Sacramento Housing & Redevelopment Agency

REPORT TO THE REDEVELOPMENT AGENCY AND CITY COUNCIL of the City of Sacramento

915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Consent
May 13, 2008

Honorable Mayor and Members of the City Council

Title: Second Reading of Ordinances Adopting the Seventh Amendment to the Richards Boulevard Redevelopment Plan and the Railyards Redevelopment Plan

Location/Council District: Richards Boulevard Redevelopment Project Area, District 1

Recommendation:

Adopt **Ordinances:**

1) Amending Ordinance Nos. 90-037, 94-046, 96-038, 2003-73, 2004-050, 2007-003, and 2007-044, and approving the Seventh Amendment to the Richards Boulevard Redevelopment Plan; and
2) Approving the Railyards Redevelopment Plan.

Contact:	Rachel Hazlewood, Senior Project Manager, (916) 808-8645; David Harzoff, Economic Development Manager, (916) 808-5385
Presenters:	Rachel Hazlewood
Department:	Economic Development
Division:	Downtown/Richards Boulevard
Org. Number:	4451

Description/Analysis

Issue: The Redevelopment Agency ("Agency") is seeking to create a separate and distinct Railyards Redevelopment Project Area from the existing Richards Boulevard Redevelopment Project Area in order to address unique obstacles confronting the area. Staff recommends that the City Council conduct a second reading of and adopt ordinances approving and adopting the Seventh Amendment to the Richards Boulevard Redevelopment Plan and approving and adopting the Railyards Redevelopment Project ("Plan Amendment and Adoption") pursuant to the California Community Redevelopment Law, Health and Safety Code 33000 et. seq. ("CRL"). The Ordinances would become effective in 90 days, or on August 11, 2008.

Policy Considerations: The actions proposed in this staff report are consistent with the redevelopment plan adoption and amendment processes established by the CRL. The proposed actions will meet the Agency's goals of eliminating blight and increasing economic opportunities. While the City's General Plan is being updated, the City Council has adopted a vision for the future of the City, as well as several guiding principles, to help guide the update and achieve this vision. The applicable guiding principle that this project complies with is the following: "Programs and strategies should promote the development of the community to the fullest range possible in the City of Sacramento." In addition, the proposed actions are not contrary to any of the other approved principles of the General Plan Update Vision.

Environmental Considerations: The preparation and processing of the proposed Plan Amendment and Adoption required the Redevelopment Agency to conduct a full environmental review under the California Environmental Quality Act ("CEQA"), including preparation of an environmental impact report. The Agency is the lead agency under CEQA. The environmental review is pursuant to California Public Resources Code, section 21000, et seq., including specifically sections 21090, 21093 and 21094; CEQA Guidelines sections 15152, 15168 and 15180; and California Health and Safety Code, section 33352 and local environmental review procedures. The Notice of Preparation and Initial Study on the Seventh Amendment and Railyards Redevelopment Plan were circulated on October 25, 2007. The Draft Program EIR was circulated for public comment for a 45-day public review period commencing on January 22, 2008. Following closure of the public comment period, the Draft Program EIR was revised to incorporate comments received and the Agency's responses to said comments, including additional information included in the Final EIR. The Agency certified the Final EIR on May 6, 2008.

The Final EIR is a Program EIR that evaluates the potentially significant effects of public improvements and development that may be funded or encouraged by the Plan Amendment and Adoption. Topics addressed in the Final EIR include:

- Land Use,
- Population and Housing,
- Aesthetics, Light, and Glare,
- Air Quality and Microclimate,
- Biological Resources,
- Cultural and Historic Resources,
- Hazards and Hazardous Materials,
- Hydrology and Water Quality,
- Noise and Vibration,
- Public Utilities, and
- Transportation and Circulation.

Additionally, the Final EIR addresses all other sections as required by CEQA and is available for public review at the Office of the City Clerk. The National Environmental Policy Act ("NEPA") does not apply.

Summary of Environmental Impacts

The Final EIR concluded that certain significant or potentially significant impacts could be reduced to a level of insignificance by the adoption of mitigation measures. These significant or potentially significant impacts were in the areas of Air Quality and Microclimate (contributions to global climate change) and Noise and Vibration (exposure of future sensitive receptors to traffic, rail and industrial noise levels and new on-site stationary sources; temporary increases in groundborne vibration and ongoing exposure of new receptors to vibration). The Final EIR also concluded that certain significant or potentially significant impacts could not be avoided or reduced to a level of insignificance. These unavoidable significant or potentially significant impacts were in the areas of Air Quality and Microclimate (long-term pollutant increases), Noise and Vibration (construction and permanent noise exposure to sensitive receptors), Cultural and Historic Resources (potential loss of historic resources), and Transportation and Circulation (increased traffic).

As a result of these unavoidable impacts, the Agency and the City Council made findings that the benefits of the recommended actions outweigh or override the unavoidable significant environmental consequences. The Agency and the City Council adopted resolutions on May 6, 2008 adopting a Statement of Findings, Facts and Overriding Considerations based upon consideration of the Final EIR.

Rationale for Recommendation: The second reading and final approval of the two ordinances adopting the Seventh Amendment to the Richards Boulevard Redevelopment Plan and Railyards Redevelopment Plan is recommended to create a more comprehensive program to revitalize and redevelop the Richards Boulevard (River District) and Railyards Project Areas.

Financial Considerations: This action will have positive financial impacts by producing redevelopment financial resources, among other benefits, necessary to eliminate blight, which are detailed in the Report to the City Council which is available for public review at the Office of the City Clerk.

M/WBE Considerations: There are no Minority and Women's Business Enterprise considerations associated with the actions recommended in this report.

Respectfully Submitted by: David Harzoff for

Rachel Hazlewood
Senior Project Manager

Approved by: David Harzoff

David Harzoff
Economic Development Manager

Recommendation Approved:

For Ray Kerridge
City Manager

Table of Contents:

Pg	1	Staff Report
Pg	5	Background

Attachments

1. City Council Ordinance amending Ordinance Nos. 90-037, 94-046, 96-038, 2003-73, 2004-050, 2007-003, and 2007-044, and approving and adopting the Seventh Amendment to the Richards Boulevard Redevelopment Plan
2. City Council Ordinance approving and adopting the Railyards Redevelopment Plan

Background

The Richards Boulevard Redevelopment Plan was adopted by the City Council in July of 1990. Since that time, the Redevelopment Plan has been amended six times. Efforts to redevelop the Railyards area over the past 17 years have not resulted in any substantive change due to the unique obstacles that make it different from the rest of the Richards Boulevard Project Area. These obstacles include a severe lack of infrastructure, environmental contamination (which has created higher costs and longer timeframes for development), the need to realign the area's levee system, issues of historic preservation, and time and cost issues related to realignment of the Union Pacific mainline railroad tracks to facilitate circulation improvements.

In July 2007, the City Council and the Redevelopment Agency formally began a process for the consideration and adoption of the Seventh Amendment to the Richards Boulevard Redevelopment and the Railyards Redevelopment Plan (the "Amendment and Adoption") pursuant to the CRL. A number of actions in that process have been taken to date, including preparation of a redevelopment plan and amendment of a Report to the City Council which describes the implications of the Plan Amendment and Adoption.

The Amended Richards Boulevard and proposed Railyards Project Areas are located near downtown Sacramento. The Railyards Project Area ("Railyards Area") is approximately 298 acres, and generally bounded by the Sacramento River on the west, North B Street on the north and I street on the south. The eastern boundary varies between 7th Street and 12th Street. The Amended Richards Boulevard Project Area consists of approximately 1,068 acres and is located south of the American River, east of the Sacramento River, and just north of the Central City. The Amended Richards Boulevard Project Area ("Richards Area") will be renamed the River District Project Area ('River District Area") as a result of these actions.

For the Railyards Area, having a separate redevelopment project area will enable the Agency to more effectively address the unique constraints that plague the area and provide support and assistance to redevelopment projects as feasible, necessary and appropriate. It will also make more funding options possible for the development of the intermodal and other transportation infrastructure due to the longevity required for these types of funding mechanisms. The Railyards Redevelopment Plan provides the Agency the authority to implement a 30-year redevelopment, rehabilitation, and revitalization program in the Railyards Project Area. Long-term, the Agency's proposed Railyards Redevelopment Plan would encourage rehabilitation of the old Railyards buildings, facilitate environmental mitigation to make the area suitable for businesses and residences, and improve other physical and economic conditions adversely affecting the Railyards Area.

For the remaining Richards Area, which would become the River District Project Area, this approach will protect tax increment revenues generated in the River District Area for projects within its boundaries, rather than shifting all resources to the potentially costly and complicated needs of the Railyards Area. The formation of the Railyards Area will

also aid the River District Area by spreading a "fair share" of the costs to relieve infrastructure capacity problems (i.e. sewer, traffic, stormwater) throughout the two areas.

On April 22, 2008, the Agency and City Council held joint and concurrent public hearings on the proposed Plan Amendment and Adoption. Property owners, residents, businesses and affected taxing agencies within the proposed Railyards and River District Areas received notice of the joint public hearings. During this meeting, the Agency and City Council were provided with a presentation from staff and had an opportunity to hear all evidence and testimony for and against the Plan Amendment and Adoption. No written objections were received and no one spoke in opposition to the Plan Amendment and Adoption at the joint public hearings. Representatives of the River District Property and Business Improvement District and the Sacramento Area Council of Governments spoke in support of the Plan Amendment and Adoption. Following the receipt of all evidence and testimony, the public hearings were closed.

On May 6, 2008, consideration of the Plan Amendment and Adoption continued with a series of actions by the Agency and City Council. These actions consisted of certifying the Final EIR; adopting a Statement of Findings, Facts, and Overriding Considerations; adopting a Mitigation Monitoring Plan; making findings that the use of taxes allocated from the Railyards Project for the purpose of increasing, improving and preserving the community's supply of low and moderate income housing outside the Railyards Area will be of benefit to the Railyards Project; and electing to receive the tax revenues attributable to tax rate increases imposed for the benefit of the City of Sacramento after the adoption of the proposed Redevelopment Plan for the Railyards Redevelopment Project. The Agency also adopted a resolution adopting Implementation Plans for the projects and approving the Redevelopment Plan for the Railyards Redevelopment Project and the Seventh Amendment to the Redevelopment Plan for the Richards Boulevard Redevelopment Project and recommending that the City Council adopt such documents. Once all these actions were taken, the City Council conducted the first of two readings of Ordinance Nos. ____ and ____.

Amendment to the Richards Boulevard Redevelopment Plan

The proposed Seventh Amendment to the Richards Boulevard Redevelopment Plan primarily removes the 298-acre area proposed to be the Railyards Redevelopment Project Area. The proposed amendment will also rename the Project and Project Area to the "River District Redevelopment Project" and "River District Redevelopment Project Area", to be consistent with current community development initiatives in the area. Other than miscellaneous incidental changes, no other amendments are proposed.

The Amendment would not alter land use policies, financial or time limits, or any other component of the Richards Boulevard Redevelopment Plan, nor would it change the terms of any financial obligation of the Project Area.

The Amendment is being processed concurrently with the Railyards Redevelopment

Plan, and would only go into effect if the Railyards Redevelopment Plan is adopted by the City Council.

Railyards Redevelopment Plan

The proposed Redevelopment Plan contains a list of major goals for the Railyards Redevelopment Project Area to guide future activities. Section 100 of the proposed Redevelopment Plan identifies the goals which include elimination of blight, the replanning, redesign and development of the stagnant or improperly utilized parcels, assembly of parcels into suitable sizes for modern development, improvement to circulation infrastructure, strengthening of the economic base, provision of parking and open spaces, establishment and implementation criteria to ensure high quality design, provision of opportunities for owner participation, and the increase, improvement, and preservation of affordable housing.

Section 300 of the proposed Redevelopment Plan outlines the permitted actions of the Agency, including but not limited to extending participation opportunities to property owners and business occupants, acquisition of property (including eminent domain), relocation procedures, property disposition and development, rehabilitation, and actions to support the development of low and moderate income housing (as required by Redevelopment Law).

Section 400 of the proposed Redevelopment Plan establishes the land use policies for the Project Area, which are those set forth in the General Plan and other applicable planning documents, as these documents exist today or are hereafter amended. In this manner, the proposed Redevelopment Plan is consistent with the General Plan.

The proposed method of financing redevelopment is outlined in Section 500 of the proposed Redevelopment Plan. Tax increment revenue would be the primary means to finance redevelopment within the Project Area, and the Plan provides the Agency the authority to collect and use tax increment revenues generated by the Project Area over the next 45 years. The proposed Redevelopment Plan also permits the Agency to incur debt for the first 20 years of the Redevelopment Plan and leverage tax increment revenues to issue bonds, capping the total amount of bonded debt that may be outstanding at any one time at $500 million.

The proposed Redevelopment Plan also contains a map, legal description, and General Plan land use map of the Project Area, as well as a list of public improvements that may be undertaken by the Agency. The list of public improvements contains broad categories of infrastructure and public facilities projects, as well as specific projects identified by staff that may occur during the first few years of the Redevelopment Plan.

Description of Adopting Ordinances

The Railyards Redevelopment Plan and Seventh Amendment to the Richards

Boulevard Redevelopment Plan would be approved upon completion of the second reading and adoption of the ordinances. The ordinances would be effective 90 days thereafter, or on August 11, 2008.

The ordinances contain various findings based on information in the record, including the Agency's Report to the City Council. The findings would be made by the City Council as part of the Plan Amendment and Adoption. The recommended findings for the Railyards Redevelopment Plan Adoption include the following:

- The Railyards Area is a blighted area,
- Redevelopment in the Railyards Area is not economically feasible without the Agency's assistance,
- The proposed Redevelopment Plan is consistent with the City's General Plan,
- The condemnation of real property as provided for in the Redevelopment Plan is necessary for the execution of the Redevelopment Plan,
- The Agency has in place a method of relocation for displacements caused by Agency action for the Railyards Area,
- The private sector, even together with available governmental assistance, cannot eliminate blight and carry out redevelopment without the aid and assistance of the Redevelopment Agency,
- The Railyards Area is predominantly urbanized as defined by Law, and
- Time limitations proposed by the Redevelopment Plan are reasonably related to the time needed for the completion of projects in the Redevelopment Plan.

The recommended findings for the Seventh Amendment to the Richards Boulevard Redevelopment Plan include the following:

- The Seventh Amendment would provide for the continued redevelopment of the River District Project Area in conformity with Redevelopment Law and in the interests of the public peace, health, safety, and welfare,
- The Seventh Amendment is economically sound and feasible, and
- The Seventh Amendment is consistent with the City's General Plan.

Attachment 1

ORDINANCE NO. 2008_____

Adopted by the Sacramento City Council

AMENDING ORDINANCE NOS. 90-037, 94-046, 96-038, 2003-73, 2004-050, 2007-003, AND 2007-044, AND ADOPTING THE SEVENTH AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE RICHARDS BOULEVARD REDEVELOPMENT PROJECT

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

SECTION 1.

The City Council hereby finds and declares:

A. The City Council of the City of Sacramento (the "City Council") has received from the Redevelopment Agency of the City of Sacramento (the "Agency") the proposed Seventh Amendment (the "Richards Amendment") to the Redevelopment Plan (the "Richards Plan") for the Richards Boulevard Redevelopment Project (the "Richards Project"), a copy of which is on file at the office of the City Clerk (the "City Clerk") at 915 I Street, Historic City Hall, Sacramento, California, together with the combined Report of the Agency to the City Council on the adoption of the proposed Richards Amendment and of the Redevelopment Plan (the "Railyards Plan") for the Railyards Redevelopment Project (the "Railyards Project"), which Report includes: (1) the reasons for the proposed actions; (2) a description of the physical and economic blighting conditions existing in the Railyards Project; (3) a description of specific projects proposed by the Agency in the Railyards Project and an explanation of how the proposed projects will alleviate the blighting conditions existing in the Railyards Project; (4) an implementation plan for the Railyards Project and an amended and restated implementation plan for the Richards Project (to be renamed the River District Redevelopment Project); (5) the proposed method of financing redevelopment of the Railyards Project, including an assessment of the economic feasibility of the Railyards Project; (6) an explanation of why the elimination of blight and redevelopment of the Railyards Project cannot be accomplished by private enterprise acting alone or through other financing alternatives other than tax increment financing; (7) a method or plan for relocation; (8) an analysis of the Preliminary Plan for the Railyards Project and the Amended and Restated Preliminary Plan for the Richards Project; (9) the Report and Recommendations of the Planning Commission of the City of Sacramento (the "Planning Commission"); (10) the Final Environmental Impact Report on the Richards Amendment and Railyards Plan; (11) a neighborhood impact report; and (12) a summary of consultations with affected taxing agencies.

B. The Richards Amendment does two things: (1) deletes approximately 298 acres from within the boundaries of the Richards Project Area (the "Deleted Area"); and (2) renames the amended area the "River District Redevelopment Project." The Deleted Area comprises the area that is proposed to be included within the new Railyards Project.

C. The Planning Commission has reported that the Richards Amendment conforms to the General Plan for the City of Sacramento and has recommended approval of the Richards Amendment.

D. The Agency prepared and circulated a Draft Environmental Impact Report (the "Draft EIR") on the Richards Amendment and the Railyards Plan in accordance with the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*, "CEQA"), the Guidelines for Implementation of the California Environmental Quality Act (14 Cal. Code Regs. Section 15000 *et seq.*, "State CEQA Guidelines"), and environmental procedures adopted by the Agency pursuant thereto, and the Draft EIR was thereafter revised and supplemented to incorporate comments received and responses thereto, and, as so revised and supplemented, a Final Environmental Impact Report (the "Final EIR") was prepared and certified by the Agency.

E. The Agency and the City Council have reviewed and considered the Final EIR and have determined that, for certain significant effects identified by the Final EIR, mitigation measures and a mitigation monitoring program therefor have been adopted and mitigation measures incorporated into the Richards Amendment to avoid or substantially lessen such effects.

F. The Agency and the City Council have each adopted a Statement of Overriding Considerations for the remaining significant effects identified by the Final EIR that cannot be mitigated to a level of insignificance.

G. The City Council and the Agency held a joint public hearing in the City Council Chambers, 915 I Street, Sacramento, California, on April 22, 2008, to consider adoption of the Richards Amendment and the Railyards Plan.

H. A notice of said hearing was duly and regularly published in the *Daily Recorder*, a newspaper of general circulation in the City of Sacramento, once a week for four successive weeks prior to the date of said hearing, and a copy of said notice and affidavit of publication are on file with the City Clerk.

I. On March 19, 2008, copies of the notice of joint public hearing were mailed by first-class mail to the last known address of each assessee of each parcel of land in the Richards Project Area and the Railyards Project Area as shown on the last equalized assessment roll of the County of Sacramento.

J. On March 19, 2008, copies of the notice of joint public hearing were mailed by first-class mail to all residents and businesses within the Richards Project Area and the Railyards Project Area.

K. On March 19, 2008, copies of the notice of joint public hearing were mailed by certified mail with return receipt requested to the governing body of each taxing entity that receives taxes from property in the Richards Project Area and the Railyards Project Area.

L. On March 6, 2008, copies of the notice of joint public hearing were mailed by certified mail with return receipt requested to the California Department of Finance and the California Department of Housing and Community Development.

M. The City Council has considered the Report of the Agency, the Report and Recommendations of the Planning Commission, the Richards Amendment, and the Final EIR, 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 Richards Amendment.

N. The City Council has adopted written findings in response to the written objections received, if any, from affected property owners and/or affected taxing entities at or prior to the joint public hearing.

O. All actions required by law have been taken by all appropriate legal bodies.

SECTION 2.

The City Council declares that the purpose and intent of the City Council with respect to the Richards Amendment is to accomplish the following: (a) the deletion of the Deleted Area (which comprises the proposed new Railyards Project Area) from the Richards Project Area in order to enable each area to more effectively implement and carry out redevelopment efforts and, in particular, to protect the finite resources of the remaining Richards Project Area from being overwhelmed by the substantial costs and development constraints associated with redevelopment of the proposed Railyards Project; and (b) the renaming of the Richards Project as the "River District Redevelopment Project" in order to foster and promote the current community planning and development vision emphasizing its distinctive assets, the Sacramento and American rivers.

SECTION 3.

The City Council hereby finds and determines that:

(a) The Richards Amendment will provide for the continued redevelopment of the Richards Project Area in conformity with the Community Redevelopment Law and in the interests of the public peace, health, safety, and welfare. This finding is based upon the facts, as more particularly set forth in the Report of the Agency to the City Council, that the Richards Amendment will implement the objectives of the Community Redevelopment Law by removing certain property suffering extensively from unique obstacles to development, the alleviation of which would potentially drain the financial resources of the Richards Project Area.

(b) The adoption and carrying out of the Richards Plan, as amended by the Richards Amendment, is economically sound and feasible. This finding is based on the facts, as more particularly set forth in the Report of the Agency to the City Council, that: (1) the unique obstacles of redevelopment of the Railyards property, including its almost complete lack of infrastructure, need for realignment of the levee system and mainline railroad tracks, environmental contamination, and historic preservation, would potentially overwhelm the financial resources of the existing Richards Project Area; and (2) the removal of the Railyards property will enable resources from the remaining Richards Project Area to be used to fund redevelopment projects in the remaining Richards Project Area.

(c) The Richards Amendment is consistent with the General Plan of the City of Sacramento, including, but not limited to, the housing element, which substantially complies with state housing law. This finding is based upon the finding of the Planning Commission that the Richards Amendment is consistent with the General Plan of the City of Sacramento.

(d) The carrying out of the Richards Amendment would promote the public peace, health, safety, and welfare of the City of Sacramento and will effectuate the purposes and policy of the Community Redevelopment Law. This finding is based upon the fact that the exclusion of property contemplated by the Richards Amendment will allow the Agency to more effectively carry out redevelopment in the remaining Richards Project Area. The Richards Amendment will protect the tax increment revenues generated by the remaining Richards Project Area from the complicated and costly demands of the Railyards property, providing the Agency with the funds necessary to implement redevelopment projects and programs to improve the remaining Richards Project Area and thereby stimulating development and improving the physical and economic conditions of the remaining Richards Project Area.

(e) The exclusion of properties contemplated by the Richards Amendment will not result in any noncontiguous areas of the Richards Project Area.

(f) The findings set forth in paragraphs (1), (6), (7), (8), (10), (11), (12), (13) and (14) of subdivision (d) of Section 33367 of the Community Redevelopment Law are not applicable to the approval and adoption of the Richards Amendment because the Richards Amendment does not make any changes to the existing Richards Plan as it will continue to apply to the remaining Richards Project Area. The Richards Amendment is limited in scope to the removal of the Deleted Area and the renaming of the Project.

SECTION 4.

In order to implement and facilitate the effectuation of the Richards Amendment, certain official actions must be taken by the City Council; accordingly, the City Council hereby: (a) pledges its cooperation in helping to carry out the Richards Plan as amended by the Richards Amendment; (b) directs the various officials, departments, boards, and agencies of the City of Sacramento having administrative responsibilities in the

Richards Project Area likewise to cooperate to such end and to exercise their respective functions and powers in a manner consistent with the Richards Plan as amended by the Richards Amendment; (c) stands ready to consider and take appropriate action on proposals and measures designed to effectuate the Richards Plan as amended by the Richards Amendment; and (d) declares its intention to undertake and complete any proceeding, including the expenditure of moneys, necessary to be carried out by the City under the provisions of the Richards Plan as amended by the Richards Amendment.

SECTION 5.

The City Council is satisfied that written findings have been adopted in response to the written objections received, if any, at or before the noticed public hearing from affected property owners and/or affected taxing entities. Having considered all evidence and testimony presented for or against any and all aspects of the Richards Amendment, the City Council hereby overrules all written and oral objections to the Richards Amendment.

SECTION 6.

The mitigation measures, as identified in Council Resolution No. 2008-_____, adopted on May 6, 2008, and Agency Resolution No. 2008-_____, adopted on May 6, 2008, are incorporated and made part of the proposed Richards Amendment.

SECTION 7.

The Redevelopment Plan for the Richards Boulevard Redevelopment Project, as adopted and amended by Ordinance Nos. 90-037, 94-046, 96-038, 2003-73, 2004-050, 2007-003 and 2007-044, is hereby amended as set forth in the Richards Amendment attached hereto and incorporated herein by this reference. As so amended, the Richards Plan is hereby incorporated herein by reference. The Executive Director of the Agency is hereby authorized to prepare a single Richards Plan document that incorporates the provisions of the original Richards Plan, as adopted and amended by the ordinances identified above and this Ordinance, and said document, when filed with the City Clerk and the Secretary of the Agency, shall constitute the official "Redevelopment Plan for the River District Redevelopment Project."

SECTION 8.

The City Clerk is hereby directed to send a certified copy of this Ordinance to the Agency, and the Agency is hereby vested with the responsibility for carrying out the Richards Amendment.

SECTION 9.

Pursuant to Section 33456 of the Community Redevelopment Law, within sixty (60) days following the adoption of this Ordinance, the City Clerk is hereby directed to record with the County Recorder of the County of Sacramento a notice of the approval and adoption of the Richards Amendment pursuant to this Ordinance, containing a

description of the Deleted Area, a description of the land within the remaining Richards Project Area, and a statement that the Richards Plan has been amended.

SECTION 10.

The City Clerk is hereby directed to transmit a copy of the description and statement recorded pursuant to Section 9 of this Ordinance, a copy of this Ordinance, and a map or plat indicating the boundaries of the Richards Project Area, as amended by the Richards Amendment, to the auditor and assessor of the County of Sacramento, to the governing body of each of the taxing entities which receives taxes from property in the Richards Project Area, as amended by the Richards Amendment, and to the State Board of Equalization within thirty (30) days following adoption of this Ordinance.

SECTION 11.

If any part of this Ordinance or the Richards 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 Richards Amendment, and this City Council hereby declares that it would have passed the remainder of this Ordinance or approved the remainder of the Richards Amendment if such invalid portion thereof had been deleted.

SECTION 12.

This Ordinance shall be in full force and effect ninety (90) days after its adoption; provided, however, that this Ordinance is contingent upon and shall not take effect if an Ordinance approving and adopting the Railyards Plan is not also adopted prior to the date this Ordinance would have taken effect; and provided further that if the Ordinance approving and adopting the Railyards Plan does not take effect within ninety (90) days after its adoption or is determined to be invalid for any reason, this Ordinance shall be automatically repealed as of the date of its adoption. It is the intent of this section that this Ordinance and the resulting adoption of the Richards Amendment shall be of no force and effect unless the Ordinance approving and adopting the Railyards Plan is in full force and effect without the possibility of being invalidated.

Attachment 2

ORDINANCE NO. 2008_____

Adopted by the Sacramento City Council

APPROVING AND ADOPTING THE REDEVELOPMENT PLAN FOR THE RAILYARDS REDEVELOPMENT PROJECT

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

SECTION 1.

The City Council hereby finds and declares:

A. The City Council of the City of Sacramento (the "City Council") has received from the Redevelopment Agency of the City of Sacramento (the "Agency") the proposed Redevelopment Plan (the "Railyards Plan") for the Railyards Redevelopment Project (the "Railyards Project"), a copy of which is on file at the office of the City Clerk (the "City Clerk") at 915 I Street, Historic City Hall, Sacramento, California, together with the combined Report of the Agency to the City Council on the adoption of both the Railyards Plan and the proposed Seventh Amendment (the "Richards Amendment") to the Redevelopment Plan (the "Richards Plan") for the Richards Boulevard Redevelopment Project (the "Richards Project"), which Report includes: (1) the reasons for the proposed actions; (2) a description of the physical and economic blighting conditions existing in the Railyards Project; (3) a description of specific projects proposed by the Agency in the Railyards Project and an explanation of how the proposed projects will alleviate the blighting conditions existing in the Railyards Project; (4) an implementation plan for the Railyards Project and an amended and restated implementation plan for the Richards Project (to be renamed the River District Redevelopment Project); (5) the proposed method of financing redevelopment of the Railyards Project, including an assessment of the economic feasibility of the Railyards Project; (6) an explanation of why the elimination of blight and redevelopment of the Railyards Project cannot be accomplished by private enterprise acting alone or through other financing alternatives other than tax increment financing; (7) a method or plan for relocation; (8) an analysis of the Preliminary Plan for the Railyards Project and the Amended and Restated Preliminary Plan for the Richards Project; (9) the Report and Recommendations of the Planning Commission of the City of Sacramento (the "Planning Commission"); (10) the Final Environmental Impact Report on the Richards Amendment and Railyards Plan; (11) a neighborhood impact report; and (12) a summary of consultations with affected taxing agencies.

B. The Planning Commission has reported that the Railyards Plan conforms to the General Plan for the City of Sacramento and has recommended approval of the Railyards Plan.

C. The Agency prepared and circulated a Draft Environmental Impact Report (the "Draft EIR") on the Richards Amendment and the Railyards Plan in accordance with the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*, "CEQA"), the Guidelines for Implementation of the California Environmental Quality Act (14 Cal. Code Regs. Section 15000 *et seq.*, "State CEQA Guidelines"), and environmental procedures adopted by the Agency pursuant thereto, and the Draft EIR was thereafter revised and supplemented to incorporate comments received and responses thereto, and, as so revised and supplemented, a Final Environmental Impact Report (the "Final EIR") was prepared and certified by the Agency.

D. The Agency and the City Council have reviewed and considered the Final EIR and have determined that, for certain significant effects identified by the Final EIR, mitigation measures and a mitigation monitoring program therefor have been adopted and mitigation measures incorporated into the Railyards Plan to avoid or substantially lessen such effects.

E. The Agency and the City Council have each adopted a Statement of Overriding Considerations for the remaining significant effects identified by the Final EIR that cannot be mitigated to a level of insignificance.

F. The City Council and the Agency held a joint public hearing in the City Council Chambers, 915 I Street, Sacramento, California, on April 22, 2008, to consider adoption of the Railyards Plan and the Richards Amendment.

G. A notice of said hearing was duly and regularly published in the *Daily Recorder*, a newspaper of general circulation in the City of Sacramento, once a week for four successive weeks prior to the date of said hearing, and a copy of said notice and affidavit of publication are on file with the City Clerk.

H. On March 19, 2008, copies of the notice of joint public hearing and a statement concerning acquisition of property by the Agency were mailed by first-class mail to the last known address of each assessee of each parcel of land in the Railyards Project as shown on the last equalized assessment roll of the County of Sacramento.

I. On March 19, 2008, copies of the notice of joint public hearing were mailed by first-class mail to all residents and businesses within the Railyards Project.

J. On March 19, 2008, copies of the notice of joint public hearing were mailed by certified mail with return receipt requested to the governing body of each taxing entity that receives taxes from property in the Railyards Project.

K. On March 6, 2008, copies of the notice of joint public hearing were mailed by certified mail with return receipt requested to the California Department of

Finance and the California Department of Housing and Community Development.

L. The City Council has considered the Report of the Agency, the Report and Recommendations of the Planning Commission, the Railyards Plan, and the Final EIR, 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 Railyards Plan.

M. The City Council has adopted written findings in response to the written objections, if any, received from affected property owners and/or affected taxing entities at or prior to the joint public hearing.

N. All actions required by law have been taken by all appropriate legal bodies.

SECTION 2.

The City Council declares that the purpose and intent of the City Council with respect to the Railyards Project Area is to accomplish the following: (a) eliminate blighting influences and correct environmental deficiencies in the Railyards Project Area, including, among others, buildings in which it is unsafe or unhealthy for persons to live or work, conditions that substantially hinder the viable use and capacity of buildings and lots, impaired investments, high business vacancies, and inadequate or deteriorated public improvements, facilities, and utilities; (b) strengthen the economic and employment base of the Railyards Project Area and the community by removing impediments to and encouraging new residential and commercial development and other private investment; (c) improve public facilities and infrastructure, including providing adequate access to and within the Railyards Project Area and infrastructure that meets modern health and safety standards, provide adequate land for parks and open spaces, and promote an overall environment for social and economic growth; (d) implement design and use standards to assure high aesthetic and environmental quality and provide unity and integrity to developments within the Railyards Project Area, preserving historic resources where feasible and promoting public transit access and use; (e) encourage the cooperation and participation of residents, businesses, public agencies and community organizations in the redevelopment and revitalization of the Railyards Project Area; and (f) increase, improve and preserve the community's supply of housing available to extremely low, very low, low and moderate income persons and families.

SECTION 3.

The City Council hereby finds and determines that:

(a) The Railyards Project Area is a blighted area, the redevelopment of which is necessary to effectuate the public purposes declared in the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*). This finding is based upon the following facts, as more particularly set forth in the Report of the Agency to the City Council:

(1) The Railyards Project Area is predominantly urbanized;

(2) The Railyards Project Area is characterized by and suffers from a combination of blighting physical and economic conditions, including, among others: buildings in which it is unsafe or unhealthy for persons to live or work due to serious dilapidation and deterioration, construction that is vulnerable to serious damage from seismic or geologic hazards, and inadequate water and sewer utilities; conditions substantially hindering the viable use or capacity of buildings or lots; depreciated or stagnant property values; impaired property values due in significant part to hazardous wastes; and abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings; and

(3) The combination of the conditions referred to in paragraph (2) above is so prevalent and so substantial that it causes a reduction of, or lack of, proper utilization of the Railyards Project Area to such an extent that it constitutes a serious physical and economic burden on the City that cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment.

(b) The Railyards Plan will redevelop the Railyards Project Area in conformity with the Community Redevelopment Law and in the interests of the public peace, health, safety, and welfare. This finding is based upon the fact that redevelopment of the Railyards Project Area will implement the objectives of the Community Redevelopment Law by: aiding in the elimination and correction of the conditions of blight; providing for planning, development, redesign, clearance, reconstruction, or rehabilitation of properties which need improvement; improving, increasing, and preserving the supply of low- and moderate-income housing within the community; providing additional employment opportunities; and providing for higher economic utilization of potentially useful land.

(c) The adoption and carrying out of the Railyards Plan is economically sound and feasible. This finding is based on the facts, as more particularly set forth in the Report of the Agency to the City Council: that under the Railyards Plan the Agency will be authorized to seek and utilize a variety of potential financing resources, including tax increments; that the nature and timing of public redevelopment assistance will depend on the amount and availability of such financing resources, including tax increments generated by new investment in the Railyards Project Area; and that no public redevelopment activity will be undertaken unless the Agency can demonstrate that it has adequate revenue to finance the activity.

(d) The Railyards Plan is consistent with the General Plan of the City of Sacramento, including, but not limited to, the housing element, which substantially complies with state housing law. This finding is based upon the finding of the Planning Commission that the Railyards Plan is consistent with the General Plan of the City of Sacramento.

(e) The carrying out of the Railyards Plan would promote the public peace, health, safety, and welfare of the City of Sacramento and will effectuate the purposes

and policy of the Community Redevelopment Law. This finding is based upon the fact that redevelopment, as contemplated by the Railyards Plan, will benefit the Railyards Project Area by correcting conditions of blight and by coordinating public and private actions to stimulate development and improve the physical and economic conditions of the Railyards Project Area.

(f) The condemnation of real property, as provided for in the Railyards Plan, is necessary to the execution of the Railyards Plan, and adequate provisions have been made for the payment for property to be acquired as provided by law. This finding is based upon: (1) the need to ensure that the provisions of the Railyards Plan will be carried out and to prevent the recurrence of blight; (2) the fact that no property will be acquired unless the Agency can demonstrate that it has adequate revenue for the acquisition; and (3) the fact that the condemnation of real property by the Agency is subject to the requirements of the California Eminent Domain Law (Code of Civil Procedure Section 1230.010 *et seq.*).

(g) The Agency has a feasible method for the relocation of families and persons who might be displaced, temporarily or permanently, from housing facilities in the Railyards Project Area. This finding is based on the fact that the Railyards Plan provides for relocation assistance according to law, and the fact that there are no existing residential uses within the Railyards Project Area.

(h) There are, or shall be provided, within the Railyards Project Area or within other areas not generally less desirable with regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and persons who might be displaced from the Railyards Project Area, decent, safe and sanitary dwellings equal in number to the number of and available to such displaced families and persons and reasonably accessible to their places of employment. No person or family will be required to move from any dwelling unit until suitable replacement housing is available. Families and persons shall not be displaced prior to the adoption of a relocation plan, and dwelling units housing persons and families of low or moderate income shall not be removed or destroyed prior to the adoption of a replacement housing plan. These findings are based on the fact that the Railyards Plan provides for relocation assistance according to law, and the fact that there are no existing residential uses within the Railyards Project Area.

(i) There are no noncontiguous areas of the Railyards Project Area.

(j) Inclusion of any lands, buildings, or improvements in the Railyards Project Area that are not detrimental to the public health, safety, or welfare is necessary for the effective redevelopment of the entire area of which they are a part; and any area included is necessary for effective redevelopment and is not included for the purpose of obtaining the allocation of tax increment revenues from such area pursuant to Section 33670 of the Community Redevelopment Law without other substantial justification for its inclusion. This finding is based upon the fact that the boundaries of the Railyards Project Area were chosen as a unified and consistent whole to include a geographically defined and identified area of the City in which all properties are contributing to or affected by the blighting

conditions characterizing the Railyards Project Area.

(k) The elimination of blight and the redevelopment of the Railyards Project Area could not reasonably be expected to be accomplished by private enterprise acting alone without the aid and assistance of the Agency. This finding is based upon the facts, as more particularly set forth in the Report of the Agency to the City Council, that the Railyards Project Area suffers from particularly serious obstacles to redevelopment, including an almost complete lack of infrastructure, severe environmental contamination, the need to realign the levee system, historic preservation issues and issues related to the realignment of mainline railroad tracks. The substantial costs of redevelopment cannot be borne solely by private owners and developers, and the funds of other potentially available public sources and programs have been or are insufficient to eliminate the blighting conditions.

(l) The Railyards Project Area is a predominantly urbanized area as defined by subdivision (b) of Section 33320.1 of the Community Redevelopment Law. This finding is based upon the facts, as more particularly set forth in the Report of the Agency to the City Council, that 100% of the properties within the Railyards Project Area have been or are developed for urban uses.

(m) The time limitations in the Railyards Plan, which are the maximum time limitations authorized under the Community Redevelopment Law, are reasonably related to the proposed projects to be implemented in the Railyards Project Area and the ability of the Agency to eliminate blight within the Railyards Project Area. This finding is based upon the facts that redevelopment depends, in large part, upon private market forces beyond the control of the Agency and shorter time limitations would impair the Agency's ability to be flexible and respond to market conditions as and when appropriate and would impair the Agency's ability to maintain development standards and controls over a period of time sufficient to assure area stabilization. In addition, shorter time limitations would limit the revenue sources and financing capacity necessary to carry out proposed projects in the Railyards Project Area.

(n) The implementation of the Railyards Plan will improve or alleviate the physical and economic conditions of blight in the Railyards Project Area, as described in the Report of the Agency to the City Council. This finding is based upon the facts, as more particularly set forth in the Report of the Agency to the City Council, that redevelopment is expected to result in the provision of new residential and commercial facilities meeting modern health and safety standards, the improvement of public facilities and infrastructure meeting modern health and safety standards, and a strengthening of the economic and

employment base of the Railyards Project Area, providing additional employment opportunities and a higher economic utilization of potentially useful land.

SECTION 4.

The City Council is satisfied that permanent housing facilities will be available within three years from the time occupants of the Railyards Project Area are displaced, if any, and that pending the development of the facilities, there will be available to the displaced occupants, if any, adequate temporary housing facilities at rents comparable to those in the City of Sacramento at the time of their displacement. No persons or families of low or moderate income shall be displaced from residences unless and until there is a suitable housing unit available and ready for occupancy by such displaced persons or families at rents comparable to those at the time of their displacement. Such housing units shall be suitable to the needs of such displaced persons or families and must be decent, safe, sanitary and otherwise standard dwellings.

SECTION 5.

In order to implement and facilitate the effectuation of the Railyards Plan, certain official actions must be taken by the City Council; accordingly, the City Council hereby: (a) pledges its cooperation in helping to carry out the Railyards Plan; (b) directs the various officials, departments, boards, and agencies of the City of Sacramento having administrative responsibilities in the Railyards Project Area likewise to cooperate to such end and to exercise their respective functions and powers in a manner consistent with the Railyards Plan; (c) stands ready to consider and take appropriate action on proposals and measures designed to effectuate the Railyards Plan; and (d) declares its intention to undertake and complete any proceeding, including the expenditure of moneys, necessary to be carried out by the City under the provisions of the Railyards Plan.

SECTION 6.

The City Council is satisfied that written findings have been adopted in response to the written objections, if any, received at or before the noticed public hearing from affected property owners and/or affected taxing entities. Having considered all evidence and testimony presented for or against any and all aspects of the Railyards Plan, the City Council hereby overrules all written and oral objections to the Railyards Plan.

SECTION 7.

The mitigation measures, as identified in Council Resolution No. 2008-_____, adopted on May 6, 2008, and Agency Resolution No. 2008-_____, adopted on May 6, 2008, are incorporated and made part of the proposed Railyards Plan.

SECTION 8.

That certain document entitled "Redevelopment Plan for the Railyards Redevelopment Project," a copy of which is on file in the office of the City Clerk and attached hereto, is hereby incorporated herein by this reference and designated as the official

"Redevelopment Plan for the Railyards Redevelopment Project."

SECTION 9.

The City of Sacramento Building Department is hereby directed for a period of at least two (2) years after the effective date of this Ordinance to advise all applicants for building permits within the Railyards Project Area that the site for which a building permit is sought for construction of buildings or for other improvements is within a redevelopment project area.

SECTION 10.

The City Clerk is hereby directed to send a certified copy of this Ordinance to the Agency, and the Agency is hereby vested with the responsibility for carrying out the Railyards Plan.

SECTION 11.

Pursuant to Section 33373 of the Community Redevelopment Law, within sixty (60) days following the adoption of this Ordinance, the City Clerk is hereby directed to record with the County Recorder of the County of Sacramento a notice of the approval and adoption of the Railyards Plan pursuant to this Ordinance, containing a description of the land within the Railyards Project Area, a statement that proceedings for the redevelopment of the Railyards Project Area have been instituted under the Community Redevelopment Law, particularly stating that the Agency is authorized to acquire property by eminent domain.

SECTION 12.

The City Clerk is hereby directed to transmit a copy of the description and statement recorded pursuant to Section 11 of this Ordinance, a copy of this Ordinance, and a map or plat indicating the boundaries of the Railyards Project Area, to the auditor and assessor of the County of Sacramento, to the governing body of each of the taxing entities which receives taxes from property in the Railyards Project Area, and to the State Board of Equalization within thirty (30) days following adoption of this Ordinance.

SECTION 13.

If any part of this Ordinance or the Railyards Plan 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 Railyards Plan, and this City Council hereby declares that it would have passed the remainder of this Ordinance or approved the remainder of the Railyards Plan if such invalid portion thereof had been deleted.

SECTION 14.

This Ordinance shall be in full force and effect ninety (90) days after its adoption; provided, however, that this Ordinance is contingent upon and shall not take effect unless and until an Ordinance approving and adopting the Richards Amendment has

become effective; and provided, further, that if the Ordinance approving and adopting the Richards Amendment is determined to be invalid for any reason, this Ordinance shall be automatically repealed as of the date of its adoption. It is the intent of this section that this Ordinance and the resulting adoption of the Railyards Plan shall be of no force and effect unless the Ordinance approving and adopting the Richards Amendment is in full force and effect without the possibility of being invalidated.