction staging period.

The residential structure at 303 W. Ortega Street that has been purchased by the Public Works Department is presently boarded shut and will be demolished at the time construction commences. Because the structure is integrated into the existing creek wall, early removal would require costly measures to ensure the integrity of the creek bank.

Availability of Documents for Review

The Draft Relocation Impact Statement and Last Resort Housing Plan for Lower Mission Creek Acquisition/Relocation Project (Bath and Ortega Streets) Dated December 12, 2005 for 633 and 635 Bath Street, and the Draft Replacement Housing Plan for the Lower Mission Creek Acquisition/Relocation Project (Bath & Ortega Streets) Dated March 6, 2006 for 633 and 635 Bath Street are available for review in the Council's reading file and in the City Clerk's Office.

Sustainability

This project will eventually result in the demolition of the two buildings on the properties. Staff will assure the building demolition waste is reused and recycled to the greatest extent possible. Additionally, the driving purpose of this project is to increase the sustainability and improve the natural environment of Mission Creek by creating a buffer zone and small urban park at this location.

Conclusion

Acquisition of the properties at 633 and 635 Bath Street, with subsequent conversion to a neighborhood park that would also act as open space adjacent to Mission Creek, is consistent with the project goals. Staff requests that Council and the Agency board take the actions recommended herein.

ATTACHMENT(S): Aerial Map

PREPARED BY: Steven Faulstich, Acting Housing and Redevelopment
Manager/MA

SUBMITTED BY: David Gustafson, Acting Assistant Agency Secretary

APPROVED BY: City Administrator's Office