

RESOLUTION NO. 98-046

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF OCT 1 1998

ADOPTING RULES GOVERNING PARTICIPATION AND PREFERENCES BY PROPERTY OWNERS AND BUSINESS OCCUPANTS IN THE OAK PARK REDEVELOPMENT PROJECT

WHEREAS, Section 33339.5 of the California Community Redevelopment Law (Health and Safety Code section 33000 *et seq.*) provides that a redevelopment agency shall adopt and make available for public inspection rules to implement the operation of business re-entry preferences in connection with a redevelopment plan; and

WHEREAS, Section 33345 of the Community Redevelopment Law provides that a redevelopment agency shall adopt and make available for public inspection rules to implement the operation of owner participation in connection with a redevelopment plan; and

WHEREAS, the Redevelopment Agency of the City of Sacramento ("Agency") desires to supersede any previously adopted rules by adopting the attached "Rules Governing Participation and Preferences by Property Owners and Business Occupants in the Oak Park Redevelopment Project" ("Rules"); and

WHEREAS, on April 14, 1998, by Resolution No. 98-019, the Agency received the Rules and directed that such Rules be made available for public inspection and be submitted to the Project Area Committee; and on June 3, 1998, the Rules were presented to the Project Area Committee.

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(9)

**NOW, THEREFORE, BE IT RESOLVED BY THE
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:**

Section 1. The "Rules Governing Participation and Preferences by Property Owners and Business Occupants in the Oak Park Redevelopment Project," attached as Attachment 1 and by reference made a part hereof, are hereby adopted, and as adopted shall supersede any Rules previously adopted by the Agency applicable to the Oak Park Redevelopment Project.


SECRETARY


CHAIR

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EXHIBIT A

RULES GOVERNING PARTICIPATION AND PREFERENCES
BY PROPERTY OWNERS AND BUSINESS OCCUPANTS
IN THE
OAK PARK REDEVELOPMENT PROJECT

Adopted by:
Redevelopment Agency of the City of Sacramento

Date:
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"Statement of Interest in Participating" Form

RULES GOVERNING PARTICIPATION AND PREFERENCES BY
PROPERTY OWNERS AND BUSINESS OCCUPANTS IN THE
OAK PARK REDEVELOPMENT PROJECT

I. [Section 100] PURPOSE AND INTENT

These rules are adopted to implement the provisions of the Redevelopment Plan for the Oak Park Redevelopment Project regarding participation and the exercise of preferences by property owners and business occupants within the Project Area. These rules set forth the procedures governing such preferences and participation.

The California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*) requires the adoption of these rules by the Agency to provide for participation in the redevelopment of the Project Area by owners of real property and the extension of preferences to persons engaged in business within the boundaries of the Project Area to reenter the redeveloped area to the maximum extent feasible consistent with the objectives of the Redevelopment Plan for the Project.

II. [Section 200] DEFINITIONS

As used herein, the following definitions apply:

- (1) "Redevelopment Plan" means the Amended and Restated Redevelopment Plan for the Oak Park Redevelopment Project, as adopted by the City Council of the City of Sacramento.
- (2) "Project Area" means the project area described in Section 200 of the Amended and Restated Redevelopment Plan and shown on Exhibit "A," Redevelopment Plan Map, attached thereto.
- (3) "Agency" means the Redevelopment Agency of the City of Sacramento.
- (4) "Owner" means any person, persons, corporation, association, partnership, or other entity holding fee title to or a long term lease of real property in the Project Area for so long as such Owner holds such title or long term lease.
- (5) "Long Term Lease" means a lease of real property with a term of twenty (20) years or more, with at least five (5) years remaining on such term.
- (6) "Participation Agreement" means an agreement entered into by an Owner with the Agency providing for such Owner to participate in the redevelopment of property within the Project Area in accordance with the provisions of the Redevelopment Plan and these rules.
- (7) "Participant" means an Owner who has entered into a Participation Agreement with the Agency.
- (8) "Business Occupant" means any person, persons, corporation, association, partnership, or other entity engaged in a lawful business within the Project Area for so long as such Business Occupant remains in business within the Project Area.

III. [Section 300] OPPORTUNITIES FOR OWNER PARTICIPATION AND PREFERENCES TO BUSINESS OCCUPANTS TO RE-ENTER IN BUSINESS WITHIN REDEVELOPED AREA

A. [Section 301] Opportunities for Owner Participation

Owners of real property within the Project Area shall be extended reasonable opportunities to participate in the redevelopment of property in the Project Area if such Owners agree to participate in the redevelopment in conformity with the Redevelopment Plan and these rules.

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B. [Section 302] Preferences for Persons Engaged in Business in the Project Area

Business Occupants engaged in business in the Project Area shall be extended reasonable preferences to reenter in business within the redeveloped area if they otherwise meet the requirements prescribed by the Redevelopment Plan and these rules.

IV. [Section 400] METHODS OF PARTICIPATION, AND LIMITATIONS THEREON

A. [Section 401] Methods of Participation

Participation methods include remaining in substantially the same location either by retaining all or portions of the property, or by retaining all or portions of the property and purchasing adjacent property from the Agency, or joining with another person or entity for the rehabilitation or development of the Owner's property and, if appropriate, other property, or submitting to the Agency for its consideration another method of participation proposal pursuant to these rules. An Owner who participates in the same location may be required to rehabilitate or demolish all or part of his/her existing buildings, or the Agency may acquire the buildings only and then remove or demolish the buildings. Participation methods also include the Agency buying land and improvements at fair market value from Owners and offering other parcels for purchase and rehabilitation or development by such Owners, or offering an opportunity for such Owners to rehabilitate or develop property jointly with other persons or entities.

B. [Section 402] Limitations on Participation Opportunities

Participation opportunities shall necessarily be subject to and limited by factors such as the following:

- (1) The elimination and changing of some land uses;
- (2) The construction, realignment, abandonment, widening, opening and/or other alteration or elimination of public rights-of-way;
- (3) The removal, relocation, and/or installation of public utilities and public facilities;
- (4) The ability of potential Participants to finance the proposed acquisition, development or rehabilitation in accordance with the Redevelopment Plan;
- (5) The ability and experience of potential Participants to undertake and complete the proposed rehabilitation or development;
- (6) Any reduction in the total number of individual parcels in the Project Area;
- (7) The construction or expansion of public improvements and facilities, and the necessity to assemble areas for such;
- (8) Any change in orientation and character of the Project Area;
- (9) The necessity to assemble areas for public and/or private development;
- (10) The requirements of the Redevelopment Plan and applicable rules, regulations, and ordinances of the City of Sacramento;
- (11) Any design guide adopted by the Agency pursuant to the Redevelopment Plan; and
- (12) The feasibility of the potential Participant's proposal.
- (13) The scope of the Participants' proposal; and

- (14) The superiority of a competing proposal with regard to implementation of the goals and objectives of the Redevelopment Plan.

C. [Section 403] Conflicts Between Potential Participants

If conflicts develop between the desires of potential Participants for particular sites or land uses, the Agency is, subject to the limitation factors above, authorized to establish reasonable priorities and preferences among the potential Participants and to determine a solution by consideration of such factors as:

- (1) Length of time in the neighborhood;
- (2) The needs and desires of the neighborhood;
- (3) Accommodation of as many potential Participants as possible;
- (4) Ability to perform;
- (5) Compatibility with adjacent land uses; and
- (6) Conformity with intent and purpose of the Redevelopment Plan and these rules.

Participation to the extent feasible shall be available for two or more persons, firms or institutions to join together in partnerships, corporations, or other joint entities.

V. [Section 500] METHODS FOR EXTENDING REENTRY PREFERENCES, AND LIMITATIONS THEREON

A. [Section 501] Methods for Extending Reentry Preferences

Whenever a Business Occupant will be displaced by Agency action from the Project Area, the Agency will, prior to such displacement, determine: 1) whether such Business Occupant desires to relocate directly to another location within the Project Area, or 2) if suitable relocation accommodations within the Project Area are not available prior to displacement, whether such Business Occupant would desire to reenter in business within the Project Area at a later date should suitable accommodations become available. For those Business Occupants who desire to relocate directly to another Project Area location, the Agency will make reasonable efforts to assist such Business Occupants to find accommodations at locations and rents suitable to their needs. The Agency will make reasonable efforts to assist such Business Occupants to find reentry accommodations at locations and rents suitable to their needs. In any event, the Agency shall not be obligated to provide financial assistance to any displaced business occupant in excess of that required by law.

In order to implement the operation of this Section 501, the Agency will provide in all Participation Agreements, disposition and development agreements, and other agreements, as applicable, that in the renting or leasing of premises rehabilitated or developed pursuant to such agreements the Participant or developer will give reasonable preferences (over other potential tenants or lessees) to Business Occupants who will be or who have been displaced from their places of business to lease or rent premises within the newly rehabilitated or developed facilities.

B. [Section 502] Limitations on the Extension of Preferences

Reentry preferences shall necessarily be subject to and limited by factors such as the following:

- (1) The extent to which suitable relocation or reentry accommodations exist or are rehabilitated or developed within the Project Area;
- (2) The extent to which suitable relocation or reentry accommodations are available to displaced Business Occupants within an acceptable time period or at rents and other terms that are acceptable to such displaced Business Occupants, and within their financial means;

- (3) The extent to which the Agency has control over the proposed reentry accommodations;
- (4) The compatibility of the displaced business with available relocation or reentry accommodations; and
- (5) The requirements of the Redevelopment Plan or any design guide adopted by the Agency pursuant to the Redevelopment Plan.

C. [Section 503] Conflicts Between Business Occupants Seeking Similar Preferences

If conflicts develop between Business Occupants who seek similar preferences (e.g., two or more occupants who desire to relocate directly to or to reenter in business at the same premises), the Agency is, subject to the limitation factors above, authorized to establish reasonable priorities and preferences among such occupants and to determine a solution by consideration of such factors as:

- (1) Length of time in the neighborhood;
- (2) Accommodation of as many Business Occupants as possible;
- (3) Appropriateness of the type of business within the proposed premises and/or at the proposed location;
- (4) The needs and desires of the neighborhood;
- (5) The feasibility of business success; and
- (6) Conformity with the intent and purpose of the Redevelopment Plan and these rules.

VI. [Section 600] PARTICIPATION PROCEDURES

A. [Section 601] Notice and Statement of Interest

Before entering into any Participation Agreements, disposition and development agreements, exclusive negotiation agreements, or taking other actions which may involve the acquisition of real property in the Project Area, the Agency shall first notify Owners of property which may be acquired and call upon them to submit a proposal for the development of their property, if they so desire, within the time and in the form and manner described by the Agency in the notice.

The Agency shall consider such participation proposals as are submitted on time. The Agency may in its sole discretion determine that a participation proposal is not feasible or in the best interest of the Redevelopment Project or the community, or is otherwise limited by one or more of the criteria set forth in Section 402 hereof. The Agency may select a developer from among prospective participants submitting proposals and others invited to submit proposals. The Agency also has the option to select none of the proposals, and, if deemed desirable, to solicit new participation or development proposals.

B. [Section 602] Participation Agreements

1. [Section 603] General

Public and private Owners wishing to develop or improve their properties within the Project Area may be required, as a condition to Agency approval of such development, to enter into a binding, written Participation Agreement with the Agency if the Agency determines it is necessary to impose upon such property any of the standards, restrictions and controls of the Redevelopment Plan or of any design guide adopted by the Agency pursuant to the Redevelopment Plan.

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2. [Section 604] Contents

A Participation Agreement shall obligate the Owner, and the Owner's heirs, successors and assignees to acquire, rehabilitate, develop and use the property, as may be applicable, in conformance with the Redevelopment Plan and/or to be subject to such other provisions and conditions of the Redevelopment Plan as the Agency may require for the period of time that the Redevelopment Plan is in force and effect, excepting those provisions related to non-discrimination and non-segregation which shall run in perpetuity.

Each Participation Agreement will contain such terms and conditions and will require the potential Participant to join in the recordation of such documents as the Agency may require in order to insure the property will be acquired, rehabilitated, developed and used in accord with the Redevelopment Plan and the agreement. The rights of any Owner Participant under an approved Owner Participation Agreement may or may not, at the Agency's option, be transferable upon sale or other disposition of the property. Participation Agreements will be effective only if approved by the Agency.

VII. [Section 700] CONFORMING PROPERTIES

The Agency may, in its sole and absolute discretion, determine that certain real properties within the Project Area presently meet the requirements of the Redevelopment Plan, and the Owners of such properties will be permitted to remain as owners of conforming properties without a Participation Agreement with the Agency, provided such Owners continue to operate, use, and maintain the real properties within the requirements of the Redevelopment Plan or of any design guide approved by the Agency pursuant to the Redevelopment Plan. A certificate of conformance to this effect may be issued by the Agency and recorded.

In the event that any of the Owners of conforming properties or their tenants desire to (1) construct any additional improvements or substantially alter or modify existing structures on any of the real property described above as conforming, or (2) acquire additional property within the Project Area, then, in such event, such Owners of conforming properties may be required by the Agency to enter into a Participation Agreement with the Agency.

VIII. [Section 800] ENFORCEMENT

In the event a property is not acquired, developed, rehabilitated, or used in conformance with the Redevelopment Plan, with an Agency determination of conformance, or a Participation Agreement, then the Agency is authorized to (1) purchase the property, (2) purchase any interest in the property sufficient to obtain conformance, or (3) take any other appropriate action sufficient to obtain such conformance. The Agency shall not acquire real property retained or developed under an approved Participation Agreement if the Participant fully performs under the agreement.

IX. [Section 900] AMENDMENT OF RULES

The Agency may amend these rules at any regular meeting or duly called special meeting held after their adoption.

No such amendment shall retroactively impair the rights of any parties who have executed Participation Agreements with the Agency in reliance upon these rules as presently constituted.

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