



November 30, 2004

Hon Mayor Fargo & City Council Members
City of Sacramento
730 "I" Street, Room 321
Sacramento, CA 95814

RE: HOUSING TRUST FUND FEE REDUCTION, M04-047

The North Sacramento Chamber of Commerce, representing over 80 member businesses and 250 employees, and the Uptown Business Improvement District **supports the Staff Recommendation** to allow additional public outreach, reduce the fee increase, and report back on a tiered fee that supports the City's infill and redevelopment goals.

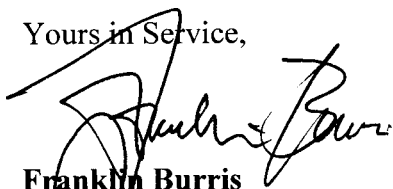
After careful review of the proposal, we are very concerned that applying an 81.3% increase in the Housing Trust Fund fee on all commercial projects will be another disincentive and great burden on infill, Brownfield, and new investment in redevelopment areas. As you know, North Sacramento has struggled for 12 years to attract a major grocery store back to our community as well as other community serving retail. Sometimes to achieve a "jobs/housing balance," a community (like North Sacramento) needs jobs – not housing.

We would remind the Council that Redevelopment Areas are required to set aside 20% of all our community Tax Increment (TI) for housing. Essentially in Redevelopment Areas, we pay twice for housing. We would encourage you to direct staff to look at and give consideration in Redevelopment Areas for the Housing TI generated by projects to be a credit against any Housing Trust Fund Fee that is charged. This would be in addition to a Tiered fee providing an incentive for infill. By definition, Redevelopment Areas need more incentives than infill outside a redevelopment area. We see a Citywide Fee, and Infill fee, and a Housing TI credit for projects within Redevelopment Areas against the Infill fee.

As you know, Redevelopment is a tough business, often calling for problem solving to make project's pencil. Adding more fee's to already risky bottom lines has the unfortunate impact of poor communities who need the most help getting even less for their redevelopment dollars.

We thank you for your thoughtful consideration of our position on this critical issue to small business, and the future of redevelopment.

Yours in Service,



Franklin Burris