

## 2. RESIDENTIAL PILOT PROJECT AND INTERIOR PARK:

### ▶ Leland/Junior Block Residential Development



Example of Desirable Style Residence

**Objective:** To create a high-quality, affordable residential development integrating new construction with existing dwelling units to the greatest extent possible; to provide a catalyst project to encourage private reinvestment in the Neighborhood; to provide a recreational amenity for the Neighborhood.

**Description:** This project would integrate new high-quality, affordable residential units with existing structures to create a “neo-traditional” style residential block for possible replication on other blocks in the Parkview Neighborhood as well as in other City neighborhoods, as appropriate. The new housing component could include a mix of single-family, owner-occupied units and possibly duplex units for seniors. Rehabilitation of existing structures and incorporation of a neighborhood park would complete the overall design. A uniform, integrated landscaping scheme, pedestrian-level lighting, and pedestrian amenities would also be incorporated into the development. Development plans would be subject to design review. Current owners and tenants would be given the first opportunity to occupy the new units.

The subject area encompasses the area roughly bounded by Fell Street, Junior Street, Lanning Avenue, and Leland Avenue as depicted on Exhibit B. It is located in the heart of the Neighborhood and is considered one of the worst



Junior Street Today

blocks in terms of property condition. It is comprised of 17 parcels totaling 3.6 acres developed with 40 dwelling units. Two of the parcels (.68 acres) are currently vacant. Of the 40 existing dwelling units, nine are single-family residences, two owner occupied and seven tenant occupied; and 31 are multi-family units. In July 2000, Housing Division staff conducted an exterior housing inspection that included assessing the condition of the overall property as well as the dwelling units. Of the 15 improved parcels in the study area, one is in good condition, two are in poor condition, ten are in very poor

condition, and two are in extremely poor condition. Code enforcement activities have been initiated on the two properties in the worst condition.



Another Example of Desirable Style from Chico

The Agency would assemble the site, relocate the tenants, as needed, and demolish the improvements that are not suitable for rehabilitation to deliver a site ready for development to a developer selected through a Request for Proposal process. The developer would be selected based on proven ability to deliver an innovative, high quality residential development in a cost-effective manner. The new single-family homes would be marketed to first-time homebuyers. The site assembly cost, including relocation, is estimated at \$2,300,000, and it is anticipated that it will require two years to complete the project. Land assembly, site preparation, and disposition for development are activities central to

the implementation of redevelopment plans. While always a method of last resort, it is possible that some of the land required to implement the plan will need to be acquired by eminent domain. Additionally, there will likely be cases when the cost to the Agency to acquire and prepare the land for development exceeds the value of the land. Such a cost-to-value imbalance is often a primary barrier to private development of revitalization projects, and writing down the cost of the land can be a major incentive to attract private investment. The first year's activities would include:

- Acquire vacant parcels.
- Conduct a development feasibility analysis.
- Conduct structural assessment of all improvements.
- Prepare and adopt a Relocation Plan and Replacement Housing Plan.
- Initiate Owner Participation Agreements or property acquisition through negotiated purchases or eminent domain.
- Apply for additional funding.

The second year's activities would include:

- Complete land acquisition process.
- Prepare site for development.
- Select a developer through a Request for Proposals (RFP) process.
- Construct the improvements.

**Funding:** HOME Investment Partnerships Program (HOME), Agency Housing Set-Aside, CDBG

**Action:** Authorize staff to undertake the activities listed above and utilize \$100,000

in HOME funds and redesignate budgeted redevelopment funds in the amount of \$750,000 for the first year's activities. Funding for the second year's activities will be addressed during the next budget cycle and following the development feasibility analysis.