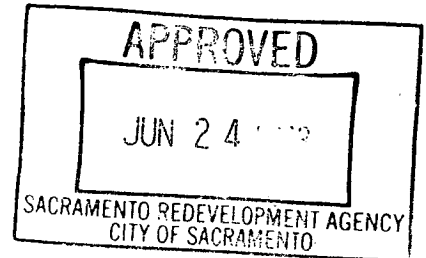


3.1

June 24, 2003



City Council of the City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: SECOND READING OF THE ORDINANCE FOR THE DEL PASO
HEIGHTS PROJECT, NEIGHBORHOOD DEVELOPMENT
PROGRAM, PROJECT NO. 5, AMENDMENT NO. 6

LOCATION & COUNCIL DISTRICT – District 2

RECOMMENDATION

Staff recommends the second reading of the ordinance and approval of the Del Paso Heights Amendment No. 6.

CONTACT PERSONS

Sarah Hansen, Acting City Community Development Director, 440-1337
Vickie Smith, Redevelopment Manager, 440-1399 extension 1417

FOR MEETING OF – June 24, 2003

SUMMARY/BACKGROUND

At its meeting on June 17, 2003 the City Council of the City of Sacramento (“City Council”) and the Redevelopment Agency of the City of Sacramento (“Agency”) took the following actions for the Del Paso Heights Amendment:

1. the City Council and the Agency re-opened the Joint Public Hearing;
2. the Agency adopted a resolution certifying the Final Environmental Impact Report (the “FEIR”) prepared in connection with the amendment;
3. the City Council adopted a resolution adopting certain findings related to the FEIR prepared in connection with the amendment;
4. the Agency adopted a resolution adopting an updated Implementation Plan for the Del Paso Heights Redevelopment Plan;

5. the Agency adopted a resolution making findings and approving the amendment;
6. the City Council introduced the Ordinance.

It is following the second reading of the Ordinance, when the Ordinance approving the Redevelopment Plan may be adopted. The Ordinance adopting the amended Redevelopment Plan will become effective thirty (30) days following its second reading.

POLICY CONSIDERATIONS

This action is consistent with the Agency's policy to assist blighted and deteriorating areas. This is also consistent with the City's Strategic Plan goal to enhance and preserve neighborhoods.

ENVIRONMENTAL REVIEW

A FEIR has been prepared in connection with this proposed amendment and was certified by the City Council and the Agency at the June 17, 2003 Council meeting.

M/WBE CONSIDERATIONS

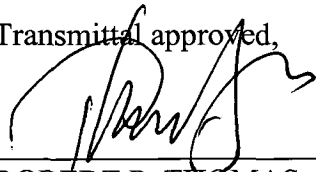
Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by Federal Funding.

Respectfully submitted,



ANNE M. MOORE
Executive Director

Transmittal approved,



ROBERT P. THOMAS
City Manager

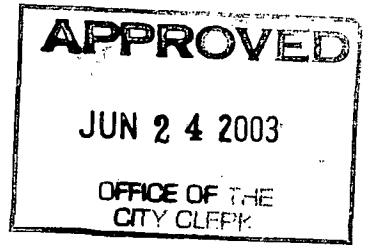
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ORDINANCE NO. 2003-027

ADOPTED BY THE SACRAMENTO CITY COUNCIL



ON DATE OF

AN ORDINANCE OF THE CITY OF SACRAMENTO, CALIFORNIA, APPROVING AND ADOPTING A REDEVELOPMENT PLAN AMENDMENT FOR DEL PASO HEIGHTS PROJECT, NEIGHBORHOOD DEVELOPMENT PROGRAM, PROJECT NO. 5, AMENDMENT NO. 6

WHEREAS, the California Community Redevelopment Law (the "CRL") (California Health and Safety Code Section 33000 et seq.) permits the adoption of redevelopment plans and redevelopment plan amendments; and

WHEREAS, the Sacramento City Council (the "City Council") approved and adopted the Redevelopment Plan for the Del Paso Heights Project, Neighborhood Development Program, Project No. 5 (the "Redevelopment Plan") on May 12, 1970 by Ordinance No. 2884; and

WHEREAS, the City Council subsequently amended the Redevelopment Plan on August 6, 1970 (Ordinance No. 2913), on May 21, 1985 (Ordinance No. 85-047), on November 18, 1986 (Ordinance No. 86-108), on October 4, 1994 (Ordinance No. 94-046), and on October 27, 1998 (Ordinance No. 98-045), and

WHEREAS, the Redevelopment Agency of the City of Sacramento (the "Agency") has prepared a proposed Amendment No. 6 to the Redevelopment Plan ("Plan Amendment No. 6") for the Del Paso Heights Project, Neighborhood Development Program, Project No. 5 (the "Project," or "Project Area," as appropriate) in compliance with the CRL; and

WHEREAS, the proposed Plan Amendment No. 6 (which is hereby incorporated by reference) will revise the existing Redevelopment Plan to extend by ten years the time limit on the effectiveness of the Redevelopment Plan, and

WHEREAS, the proposed Plan Amendment No. 6 will revise the existing Redevelopment Plan to extend by ten years the time limit on the receipt of tax increment, and

WHEREAS, the proposed Plan Amendment No. 6 will revise the existing Redevelopment Plan to extend by ten years the current deadline for repayment of tax increment, and

FOR CITY CLERK USE ONLY

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WHEREAS, the proposed Plan Amendment No. 6 will revise the existing Redevelopment Plan to make applicable the inclusionary housing requirements established in CRL Section 33413(b)(2)(A)(i) requiring that at least 15 percent of all new or substantially rehabilitated dwelling units developed in a project area by public or private entities or persons other than the Agency shall be available at affordable housing cost to persons and families of low or moderate income and shall be occupied by these persons and families. Not less than 40 percent of these units shall be available to and occupied by, very low-income households.

WHEREAS, the proposed Plan Amendment No. 6 will revise the existing Redevelopment Plan to increase the minimum amount that must be deposited in the Low- and Moderate-Income Housing Fund from 20 percent of the total tax increment received each year to 30 percent of the total tax increment received each year, commencing in the first fiscal year after the amendment is adopted (except as otherwise provided in CRL Section 33333.10(g)); and

WHEREAS, the City Council has received from the Agency the proposed Plan Amendment No. 6, prepared pursuant to Section 33333.11 of the CRL, a copy of which is on file with the City Clerk at the Office of the City Clerk of the City of Sacramento, 730 I Street, Room 211, Sacramento, California 95814, together with the Report to the City Council prepared pursuant to Section 33333.11 of the CRL (the "Report"), including the Final Environmental Impact Report prepared for the Plan Amendment (the "FEIR"); and

WHEREAS, by approval of Notice of Decisions and Finding of Facts, based on staff report M02-093 by the Sacramento Planning Commission on January 16, 2003, the Planning Commission submitted to the City Council its certification that the Plan Amendment conforms to the Sacramento General Plan, and its recommendation for approval of the Plan Amendment; and

WHEREAS, the City Council and the Agency opened and continued a joint public hearing on June 3, 2003, concerning the adoption of the Plan Amendment and re-opened the joint public hearing on the adoption of the Plan Amendment on June 17, 2003; and

WHEREAS, notice of the joint public hearing was duly and regularly published in a newspaper of general circulation in the City once a week for three (3) successive weeks prior to the date of the joint public hearing, and a copy of said notice and affidavit of publication are on file with the City Clerk of the City of Sacramento and Secretary of the Agency; and

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WHEREAS, copies of the notice of the joint public hearing were mailed by first-class mail to the last known address of each assessee, as shown on the latest equalized assessment roll of the County of Sacramento, of each parcel of land in the Project Area, to each resident, and to each businesses as practicable at least thirty (30) days prior to the joint public hearing; and

WHEREAS, copies of the notice of the joint public hearing were mailed by certified mail with return receipt requested to the governing body of each taxing agency which receives taxes from property in the Project Area; and

WHEREAS, the Plan Amendment No. 6 makes no boundary changes nor any changes subject to CRL Section 33354.6, and Section 33457.1 of the CRL provides that to the extent warranted this Ordinance shall contain the findings required by Section 33367 of the CRL; and

WHEREAS, the City Council has considered the Report, the Plan Amendment and its economic feasibility, the feasibility of the relocation program, and the FEIR; and has provided an opportunity for all persons to be heard, and has received and considered all evidence and testimony presented for or against any and all aspects of the Plan Amendment; and

WHEREAS, the Agency and the City Council have reviewed and considered the FEIR for the Plan Amendment, prepared and submitted pursuant to Public Resources Code Section 21000 *et seq.* and CRL Section 33333.1, and certified said FEIR on the resolutions adopted on June 17, 2003.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1:

The purpose and intent of the City Council with respect to the Plan Amendment is to extend by ten years the time limit on the Plan's effectiveness; to extend by ten years the time limit of payment of indebtedness and the receipt of property taxes; to increase the minimum amount that must be deposited in the Low-and Moderate-Income Housing Fund from 20 percent of the total tax increment received each year to 30 percent of the total tax increment received each year (except as otherwise provided in CRL Section 33333.10(g)); and to make CRL Section 33413 (b) applicable to the Project Area.

The overall objective of the Project is to continue efforts at eliminating or alleviating conditions of significant blight by providing needed public improvements, assistance for the development and rehabilitation of existing properties, the provision of low- and moderate-income

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housing and other activities authorized by the CRL. In doing such, the Agency intends to mitigate the effects of inadequate or obsolete design, irregularly shaped or inadequately sized lots, declining property values, and economic maladjustment in the Project Area. In eliminating these blighting conditions, the Project will facilitate development as contemplated in the Sacramento General Plan.

SECTION 2:

The City Council hereby finds and determines, based on the evidence in the record, including, but not limited to, the Agency's Report on the Plan Amendment, and all documents referenced therein:

- a) (1) The Project Area was previously determined by the City Council to be a blighted area, the redevelopment which is necessary to effectuate the public purposes declared in the CRL and such determination is conclusive pursuant to CRL Section 33368.
- (2) Significant blight remains in the Project Area and such remaining blight cannot be eliminated without extending the deadline for the effectiveness for the Plan and the deadline to pay indebtedness with property taxes. This finding is based in part on the research and facts contained in the Report.
- b) The Plan Amendment will allow continued redevelopment to occur within the Project Area in conformity with the CRL and in the interests of the public health, safety and welfare. This finding is based in part upon the fact that redevelopment of the Project Area will implement the objectives of the CRL by aiding in the elimination and correction of the conditions of significant blight, providing for planning, development, redesign, clearance, reconstruction or rehabilitation of properties which need improvement, and providing for higher economic utilization of potentially useful land.
- c) The adoption and implementation of the Plan Amendment is economically sound and feasible. This finding is based in part on the fact that with the passage of the Plan Amendment, the Agency will continue to engage in activities within the financial capability of the Agency based upon the revenues that will be available to the Agency and will pursue those activities which are consistent with revenues realized after adoption of the Plan Amendment. Furthermore, this finding is based upon the fact that

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the Agency's Report discusses and demonstrates the economic soundness and feasibility of the Project and undertakings pursuant thereto.

- d) The Plan Amendment conforms to the Sacramento General Plan including, but not limited to, the Housing Element thereof, which substantially complies with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code. This finding is based in part on the finding of the Sacramento Planning Commission that the existing Plan conforms to the Sacramento General Plan (Planning Commission meeting of January 16, 2003 report M02-093).
- e) Implementation of the Plan Amendment will promote the public peace, health, safety and welfare of the City of Sacramento and will effectuate the purposes and policies of the CRL. This finding is based on the fact that redevelopment will benefit the Project Area and the community by allowing the Agency to correct continuing conditions of significant blight and by coordinating public and private actions to stimulate development, contribute toward needed public improvements and improve the economic, and physical conditions of the Project Area and the community.
- f) The continued elimination of the remaining significant blight and the continuation of the redevelopment of the Project Area would not reasonably be expected to be accomplished by private enterprise acting alone without the aid and assistance of the Agency. This finding is based in part upon the continued existence of blighting influences including, without limitation, the demonstrated lack of private sector interest in redeveloping properties in the Project Area, structural deficiencies and other indications of blight more fully enumerated in the Agency's Report, and the infeasibility due to cost of requiring individuals (by means of assessment or otherwise) to eradicate or significantly alleviate existing deficiencies in properties and facilities and the inability and inadequacy of other governmental programs and financing mechanisms to eliminate the blighting conditions.
- g) The Redevelopment Plan, as amended, contains adequate safeguards so that the work of redevelopment will be carried out pursuant to the Redevelopment Plan, and it provides for the retention of controls and the establishment of restrictions and covenants running with the land sold or leased for private use for periods of time and under conditions

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specified in the Redevelopment Plan, which the City Council deems necessary to effectuate the purposes of the CRL.

- h) Because the Plan Amendment does not amend the boundaries of the Project Area, amend the Agency's condemnation authority, or amend provisions of the Plan pertaining to displacement or relocation, the City Council is not required, for this Plan Amendment, to make the findings set forth in clauses (6), (7), (8), (9), (10), and (12) of subdivision (d), and set forth in subdivision (e), of CRL Section 33367, and all previous City Council findings and determinations made with respect to the foregoing remain valid, binding, and conclusive.

- i) The time limitations contained in the Redevelopment Plan, as amended by the Amendment, are reasonably related to the proposed projects to be implemented in the project area and to the ability of the Agency to eliminate blight within the Project Area. This finding is based on the financial information in the Report to Council, which demonstrates that the remaining dollars estimated to be available pursuant to the Redevelopment Plan, as amended by the Amendment, will be needed to implement the programs and activities contemplated by the Redevelopment Plan and the Implementation Plan.

SECTION 3:

The City Council has considered written objections, if any, to the Plan Amendment and all evidence and testimony for and against the adoption of the Plan Amendment. All written objections, if any, have been overruled.

SECTION 4:

In order to implement and facilitate the effectuation of the Plan Amendment as hereby approved, the City Council hereby (a) restates its pledge of cooperation in helping to carry out the Redevelopment Plan, (b) restates its request that the various officials, departments, boards and agencies of the City of Sacramento having administrative responsibilities in the Project Area likewise cooperate to such end and exercise their respective functions and powers in a manner consistent with the redevelopment of the Project Area, (c) reaffirms that it stands ready to consider and take appropriate action upon proposals and measures designed to effectuate the Redevelopment

Plan, and (d) re-declares its intention to undertake and complete any proceeding necessary to be carried out by the City of Sacramento under the provisions of the Redevelopment Plan, as amended.

SECTION 5:

The following sections replace those in the existing Redevelopment Plan:

1. The title and the first paragraph of Section 335 are amended to read as follows:

3. [Section 335] Increase, Improve and Preserve the Supply of Low- and Moderate-Income Housing

Pursuant to Section 33334.6 of the Community Redevelopment Law, and subject to the exceptions contained therein, not less than 20 percent of all taxes which are allocated to the Agency pursuant to subdivision (b) of Section 33670 of the Community Redevelopment Law and Section 502 of this Plan for the 1985-86 fiscal year and each succeeding fiscal year shall be used by the Agency for the purposes, set forth in Health and Safety Code Section 33334.2, of increasing, improving and preserving the City's supply of low and moderate income housing available at affordable housing costs, as defined by Sections 50052.5 and 50053 of the Health & Safety Code, to persons and families of low or moderate income, as defined in Section 50093 of the Health & Safety Code and very-low income- households, as defined in Section 50105 of the Health & Safety Code, unless one of the findings permitted by Section 33334.2 is made annually by resolution.

Pursuant to Section 33333.10(g)(1) of the Community Redevelopment Law (and subject to the exceptions in subdivisions (g)(2) and (g)(3) of such section), commencing in the first fiscal year following the adoption of this Ordinance, not less than 30 percent of all taxes that are allocated to the Agency pursuant to Section 33670 of the Community Redevelopment Law from this Plan shall be deposited into the Project Area's Low- and Moderate-Income Housing Fund for the purposes specified in Section 33333.10(f) of the Community Redevelopment Law.

2. Section 336 is added as follows:

4. [Section 336] New or Rehabilitated Dwelling Units Developed within the Project Area

To the extent required by Community Redevelopment Law Section 33413, at least thirty percent (30%) of all new and substantially rehabilitated dwelling units developed within the Project Area by the Agency shall be for persons and families of low- and moderate-income; and

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of such thirty percent (30%), not less than fifty percent (50%) thereof shall be for very low-income households.

To the extent required by Community Redevelopment Law Section 33413, at least fifteen percent (15%) of all new and substantially rehabilitated units developed within the Project Area by public or private entities or persons other than the Agency shall be for persons and families of low- and moderate-income; and of such fifteen percent (15%), not less than forty percent (40%) thereof shall be for very low-income households. To satisfy this provision, in whole or in part, the Agency may cause by regulation or agreement, to be available, at affordable housing costs, to persons and families of low or moderate-income or to very low-income households; as applicable, two units outside the Project Area for each unit that otherwise would have had to be available inside the Project Area. Also, in order to satisfy this provision, the Agency may aggregate new or substantially rehabilitated dwelling in one or more redevelopment project areas, or may purchase long-term affordability covenants in existing housing whether or not in the Project Area.

The percentage requirements set forth in this Section shall apply in the aggregate to housing in the Project Area and not to each individual case of rehabilitation, development, price restriction, or construction of dwelling units. The Agency may purchase long-term affordability covenants for units to the greatest extent allowed by law.

The Agency shall require, by contract or other appropriate means, that whenever any low- and moderate-income housing units are developed within the Project Area, such units shall be made available on a priority basis for rent or purchase, whichever the case may be, to persons and families of low- and moderate-income displaced by the Project; provided, however, that failure to give such priority shall not affect the validity of title to the real property upon which such housing units have been developed.

3. Section 506 is amended to read as follows:

Section 506.

The Agency may not receive and shall not repay indebtedness with the proceeds from property taxes received pursuant to Section 33670 of the Community Redevelopment Law and Section 502 of this Plan beyond May 11, 2030, except to repay debt to be paid from the Low and Moderate Income Housing Fund established pursuant to Section 33334.6 of the Community Redevelopment Law and Section 335 of this Plan, or debt established in order to fulfill the

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Agency's obligations under Section 33413(a) of the Community Redevelopment Law and Section 334 of this Plan.

4. Section 800 is amended to read as follows:

Section 800. DURATION OF THIS PLAN

Except for the non-discrimination and non-segregation provisions imposed by the Agency which shall run in perpetuity, and the affordable housing covenants imposed by the Agency which shall continue in effect for a period as may be determined and specified by the Agency, the provisions of this Plan shall be effective, and the provisions of other documents formulated pursuant to this Plan may be made effective until May 11, 2020; provided, however, that, subject to the limitations and exceptions thereto set forth in Sections 504 and 506 of this Plan, the Agency may issue bonds and incur obligations pursuant to his Plan which extend beyond the termination date, and in such event, this Plan shall continue in effect for the purpose of repaying such bonds or other obligations until the date of retirement of such bonds or other obligations.

SECTION 6:

In all respects, the Redevelopment Plan for the Del Paso Heights Project, Neighborhood Development Program, Project No. 5, as amended hereby shall remain in full force and effect in the Project Area.

SECTION 7:

The City Clerk is hereby directed to send a certified copy of this Ordinance to the Agency, whereupon the Agency will continue to be vested with the responsibility for carrying out the Redevelopment Plan, as amended.

SECTION 8:

The City Clerk is hereby directed to record with the Sacramento County Recorder a statement that the Plan Amendment has been approved in conformity with the CRL.

SECTION 9:

The City Clerk is hereby directed to transmit a copy of the statement to be recorded by the City Clerk pursuant to Section 7 of this Ordinance to the governing body of each of the taxing agencies which receives taxes from property in the Project Area.

SECTION 10:

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This Ordinance shall be in full force and effect thirty (30) days from and after the date of final passage.

SECTION 11:

If any part of this Ordinance, or the Plan Amendment which it approves, is held to be invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance or of the Redevelopment Plan, and the City Council hereby declares it would have passed the remainder of this Ordinance or approved the remainder of the Redevelopment Plan if such invalid portion thereof had been deleted.

MAYOR

ATTEST:

CITY CLERK

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DATE ADOPTED: _____