

**CAPITOL AREA COMMITTEE
MEETING MINUTES**

**JANUARY 14, 2014 - 8:30 AM
CAPITOL AREA DEVELOPMENT AUTHORITY
1522 14TH STREET
SACRAMENTO, CA
FIRST FLOOR BOARDROOM**

Members Present

Richard Cowan
David Gonsalves
Jim Martone
Curtis Namba
Bill Wong

Members Absent

Darryl Chinn
John Lambeth
Darrick Lawson

Department of General Services (DGS) and Capitol Area Development Authority (CADA) Staff

Liz Ames, DGS
Cathy Buck, DGS
Jane Hershberger, DGS
Tom Kigar, CADA
Pella McCormick, DGS
Wendy Saunders, CADA

Visitors

Lynne Freeman
Darryl Rutherford, Sacramento Housing Alliance

Acting Chairperson Jim Martone called the meeting to order at 8:37 a.m.

1. Approval of Minutes

The minutes of the July 10, 2012, October 2, 2012, and April 9, 2013, meetings were approved as written.

2. Technical Advisory Committee (TAC) Update

Liz Ames from DGS reported that a TAC meeting was held on January 9, 2014 with an agenda similar to that of today's Capitol Area Committee meeting. Ms. Ames also reminded members of the revised mandate for a minimum of one CAC meeting annually, which this meeting satisfies; additional meetings will be scheduled as requested in accordance with statutes.

3. Information Items

a. Proposal for CADA Transition

Wendy Saunders, Capitol Area Development Authority

Wendy Saunders gave a power point presentation on the latest proposal for a CADA transition of state-owned properties currently managed by CADA. The proposal presents a new transition concept that would continue CADA's role in Capitol Area residential property management and development while removing the state's involvement. CADA's new transition proposal has been endorsed by the Sacramento City Council and includes the following four major components: (1) the joint powers authority (JPA) will be re-structured to allow the state to withdraw and be replaced by an alternate public entity, (2) the state sells improved/already developed residential and residential mixed-use properties to the new JPA, in one transaction, (3) the JPA forms a non-profit organization (essentially this would be CADA, but in a new form) to own and manage the properties, and (4) the new CADA proceeds with development of the remaining residential development sites consistent with the statutory goals for the Capitol Area Plan.

A discussion followed the presentation by Ms. Saunders, with topics including how a re-structured JPA could be created, and what entities might be candidates to replace the state in the JPA. There was also discussion about how the properties might be valued, and the source of the funds that would be needed to purchase the properties from the state. Dick Cowan asked how committee members can show their support of the most recent proposal and, although there was not a quorum in attendance at the time, a vote was taken by members to affirm that the committee supports drafting a letter to DGS's Director Klass to express support of the initiative. The members in attendance also expressed their interest in meeting again later in the year to discuss any response that the state may have to the CADA proposal. Darryl Rutherford from the Sacramento Housing Alliance also expressed his support of the latest transition proposal and its importance in supporting affordable housing in the Capitol Area.

4. Old Business

a. *DGS Projects Update*

*Pella McCormick, Department of General Services,
Real Estate Services Division*

Library and Courts Building Renovation: The renovation of this historic building, which has received a number of awards for the work undertaken, is now complete. A public open house is planned for February 11, 2014.

Now that the Library and Courts project is complete, this is the first time in many years that there are no major capital outlay projects underway in the Capitol Area. Although a portion of the older buildings in the downtown area will require some major work or full renovations in the future, there are no projects approved to move forward at this time. DGS, instead, continues to maintain the buildings through its special repairs program. In addition, upgrades to address the Americans with Disabilities Act (ADA) will begin this year in some DGS-controlled buildings.

b. CADA Housing Update
Tom Kigar, Capitol Area Development Authority

Legado de Ravel: Local developer Ravel Rasmussen has begun leasing the 84 market-rate apartments within these two California mission-style buildings located on 16th Street, and a portion of the ground floor retail space is currently under construction.

16 Powerhouse: D & S Development is constructing this for-lease, market-rate condominium project of 50 units that overlooks Fremont Park at 16th and P Streets. Although the units will initially be leased, the opportunity to convert to an ownership project appears promising as the market continues to improve. Construction, which is anticipated to be complete by November 2014, will include the utilization of mechanical lifts to enhance the parking accommodations at the site.

The Warren: This planned development will include 116 market-rate apartment units at the corner of 16th and N Streets. Should financing be secured for the project, construction could begin in March 2014 and conclude in the first quarter of 2015. This will be the first residential project in Sacramento to be constructed using modular construction.

Warehouse Artists Lofts (the WAL): This development, which began construction in February 2013, includes the rehabilitation of the former Building and Grounds structure into commercial space at the corner of 11th and R Streets, as well as development of residential units in the former CADA warehouse structure. Of the total 114 units to be constructed, 86 will be affordable, with a focus on attracting artists to both the housing and retail portions of the project.

At the completion of Mr. Kigar's presentation, committee members discussed the need for the creation of bylaws to guide the committee and Mr. Cowan suggested appointment of a subcommittee to coordinate the development of the bylaws, which he and Curtis Namba will chair. Mr. Cowan and Mr. Namba will also contact members of the committee, especially those whose appointments have officially expired, to see who wants to continue to serve on the committee.

5. Public Comment

With no further business, the meeting was adjourned at 10:08 a.m.