



**Sacramento
Housing &
Redevelopment
Agency**

**REPORT TO COUNCIL AND
REDEVELOPMENT AGENCY**

City of Sacramento

915 I Street, Sacramento, CA 95814-2671

www.CityofSacramento.org

**Consent
May 12, 2009**

**Honorable Mayor and Members of the Council
Chair and Members of the Redevelopment Agency**

Title: Second Reading of the Ordinance Adopting the Eleventh Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project Area

Location/Council District: Del Paso Heights Redevelopment Project Area, Council District 2

Recommendation: Adopt an Ordinance amending Ordinance Nos. 2884, Fourth Series, 2913, Fourth Series, 85-047, 86-108, 94-046, 98-045, 2003-029, 2003-066, 2005-028, 2005-079 and 2007-035, approving and adopting the Eleventh Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project.

Contact: Lisa Bates, Deputy Executive Director, 440-1316; Chris Pahule, Assistant Director, Community Development, 440-1350

Presenter: N/A

Department: Sacramento Housing & Redevelopment Agency

Description/Analysis

Issue: The Redevelopment Agency of the City of Sacramento ("Agency") proposes an Eleventh Amendment ("Plan Amendment") to the Redevelopment Plan for the Del Paso Heights Redevelopment Project. Staff recommends that the City Council conduct a second reading of and adopt an ordinance approving and adopting the Plan Amendment pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*; "CRL"). The ordinance will be in effect 90 days following the second reading, or on August 10, 2009.

Second Reading of Ordinance Adopting the Eleventh Amendment to the Del Paso Heights Redevelopment Plan

A more detailed description of the Plan Amendment is included in the attached Background section.

Policy Considerations: The action proposed in this staff report is consistent with the redevelopment plan amendment process established by Redevelopment Law and is consistent with the City's General Plan adopted on March 3, 2009. Prior to the adoption of the City's General Plan, the City Council adopted a vision for the future of the City, as well as several guiding principles to achieve its updated vision. This project complies with the following guiding principle: "programs and strategies should promote the development of the community to the fullest range possible in the City of Sacramento." In addition, the proposal is consistent with the other approved principles of the General Plan Vision.

Environmental Considerations:

California Environmental Quality Act (CEQA): The processing of the proposed Plan Amendment included the preparation of an Initial Study pursuant to Section 21080 of the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*; "CEQA") and Section 15063 of the Guidelines for Implementation of the California Environmental Quality Act (14 Cal. Code Regs. Section 15000 *et seq.*; "State CEQA Guidelines"), in order to determine whether the proposed Plan Amendment will have a significant effect on the environment.

The Initial Study reviewed all potential environmental impacts associated with the implementation of the Plan Amendment. Topics addressed included: land use; population and housing; seismicity, soils and geology; water; air quality; transportation and circulation; biological resources; energy; hazards; noise; public services; utilities; aesthetics, light and glare; cultural resources; and recreation. Based on the results of the Initial Study, the Agency, as the Lead Agency, prepared a Negative Declaration.

The Initial Study/Negative Declaration concludes that the adoption and implementation of the Plan Amendment will not have a significant effect on the environment and no mitigation measures are required. The Plan Amendment (1) does not have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory; (2) does not have the potential to achieve short-term, to the disadvantage

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of long-term, environmental goals; (3) will not have impacts that are individually limited but cumulatively considerable; (4) and will not have environmental effects that will cause substantial adverse effects on human beings.

The Initial Study/Negative Declaration and a Notice of Intent to Adopt a Negative Declaration were completed and circulated for public review on December 5, 2008. Comments on the Negative Declaration were due on January 5, 2009, but none were received. A joint public hearing to consider the Plan Amendment, including the Negative Declaration, was held by the Agency and the City Council on April 21, 2009. The Agency and the City Council approved the Negative Declaration on May 5, 2009.

Sustainability Considerations: The action associated with this report achieves multiple City of Sacramento Sustainability Master Plan goals including: Creating "Healthy Urban Environments" through Restorative Redevelopment (*Public Health and Nutrition*).

Committee/Commission Action: *Del Paso Heights Redevelopment Advisory Committee (RAC Action):* At its meeting on April 23, 2009, the RAC adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Block, Hinkle, Painter, Sample, Ward

NOES: None

ABSENT: Grigas, Joe, Thoa

Sacramento Housing and Redevelopment Commission Action: At its meeting on April 15, 2009, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burruss, Chan, Dean, Fowler, Gore, Morgan, Shah

NOES: None

ABSENT: None

NOT PRESENT TO VOTE: Otto, Stivers

Rationale for Recommendation: The second reading and final approval of the ordinance adopting the Plan Amendment is recommended to provide funding and administrative resources necessary to carry out proposed redevelopment projects for the next 15 years and simultaneously alleviate blight in the Project Area.

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If approved, the Plan Amendment amends the Redevelopment Plan for the Project Area by:

- Increasing the limitation on the amount of tax increment that may be allocated to the Agency from the Project Area from \$131 million to \$250 million;
- Increasing the limitation on the amount of bonded indebtedness that can be outstanding at one time from \$41 million to \$100 million;
- Repealing the time limit to incur debt; and
- Extending the time limit for commencement of eminent domain proceedings to acquire property within the Project Area that is not occupied as a residence by an additional twelve (12) years.

Financial Considerations: This action has positive financial impacts by producing redevelopment financial resources, among other benefits, necessary to eliminate blight, detailed in the Report of the Agency to the City Council available for public review at the Office of the City Clerk. This report does not request any amendment to the adopted 2009 Agency budget.

M/WBE Considerations: The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

Recommendation Approved:


RAY KERRIDGE
City Manager

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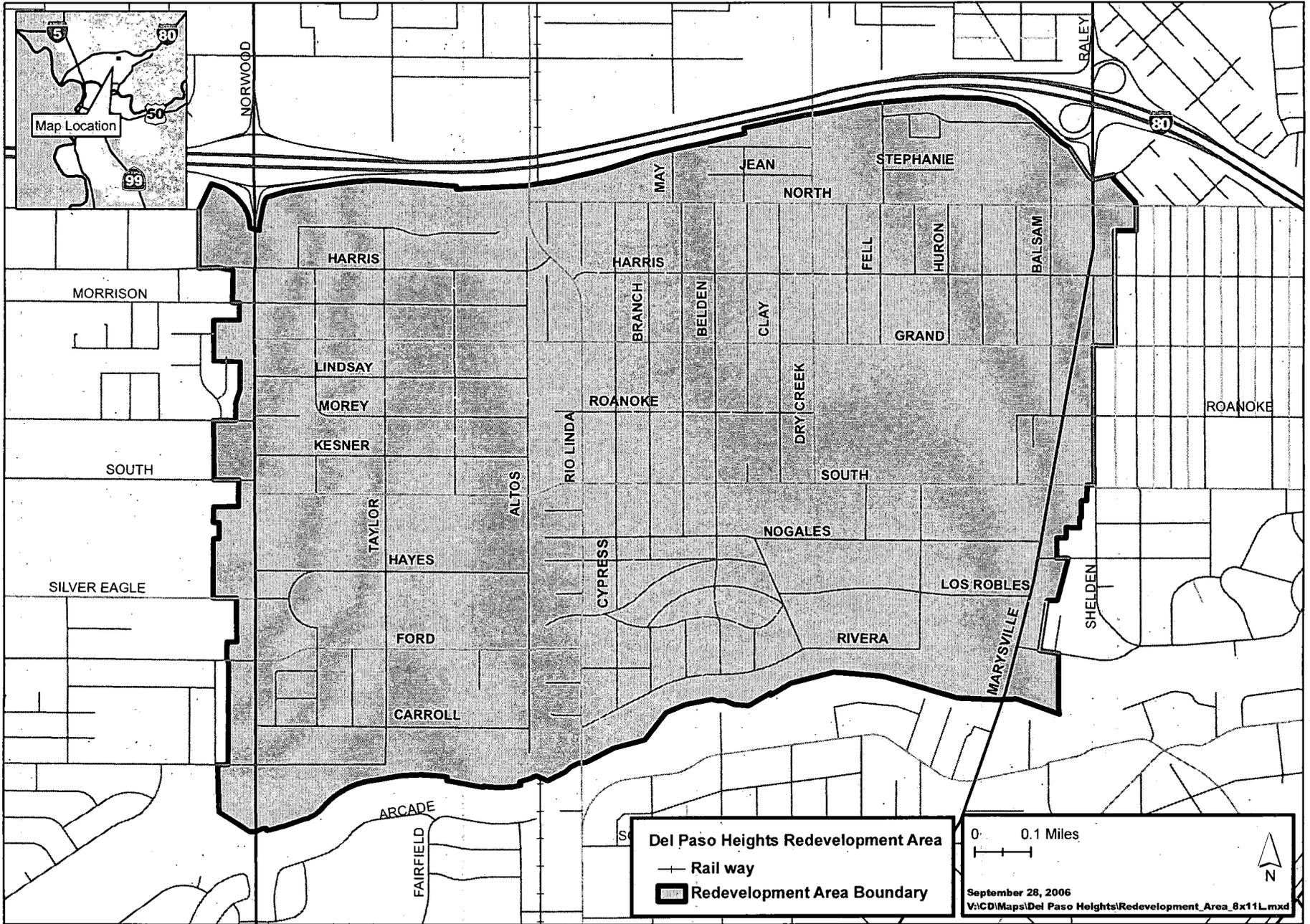
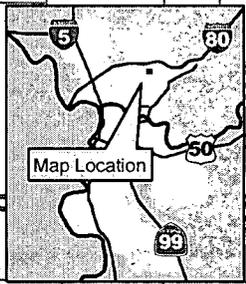
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Del Paso Heights Redevelopment Area



Del Paso Heights Redevelopment Area

- +— Rail way
- Redevelopment Area Boundary

0 0.1 Miles

September 28, 2006
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ATTACHMENT I

Second Reading of Ordinance Adopting the Eleventh Amendment to the Del Paso Heights Redevelopment Plan

Attachment 2

Background

Del Paso Heights Report to Council

The Redevelopment Agency of the City of Sacramento ("Agency") is proposing an Eleventh Amendment to the Redevelopment Plan for the Del Paso Heights Redevelopment Project ("Plan Amendment"). The Redevelopment Plan ("Redevelopment Plan") for the Del Paso Heights Redevelopment Project ("Project" or "Project Area") imposes time and financial limits that guide the projects and programs that the Agency may implement.

Without the Plan Amendment the Agency will not be able to implement and complete the projects necessary to alleviate blight within the Project Area. The current financial limits of the Redevelopment Plan prevent the Agency from funding projects and programs during the final decade of the term of the Redevelopment Plan necessary to eliminate blight. Additionally, significant blight remains in the Project Area that cannot be eliminated without the availability of the power of eminent domain.

The Plan Amendment will increase the Redevelopment Plan's financial limits and extend the time period the Agency may commence eminent domain proceedings by an additional 12 years. During the extended period for eminent domain, the Agency's eminent domain authority is limited to properties on which no persons reside.

On April 21, 2009, the Agency and City Council held a joint public hearing on the proposed Plan Amendment. 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. Following the receipt of all evidence and testimony, the public hearing was closed.

On May 5, 2009, consideration of the Plan Amendment continued with a series of actions by the Agency and City Council. These actions consisted of approving the Negative Declaration and approving and adopting an Amended Implementation Plan for the Del Paso Heights Project Area. Once these actions were taken, the City Council passed for publication the ordinance adopting the Plan Amendment and conducted the first reading of the ordinance.

The Plan Amendment and ordinance are described in more detail below:

Second Reading of Ordinance Adopting the Eleventh Amendment to the Del Paso Heights Redevelopment Plan

Eleventh Amendment to the Del Paso Heights Redevelopment Plan

Specific changes proposed by the Plan Amendment include the following:

- Increasing the limitation on the amount of tax increment that may be allocated to the Agency from the Project Area from \$131 million to \$250 million;
- Increasing the limitation on the amount of bonded indebtedness that can be outstanding at one time from \$41 million to \$100 million;
- Repealing the time limit to incur debt; and
- Extending the time limit for commencement of eminent domain proceedings to acquire property within the Project Area not occupied as a residence by an additional 12 years.

The reasons for each change proposed by the Plan Amendment are summarized below.

Increasing the Tax Increment Limit

The Agency's Report to Council used an annual assessed value growth rate for the Project Area of five percent, which forecasts that the Project Area will generate approximately \$231 million in tax increment revenue over the entire period the Project Area can collect tax revenue (until 5/11/2033). Of that amount, approximately \$34 million has already been collected and approximately \$80 million will be allocated to taxing agency payments, debt service, and administration fees charged by Sacramento County, which leaves the Agency with approximately \$117 million to spend on proposed housing and non-housing projects. The cost of proposed projects is approximately \$135 million, resulting in the Agency needing additional financial resources to complete its proposed projects. For this reason, rather than increasing the tax increment limit to \$231 million, the Agency is proposing a limit of \$250 million. This enables the Agency to take advantage of additional growth in assessed value while providing sufficient tax increment revenues to fund all identified projects.

Increasing the Bonded Indebtedness Limit

The Agency needs to increase the Redevelopment Plan's bonded indebtedness limit of \$41 million in order to secure advanced funding to implement redevelopment projects in a timely manner. The Plan Amendment will increase this limit to \$100 million, enabling the Agency to receive maximum financial capacity and flexibility to fund redevelopment projects rather than waiting for tax increment revenue to accumulate over a long period of time. Bonds are repaid with tax increment revenues generated from the Project Area up to ten years after the effectiveness of the Redevelopment Plan expires (2033 for the Project Area).

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Rescinding the Time Limit to Incur Debt

The Plan Amendment would repeal the May 2010 time limit to incur debt to ensure that the Agency has the capacity to issue bonds when they are needed to fund redevelopment projects.

Extending Eminent Domain

The Plan Amendment will extend the time limit to commence eminent domain proceedings to acquire property within the Project Area that is not occupied as a residence by an additional 12 years. Section B of the Report to Council details the presence of several blighting conditions that make it necessary for the Agency to continue to have the power of eminent domain. Specifically, the Report to Council identifies properties within the Project Area that are severely dilapidated and owned by persons or entities who have neglected the responsibilities of ownership regarding functional, financial and physical upkeep, vacant parcels that do not meet minimum lot size standards for future development, and vacant lots and buildings that harbor serious crime that pose a threat to public safety and welfare. The use of eminent domain may be necessary to consolidate vacant lots under multiple ownership as well as redevelop buildings that pose a threat to public safety and welfare. Without the power of eminent domain, the Redevelopment Agency would be unable to undertake all projects necessary to eliminate the conditions of blight described in Section B of the Report to Council.

The proposed Plan Amendment also makes a minor technical correction to the wording concerning the tax increment limitation by eliminating the last sentence of the last paragraph of Section 502. This pre-existing language was ambiguous and made the determination of the overall tax increment limitation unclear. The Preliminary Report, Report to Council, and all other available information to-date have properly assumed that the tax increment limit is a cumulative total of \$250 million.

ADOPTING ORDINANCE

The Eleventh Amendment to the Del Paso Heights Redevelopment Plan would be approved upon completion of the second reading and adoption of the ordinance. The ordinance will be effective 90 days thereafter, on August 10, 2009.

The ordinance makes various findings based on information in the record, including the Agency's Report to the City Council. The recommended findings for the Plan Amendment include the following:

- Significant blight remains within the Project Area, which cannot be eliminated without the establishment of additional debt and an increase in the limitation on the number of dollars to be allocated to the Agency;

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- Significant blight remains within the Project Area, which cannot be eliminated without an extension of the time limit on the commencement of eminent domain proceedings;
- The Plan Amendment would provide for the continued redevelopment of the Project Area in conformity with Redevelopment Law and in the interests of the public peace, health, safety, and welfare;
- The Plan Amendment is economically sound and feasible;
- The Plan Amendment is consistent with the City's General Plan;
- The condemnation of real property as provided for in the Plan Amendment is necessary for the execution of the Redevelopment Plan, as amended by the Plan Amendment;
- The Agency has in place a method of relocation for displacements caused by Agency action for the Project Area;
- The private sector, even together with available governmental assistance, cannot eliminate blight and carry out redevelopment without the aid and assistance of the Agency;
- The increase in the tax increment limit contained in the Plan Amendment is reasonably related to the proposed projects and programs to be implemented in the Project Area and the ability of the Agency to eliminate the significant remaining blighting conditions of the Project Area; and
- The implementation of the Plan Amendment will improve or alleviate the physical and economic conditions of blight in the Project Area.

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ORDINANCE NO. 2009-_____

Adopted by the Sacramento City Council

AMENDING ORDINANCE NOS. 2884, FOURTH SERIES, 2913, FOURTH SERIES, 85-047, 86-108, 94-046, 98-045, 2003-029, 2003-066, 2005-028, 2005-079 AND 2007-035, AND ADOPTING THE ELEVENTH AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE DEL PASO HEIGHTS 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 Eleventh Amendment (the "Eleventh Amendment") to the Redevelopment Plan (the "Redevelopment Plan") for the Del Paso Heights Redevelopment Project (the "Project" or "Project Area"), 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 Report of the Agency to the City Council on the adoption of the proposed Eleventh Amendment, which Report includes: (1) the reasons for the proposed Eleventh Amendment; (2) a description of specific projects proposed by the Agency and an explanation of how the proposed projects will alleviate the blighting conditions that remain in the Project Area; (3) a description of the physical and economic blighting conditions that remain in the Project Area; (4) an Amended Implementation Plan for the Project; (5) an explanation of why the elimination of blight and redevelopment of the Project Area cannot be accomplished by private enterprise acting alone or through other financing alternatives other than tax increment; (6) the proposed method of financing redevelopment, including the economic feasibility of the Eleventh Amendment; (7) a method or plan for relocation; (8) the Report and Recommendations of the Planning Commission of the City of Sacramento (the "Planning Commission"); (9) the Initial Study and Negative Declaration prepared for the Eleventh Amendment; (10) a neighborhood impact report; and (11) a summary of consultations with affected taxing entities.
- B. The purpose of the Eleventh Amendment is to (1) increase the limitation on the amount of tax increment that may be allocated to the Agency from the Project Area from \$131 million to \$250 million; (2) increase the limitation on the amount of bonded

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- indebtedness that can be outstanding at one time from \$41 million to \$100 million; (3) repeal the time limit to incur debt; and (4) extend the time limit for commencement of eminent domain proceedings to acquire property within the Project Area that is not occupied as a residence by an additional twelve (12) years.
- C. The Planning Commission has reported that the Eleventh Amendment conforms to the General Plan for the City of Sacramento and has recommended approval of the Eleventh Amendment.
 - D. The Agency prepared and circulated a draft Initial Study and Negative Declaration on the Eleventh Amendment 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.
 - E. The Agency and the City Council have reviewed and considered the Initial Study and Negative Declaration and have determined that there is no substantial evidence that the proposed Eleventh Amendment will have a significant effect on the environment.
 - F. The City Council and the Agency held a joint public hearing in the City Council Chambers, 915 I Street, Sacramento, California, on April 21, 2009, to consider adoption of the Eleventh 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 five 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 18, 2009, 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 Project Area as shown on the last equalized assessment roll of the County of Sacramento. The mailing to assesseses included a statement concerning the possibility of acquisition of property by the Agency by eminent domain.
 - I. On March 18, 2009, copies of the notice of joint public hearing were mailed by first-class mail to all residents and businesses within the Project Area.
 - J. On March 18, 2009, 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 Project Area.

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- K. On March 4, 2009, copies of the notice of joint public hearing and the Report of the Agency to the City Council 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 Eleventh Amendment, the Initial Study and Negative Declaration, 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 Eleventh Amendment.
- M. 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.
- N. All actions required by law have been taken by all appropriate legal bodies.

SECTION 2.

The City Council declares that the purposes and intent of the City Council with respect to the Eleventh Amendment are to: 1) increase the limitation on the amount of tax increment that may be allocated to the Agency from the Project Area from \$131 million to \$250 million; 2) increase the limitation on the amount of bonded indebtedness that can be outstanding at one time from \$41 million to \$100 million; 3) repeal the time limit to incur debt; and 4) extend the time limit for commencement of eminent domain proceedings to acquire property within the Project Area that is not occupied as a residence by an additional twelve (12) years. By providing the Agency with additional financial resources and extending the Agency's eminent domain authority, the Eleventh Amendment will assist in the elimination of blighting conditions that remain in the Project Area, will assist in preventing the recurrence of such remaining blighting conditions, and will enable the Agency to fully achieve the goals and objectives for redevelopment of the Project Area pursuant to the Redevelopment Plan.

SECTION 3.

The City Council hereby finds and determines that:

- A. Significant blight remains within the Project Area, which blight cannot be eliminated without the establishment of additional debt and an increase in the limitation on the number of dollars to be allocated to the Agency, and the continued redevelopment of the Project Area is necessary to effectuate the public purposes declared in the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*; "CRL"). This finding is based on the following facts, as more particularly set forth in the Report of the Agency to the City Council:

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- (1) The Project Area continues to suffer from a combination of physical and economic blighting conditions, including, among others: buildings in which it is unsafe or unhealthy for persons to live or work due to serious building code violations and serious dilapidation and deterioration; conditions that prevent or substantially hinder the viable use or capacity of buildings or lots, including vacant lots of inadequate size given present standards and market conditions; adjacent or nearby incompatible uses that prevent the development of those parcels; depreciated or stagnant property values, including properties containing hazardous waste; abandoned buildings and excessive vacant lots, serious residential overcrowding and a high crime rate that constitutes a serious threat to the public safety and welfare.
- (2) The estimated costs of the redevelopment actions needed to aid in the elimination and correction of the remaining blighting conditions in the Project Area far exceed the tax increment limit of the existing Redevelopment Plan.
- (3) Other available governmental actions and resources are insufficient to address all of the remaining blighting conditions and the costs and risks to individual owners and developers are too great.

B. Significant blight remains within the Project Area, which blight cannot be eliminated without an extension of the time limit on the commencement of eminent domain proceedings. This finding is based on the following facts, as more particularly set forth in the Report of the Agency to the City Council:

- (1) The Project Area continues to suffer from a combination of physical and economic blighting conditions, including, among others: buildings in which it is unsafe or unhealthy for persons to live or work due to serious building code violations and serious dilapidation and deterioration; conditions that prevent or substantially hinder the viable use or capacity of buildings or lots, including vacant lots of inadequate size given present standards and market conditions; adjacent or nearby incompatible uses that prevent the development of those parcels; depreciated or stagnant property values, including properties containing hazardous waste; abandoned buildings and excessive vacant lots, serious residential overcrowding and a high crime rate that constitutes a serious threat to the public safety and welfare.
- (2) Without the power of eminent domain the Agency would be unable to undertake all actions or projects necessary for the elimination of blighting conditions, such as consolidating vacant lots or redeveloping buildings that pose a threat to public safety and welfare.

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- C. The Eleventh Amendment will provide for the continued redevelopment of the Project Area in conformity with the CRL and in the interests of the public peace, health, safety and welfare. This finding is based upon the fact that the purposes of the CRL will be attained by implementing the Redevelopment Plan, as amended by the Eleventh Amendment, to eliminate and correct the remaining conditions of blight in the Project Area and prevent their recurrence through the implementation of the Agency's on-going projects and programs in conjunction with the programs and projects of other private and public entities.
- D. The adoption and carrying out of the Redevelopment Plan, as amended by the Eleventh 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 under the Redevelopment Plan, as amended by the Eleventh Amendment, the Agency will continue to be authorized to seek and utilize a variety of potential financing resources, including property tax increment revenues; that the nature and timing of public redevelopment assistance within the Project Area will continue to depend upon the amount and availability of such financing resources, including tax increment generated by the Project Area; and that the proposed method of financing included within the Report of the Agency to the City Council demonstrates that sufficient financial resources will be available to carry out the implementation of the Redevelopment Plan, as amended by the Eleventh Amendment.
- E. The Eleventh 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 Eleventh Amendment is consistent with the General Plan of the City of Sacramento.
- F. The carrying out of the Eleventh Amendment would promote the public peace, health, safety and welfare of the City of Sacramento and will effectuate the purposes and the policy of the CRL. This finding is based upon the fact that the Eleventh Amendment will provide the Agency with the financial and administrative resources to fund programs and projects that will correct conditions of blight, coordinate public and private actions to stimulate development and improve the economic and physical conditions of the Project Area, and increase employment and affordable housing opportunities within the City.
- G. The condemnation of real property within the Project Area, as provided for in the Eleventh Amendment, is necessary for the overall execution of the Redevelopment Plan, as amended by the Eleventh Amendment, and adequate provisions have been made for payment for property to be acquired as provided by law. This finding is based upon the facts set forth in the Report of the Agency to the City Council, in particular, that without the power of eminent domain the

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Agency would potentially be unable to undertake all projects necessary for the elimination of the remaining conditions of blight described in the Report. This finding is further based on the fact that in connection with the acquisition of property by the Agency, the Agency will comply with all applicable provisions of the California Relocation and Real Property Acquisition Laws (Government Code Section 7260 *et seq.*) and the California Eminent Domain Law (Code of Civil Procedure Section 1230.010 *et seq.*), including provisions requiring the payment of just compensation, as well as the fact that the extended eminent domain authority provided by the Eleventh Amendment does not authorize the use of eminent domain to acquire real property that is occupied as a residence.

- H. 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 Project Area. This finding is based on the fact that the Redevelopment Plan provides for relocation assistance according to law, and the fact that the extended eminent domain authority provided by the Eleventh Amendment does not authorize the use of eminent domain to acquire real property that is occupied as a residence.
- I. There are, or shall be provided, within the Project Area or within other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and persons displaced from the Project Area, decent, safe and sanitary dwellings equal in number to the number of and available to the 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.
- J. The elimination of remaining blight and the redevelopment of the Project Area could not reasonably be expected to be accomplished by private enterprise acting alone, or by governmental action, or both, 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 because of socio-economic factors and significant risks associated with development of blighted areas, individual property owners and developers are unable and unwilling to invest or locate in the Project Area without public assistance and that funds of other potentially available public sources and programs are insufficient to eliminate the blighting conditions.

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- K. The increase in the tax increment limit contained in the Eleventh Amendment is reasonably related to the proposed projects and programs to be implemented in the Project Area and the ability of the Agency to eliminate significant remaining blighting conditions within the Project Area. This finding is based upon the facts, as more particularly set forth in the Report of the Agency to the City Council, that redevelopment actions needed to aid in the elimination and correction of the remaining blighting conditions in the Project Area are extensive and the increase in the tax increment limit was based on the estimated costs, including financing and related costs, of those necessary redevelopment actions.
- L. The implementation of the Eleventh Amendment will improve or alleviate the physical and economic conditions of blight in the 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 projects and programs to be undertaken as a result of the Eleventh Amendment are expected to result in the provision of new residential and commercial developments meeting modern health and safety standards, including the development of affordable housing units, the improvement of public facilities and infrastructure, and a higher economic utilization of useful land throughout the Project Area.
- M. The findings set forth in paragraphs (9), (10) and (12) of subdivision (d) of Section 33367 of the Community Redevelopment Law are not applicable to the approval and adoption of the Eleventh Amendment because the Eleventh Amendment does not make any changes to the size and shape of the Project Area and, consequently, as provided in Section 33457.1 of the Community Redevelopment Law, no findings with respect to such matters are warranted or required.

SECTION 4.

The City Council is satisfied that permanent housing facilities will be available within three years from the time occupants of the 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 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.

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SECTION 5.

In order to implement and facilitate the effectuation of the Eleventh 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 Redevelopment Plan as amended by the Eleventh Amendment; (b) directs the various officials, departments, boards and agencies of the City of Sacramento having administrative responsibilities in the Project Area likewise to cooperate to such end and to exercise their respective functions and powers in a manner consistent with the Redevelopment Plan as amended by the Eleventh Amendment; (c) stands ready to consider and take appropriate action on proposals and measures designed to effectuate the Redevelopment Plan as amended by the Eleventh 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 Redevelopment Plan as amended by the Eleventh Amendment.

SECTION 6.

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 Eleventh Amendment, the City Council hereby overrules all written and oral objections to the Eleventh Amendment.

SECTION 7.

The Redevelopment Plan for the Del Paso Heights Redevelopment Project, as adopted and amended by Ordinance Nos. 2884, Fourth Series, 2913, Fourth Series, 85-047, 86-108, 94-046, 98-045, 2003-029, 2003-066, 2005-028, 2005-079 and 2007-035, is hereby amended as set forth in the Eleventh Amendment attached hereto and incorporated herein by this reference. As so amended, the Redevelopment Plan is hereby incorporated herein by reference. The Executive Director of the Agency is hereby authorized to prepare a single Redevelopment Plan document that incorporates the provisions of the original Redevelopment 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 Del Paso Heights 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 Eleventh Amendment.

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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 Eleventh Amendment pursuant to this Ordinance, containing a statement that the Redevelopment Plan has been amended, a description of the land within the Project Area, and a general description of the extension of the time limit to commence eminent domain proceedings authorized by the Eleventh Amendment.

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 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 Project Area, 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 Eleventh 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 Eleventh Amendment, and this City Council hereby declares that it would have passed the remainder of this Ordinance or approved the remainder of the Eleventh 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.

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EXHIBIT A

**ELEVENTH (11TH) AMENDMENT TO THE
REDEVELOPMENT PLAN FOR THE
DEL PASO HEIGHTS REDEVELOPMENT PROJECT**

The Redevelopment Plan (the "Redevelopment Plan") for the Del Paso Heights Boulevard Redevelopment Project (the "Project"), as adopted by the City Council of the City of Sacramento on May 12, 1970, by Ordinance No. 2884, Fourth Series, and amended by the City Council of the City of Sacramento on:

- (1) August 6, 1970, by Ordinance No. 2913, Fourth Series (the "First Amendment");
- (2) May 21, 1985, by Ordinance No. 85-047 (the "Second Amendment");
- (3) November 18, 1986, by Ordinance No. 86-108 (the "Third Amendment");
- (4) October 4, 1994, by Ordinance No. 94-046 (the "Fourth Amendment");
- (5) October 27, 1998, by Ordinance No. 98-045 (the "Fifth Amendment");
- (6) June 24, 2003, by Ordinance No. 2003-029 (the "Sixth Amendment");
- (7) November 13, 2003, by Ordinance No. 2003-066 (the "Seventh Amendment");
- (8) April 5, 2005, by Ordinance No. 2005-028 (the "Eighth Amendment");
- (9) October 6, 2005, by Ordinance No. 2005-079 (the "Ninth Amendment");
- and
- (10) May 8, 2007, by Ordinance No. 2007-035 (the "Tenth Amendment");

is hereby further amended as follows (the term "Redevelopment Plan," as used hereinafter, means the Redevelopment Plan as amended by the First through Tenth Amendments):

- I. Section 308 of the Redevelopment Plan is hereby amended to read as follows (additions are shown by underlining, deletions are shown by strikethrough):

"1. [Section 308] Acquisition of Real Property

"The Agency may acquire, but is not required to acquire, any real property located in the Project Area by gift, devise, exchange, lease, purchase, eminent domain or any other lawful method.

"It is in the public interest and is necessary in order to execute this Plan for the power of eminent domain to be employed by the Agency to acquire real property in the Project Area. No eminent domain proceeding to acquire property within the Project Area shall be commenced after ~~twelve (12) years following the effective date of the ordinance approving and adopting the Fifth Amendment to this Plan~~ November 26, 2022. Further, during the 12-year extension of eminent domain authority adopted by the Eleventh Amendment to this Plan (November 27, 2010 - November 26, 2022), the Agency may not use eminent domain authority to acquire real property that is occupied as a residence. Such time limitation may be extended only by amendment of this Plan.

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"The Agency is authorized to acquire structures without acquiring the land upon which those structures are located. The Agency is also authorized to acquire any other interest in real property less than a fee.

"Without the consent of the owner, the Agency shall not acquire property to be retained by an original owner pursuant to a participation agreement if the owner fully performs under the agreement. The Agency shall not, without the consent of the original owner participant, acquire real property on which an existing building is to be continued on its present site and in its present form and use unless such building requires structural alteration, improvement, modernization, or rehabilitation, or the site or lot on which the building is situated requires modification in size, shape or use, or it is necessary to impose upon such property any of the standards, restrictions and controls of this Plan or of any Design Guide adopted by the Agency pursuant to this Plan, and the owner fails or refuses to participate in the Plan or in conformance with any such Design Guide by executing a participation agreement.

"EMINENT DOMAIN PROGRAM

"The Agency is authorized to acquire ~~commercial~~-real property by eminent domain pursuant to the provisions of this Plan and the Agency shall strictly adhere to the following in assessing just compensation and damages to affected owners: The Fifth Amendment to the United States Constitution; Article I, section 19 of the California Constitution; the Eminent Domain Law (California Code of Civil Procedure Section 1230.010, et seq.); the California Real Property Acquisition and Relocation Assistance Act (California Government Code Section 7260, et seq.); implementing rules and regulations (Title 25, California Code of Regulations, Section 6000 et seq.) and such other applicable local, state or federal ordinances, statutes, rules, regulations and decisional laws. The Agency shall assess the payment of fair market value for interests in real property, payment for the taking and damaging of improvements, fixtures and equipment, any diminution in value caused to a remainder of property acquired pursuant to a resolution of necessity, relocation benefits and assistance, loss of business goodwill in appropriate cases and the necessary costs of mitigating a loss of business goodwill."

- II. Section 502 of the Redevelopment Plan is hereby amended to read as follows (additions are shown by underlining, deletions are shown by strikethrough):

"B. [Section 502] Tax Increment Funds

"All taxes levied upon taxable property within the Project Area each year, by or for the benefit of the State of California, the County of Sacramento, the City of Sacramento, any district or any other public corporation (hereinafter sometimes called "taxing agencies") after the effective date of the ordinance approving this Redevelopment Plan shall be divided as follows:

- "1. That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of

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said taxing agencies upon the total sum of the assessed value of the taxable property in the Project Area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency, last equalized prior to the effective date of such ordinance, shall be allocated to and when collected shall be paid to the respective taxing agencies as taxes by or for said taxing agencies on all other property are paid (for the purpose of allocating taxes levied by or for any taxing agency or agencies which did not include the territory of the Project on the effective date of such ordinance but to which such territory has been annexed or otherwise included after such effective date, the assessment roll of the County of Sacramento last equalized on the effective date of said ordinance shall be used in determining the assessed valuation of the taxable property in the Project Area on said effective date); and

- "2. Except as provided in subdivision 3 below, that portion of said levied taxes each year in excess of such amount shall be allocated to and when collected shall be paid into a special fund of the Agency to pay the principal of and interest on bonds, loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed or otherwise) incurred by the Agency to finance or refinance, in whole or in part, the Project. Unless and until the total assessed valuation of the taxable property in the Project Area exceeds the total assessed value of the taxable property in the Project Area as shown by the last equalized assessment roll referred to in subdivision 1 hereof, all of the taxes levied and collected upon the taxable property in the Project Area shall be paid into the funds of the respective taxing agencies. When said bonds, loans, advances and indebtedness, if any, and interest thereon, have been paid, all moneys thereafter received from taxes upon the taxable property in the Project Area shall be paid to the respective taxing agencies as taxes on all other property are paid; and
- "3. That portion of the taxes in excess of the amount identified in subdivision 1 hereof which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayment of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property shall be allocated to and when collected shall be paid into, the fund of that taxing agency. This subdivision 3 shall only apply to taxes levied to repay bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989.

"The portion of taxes mentioned in subdivision 2 above is hereby irrevocably pledged for the payment of the principal of and interest on the advance of moneys, or making of loans, or the incurring of any

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indebtedness (whether funded, refunded, assumed or otherwise) by the Agency to finance or refinance the Project, in whole or in part.

"The Agency is authorized to make such pledges as to specific advances, loans and indebtedness as appropriate in carrying out the Project.

"The portion of taxes divided and allocated to the Agency pursuant to subdivision 2 of this Section 502 shall not exceed ~~\$131.0 million~~\$250 million, except by amendment of this Plan. ~~This limit shall not apply to, include or prevent the Agency from incurring debt to be paid from the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the Community Redevelopment Law, or any amounts required to fulfill the Agency's obligations under Section 33413(a) of the Community Redevelopment Law.~~"

- III. Section 503 of the Redevelopment Plan is hereby amended to read as follows (additions are shown by underlining, deletions are shown by strikethrough):

"C. [Section 503] Agency Bonds

"The Agency is authorized to issue bonds from time to time, if it deems it appropriate to do so, in order to finance all or any part of the Project.

"Neither the members of the Agency nor any persons executing the bonds are liable personally on the bonds by reason of their issuance.

"The bonds and other obligations of the Agency are not a debt of the City, the State, or any of its political subdivisions and neither the City, the State, nor any of its political subdivisions is liable on them, nor in any event shall the bonds or obligations be payable out of any funds or properties other than those of the Agency; and such bonds and other obligations shall so state on their face. The bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

"The amount of bonded indebtedness to be repaid in whole or part from the allocation of taxes described in subdivision 2 of Section 502 above which can be outstanding at any one time shall not exceed ~~\$41.0 million~~\$100 million in principal amount, except by amendment of this Plan."

- IV. Section 504 of the Redevelopment Plan is hereby amended to read as follows (additions are shown by underlining, deletions are shown by strikethrough):

"D. [Section 504] Time Limit on Establishment of Indebtedness Intentionally Omitted

~~"The Agency shall not establish or incur loans, advances or indebtedness to finance in whole or in part the Project beyond May 11, 2010.~~

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~~“Loans, advances, or indebtedness may be repaid over a period of time beyond said time limit. This time limit shall not prevent the Agency from incurring 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 establishing more debt in order to fulfill the Agency’s obligations under Section 33413(a) of the Community Redevelopment Law and Section 334 of this Plan. The above limit shall not prevent the Agency from refinancing, refunding or restructuring indebtedness after the time limit if the indebtedness is not increased and the time during which the indebtedness is to be repaid is not extended.”~~

- V. Section 800 of the Redevelopment Plan is hereby amended to read as follows (additions are shown by underlining, deletions are shown by strikethrough):

“VIII. [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, 2023; 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 this plan ~~Plan~~ which ~~that~~ 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.”