

**MINUTES**  
**OF THE**  
**SACRAMENTO CITY COUNCIL**  
**REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO**  
**HOUSING AUTHORITY OF THE CITY OF SACRAMENTO**  
**ECONOMIC DEVELOPMENT COMMISSION**  
**PARKING AUTHORITY OF THE CITY OF SACRAMENTO**  
**SACRAMENTO CITY FINANCING AUTHORITY**

**REGULAR MEETING**

January 14, 1997

**CALL TO ORDER**

The Regular Meeting of the Sacramento City Council was called to order by Mayor Serna at 2:05 p.m. on the above date in the City Council Chamber located at 915 I Street.

**ROLL CALL**

**Present:** Councilmembers Cohn, Fargo, Kerth, Waters, Pannell, Steinberg, Yee and Mayor Serna

**Absent:** All present except Councilmembers Pannell and Yee, who arrived at 2:08 and 2:06 p.m., respectively.

**1.0 CONSENT CALENDAR (Items 1.1 through 1.7)**

A motion was made by Councilmember Cohn, seconded by Councilmember Waters, to waive the reading and adopt the Consent Calendar, Items 1.1 through 1.7. The motion carried with a 6-0 roll call vote, with Councilmembers Pannell and Yee being absent.

Public Review Items - Informational Only

None

Sacramento Housing and Redevelopment

None

City Council

1.1 Award of extension and increase to existing State of California Office of Traffic Safety (OTS) grant in the amount of \$65,000. (D-All)

---

Adopted Resolution 97-015.

RESOLUTION NO. 97-015

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE STATE OFFICE OF TRAFFIC SAFETY INCREASING EXISTING GRANT IN THE AMOUNT OF \$65,000 FOR THE NEIGHBORHOOD TRAFFIC MANAGEMENT PROGRAM (NTMP) - CIP# TL81

- 1.2 Report back on lowering of speed limits in Old Sacramento, located on Front Street, Second Street, J, K, and L Streets. (D-1)
- 

Adopted Resolution 97-016.

RESOLUTION NO. 97-016

RESOLUTION AMENDING AMENDED RESOLUTION NO. 96-474

- 1.3 North 12th Street Fiber Optic Trunk Line Project (PN:XXXX; JN:4104), located at Downtown and North Sacramento: approval of program Supplement Number 072 and establish a Capital Improvement Project (CIP).  
(D-1,3)
- 

Adopted Resolution 97-017 approving Agreement 97-002.

AMENDED RESOLUTION NO. 97-017

RESOLUTION APPROVING THE PROGRAM SUPPLEMENT, ESTABLISHMENT OF CAPITAL IMPROVEMENT PROJECT, AND AMENDING THE REVENUE AND EXPENDITURE BUDGET FOR THE NORTH 12TH STREET FIBER OPTIC TRUNK LINE PROJECT (PN:XXXX JN:4104)

- 1.4 "Power Ridge Industrial Park" (P96-025), located at 8151 Fruitridge Road: Approval of parcel map and subdivision improvement agreement.  
(D-6)
- 

Adopted Resolution 97-018.

RESOLUTION NO. 97-018

APPROVING PARCEL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT FOR PARCEL MAP ENTITLED "POWER RIDGE INDUSTRIAL PARK" (P-96-025)

- 1.5 Report Back: Amendments to the Human Rights and Fair Housing Commission's Joint Powers Agreement 94-032. (D-All)
- 

Adopted staff recommendations.

- 1.6 Approval of parcel map entitled "Parcel A Of Certificate of Compliance BK 891220 or 2349" (AKA *Promus Homewood Suite Hotels*), located at the southeast corner of West El Camino Avenue and Natomas Park Drive. (P96-090). (D-1)
- 

Adopted Resolution 97-019.

RESOLUTION NO. 97-019

APPROVING PARCEL MAP ENTITLED "PARCEL A OF CERTIFICATED OF COMPLIANCE BK 891220 OR 2349" (AKA PROMUS HOMEWOOD SUITE HOTELS) (P96-090)

- 1.7 Confirmation of nominations made to the Richards Boulevard Advisory Committee (nominations made 1/7/97) (D-1):  
Steve Ayres, non-residential property owner; Raymond Enos, business owner; Jim Fletter, non-resident property owner; Samuel Gonzales, resident property owner; Mary Hoover, business owner; Greta Lacin, business owner; Bruce Nott, non-resident property owner; Johan Otto, non-resident property owner; Gary Pevey, business owner; John Shilson, community based organization; and Jon Walker, community based organization.
- 

Nominations confirmed.

\* \* \* \* \*

2.0 SPECIAL PRESENTATIONS/GENERAL COMMUNICATIONS

- 2.1 Recognition of the Downtown Partnership Security Guides support to the Police Department and property owners in crime prevention efforts
- 

Will be heard January 21, 1997

- 2.2 Recognition of the Martin Luther King Celebration Committee and their efforts in the planning of the 5th Anniversary of the city-wide celebration.
- 

Mayor Serna presented the Resolution. The Mayor commented that President Clinton had only yesterday awarded a long-overdue Congressional Medal of Honor to an African American Lieutenant, an honor deserved during World War II, but only now awarded.

Mayor Serna said that our country is still striving toward becoming a nation of equity for all people.

Venita Jacobson, Community Relations Liaison for the Martin Luther King Community Celebration Committee, noted that this is the 5th year of the event. Ms. Jacobson extended an invitation to all who would like to join in the memorial march.

Bill Smith, Chair of the March, outlined the route as passing through Oak Park, Sacramento City College, the Convention Center, and the Capitol. Mr. Smith said there would be a 300-voice choir, representing 30 churches. Dr. Odie Douglas, Assistant Superintendent of Secondary Education, Elk Grove Unified School District, would present the keynote address.

Susan Younger, Health Fair Coordinator for the Martin Luther King Celebration, said that services, businesses, and nurses were well represented.

Mai Lee, noting that this would be the 5th year for the Celebration to be held at the Convention Center, said the Job Fair would also be held on Martin Luther King's birthday. Ms. Lee acknowledged Former Mayor Anne Rudin for her support.

### 3.0 PUBLIC HEARINGS

- 3.1 *Blue Diamond (PB96-035)* - appeal of the Design Review/Preservation Board action denying proposed removal of roof monitors on Essential Structure in the C Street Industrial Preservation Area for property located at 18th and C Streets. (D-1)(continued from 11/19/96, item 3.1)

---

A motion was made by Councilmember Fargo, seconded by Councilmember Yee, to continue this item to March 18, 1997 [staff]. The motion carried with a 7-0 vote, with Councilmember Pannell being absent.

\* \* \* \* \*

### 4.0 STAFF REPORTS

- 4.1 Matters relating to Proposition 208:
- A. Proposition 208 summary
  - B. Ordinance repealing the City's Campaign Contribution Limits Code, Chapters 62.02 through 62.05, inclusive, of Title 62 [Campaign Contributions] of the City Code, and declaring the ordinance to be an emergency ordinance to take effect immediately. (D-All) [requires two-thirds vote]

---

Deputy City Attorney Archibald, presented the report.

Proposition 208 was passed on November 4, 1996; effective January 1, 1997, there are real and potential conflicts to the City's Contribution Ordinance and Prop 208. There are two alternatives: 1) repeal the City Ordinance with a savings clause, or 2) repeal the City Ordinance without a savings clause.

The savings clause provides that events occurring on or before December 31, 1996 would still be subject to the provisions of the City's Ordinance and any enforcement action might still be available.

Mayor Serna inquired as to whether Prop 208 is more restrictive than the existing City Ordinance?

Mr. Archibald replied that Prop 208 is far more restrictive. The existing Ordinance allows \$550 per contributor per Council candidate and \$800 per contributor per Mayoral candidate, whereas Prop 208 allows only \$100 per contributor per Council candidate and \$250 per contributor per Mayoral candidate. Double those amounts may be made by small contributor committees; one exception to the General Rule of Prop 208 exists: that is the provision dealing with political parties. There are no absolute limits in dollar amounts in that instance, but a provision that political parties may not contribute more than 25% of the amount that the City could adopt for voluntary expenditure limits.

Cities are allowed to adopt voluntary expenditure units. If they do so, candidates who choose to abide by the voluntary expenditure limits are allowed to accept larger contributions. The amount is calculated by multiplying \$1.00 times the number of residents in a district. In the case of City Council candidates, it translates to \$40,000-\$50,000; citywide, the amount ranges from \$360,000 to \$380,000. That establishes the cap for contributions, as well as the limits for political party contributions, a maximum of 25%, which is much higher.

Under the existing ordinance, small organizations, PACs, RACs, etc. are all treated as one person.

Mayor Serna confirmed with Mr. Archibald that under the existing City Ordinance, Councilmembers and the Mayor are allowed to raise funds in off-election years: \$10,000 per Council candidate, \$20,000 for the Mayor. Under Prop 208, no fundraising is allowed in off-election years.

Councilmember Pannell requested clarification. Mr. Archibald explained that Proposition 208 establishes a time limit - fundraising may begin six months prior to election. No funds may be raised in non-election years. Prop 208 allows the establishment of an office-holder account, provided the funds are spent only on incumbent government-related activities; these funds may not be spent on election-related activities; at the end of the incumbent's term, the funds may not be rolled over into a campaign account.

Mr. Pannell established with Mr. Archibald that the allowable limit of the office-holder account was \$10,000 per calendar year.

Mayor Serna confirmed with Mr. Archibald that the City Attorney's Office was trying to avoid confusion between the City Ordinance and Proposition 208. The addition of provisions to the City Code were discussed which would clarify that they do not refer to events after January 1, 1997, but that Prop 208 applied. Some clarification must be provided as to how political parties would be addressed, that is, would they be subject to the lower limit of \$550-\$800, or 25% as set forth in Prop 208?

Councilmember Fargo inquired as to whether the full sum of information regarding Proposition 208 had been received from the Attorney's office?

City Attorney Jackson replied that it had not, that a more detailed analysis would be provided later.

Ms. Fargo said the need to comply with State law was understood; she asked where and what was the "savings clause"?

Mr. Archibald replied that when an ordinance is repealed, it is repealed for all time; if there were no savings clause, pending prosecutions could be lost.

Ms. Fargo inquired as to whether it was expected that existing campaign fund accounts be closed? Mr. Archibald referred to FPPC regulations, indicating it was not subject to Proposition 208.

Councilmember Steinberg discussed the difference between repealing and/or suspending an ordinance, questioning what would occur should Proposition 208 be declared unconstitutional? If it were repealed, nothing would be left on the books? Mr. Archibald agreed.

Mr. Steinberg asked if it were suspended, would it be easier to modify it later? Mr. Archibald replied affirmatively, but indicated that could be problematic; Prop 208 is expected to be going through myriad ongoing court processes, different scenarios.

Mr. Steinberg expressed concerns regarding the possibility of an out-of-control situation in which the end result could be nothing on the books. The existing ordinance requires City Council to do business on the bench, leaving little time for fund raising.

Mayor Serna inquired as to whether there were a severability connected to Proposition 208? Mr. Archibald replied that he was reasonably sure that there was.

Mayor Serna asked what the limits were? Mr. Archibald defined the limits as \$100 per City Councilmember; \$250 for the Mayor, other than small contributor committees which may contribute \$200 per Councilmember, \$500 for the Mayor. Political parties may contribute 25% of voluntary expenditure limits.

Mayor Serna commented that under Proposition 208, more time would be spent fund raising; the main difference is the six-month time limit.

Councilmember Cohn shared concerns regarding the outcome, should the ordinance be repealed; it appears if the provisions of Proposition 208 disappear, the City would be left with nothing on the books. Mr. Cohn desired to retain the \$550 campaign contribution limit and the \$10,000 off-year contribution limit, so that these provisions would be triggered if the contribution limits in Prop 208 were invalidated.

Mr. Archibald replied that this was possible, but at what time during the decline and fall of Proposition 208 would the City limits arise again?

Mr. Cohn said if at any period of time Proposition 208 was not in effect, then the City ordinance should be in effect, with the \$550 cap; this would provide an overlap so there would be coverage.

Mr. Cohn said he would like to consider the offer made in Proposition 208 regarding a cap on spending; this would allow \$200 per contributor instead of \$100. Mr. Cohn questioned what the options were regarding a small amount left from a past campaign?

Mr. Archibald referred to Attachment A, Exhibit 4; he suggested that Mr. Cohn check with the FPPC. May use unrestricted as it was allowed to be used prior to January 1, 1997.

Councilmember Kerth referred to an earlier question, asking if there were any existing challenges to Proposition 208? Mr. Archibald replied that there was one which had been dismissed, but that there were several pending which were broad banded and challenging a wide range of the provisions of Prop 208.

Mr. Kerth said he did not want our laws repealed; if Proposition 208 were to be suspended, can the Council craft its own ordinance so it can remain in effect during that time?

City Attorney Jackson affirmed that ours could be crafted to cover loopholes.

Mr. Kerth said there could be a reasonable delay between the status of Prop 208 and the City Ordinance before incumbents would be expected to act regarding fund raising; Mr. Kerth pressed for an automatic return to the City Ordinance, should Prop 208 be suspended.

Councilmember Waters asked if it was required to form a new re-election committee, if it were not possible to retain the old one? Mr. Waters asked whether old funds could be rolled over? Mr. Jackson replied affirmatively, but they would be subject to new rules under Proposition 208.

Mr. Waters remarked that Proposition 208 is in limbo while it is in the Supreme Court; he questioned why the ordinances couldn't be held, which supports staff, then be reenacted if Proposition 208 is declared unconstitutional?

Mr. Jackson agreed that it could be done the way it is written now.

Councilmember Yee expressed his satisfaction with the current ordinance, saying should Proposition 208 be declared unconstitutional, it would be his preference to return to the current ordinance. Mr. Yee said it was complicated to roll over the funding remaining in (an election) account. Mr. Yee asked whether funds in a current account, prior to January 1, 1997, could be used as is normally done? Mr. Archibald replied affirmatively.

Mr. Yee discussed the question of a voluntary cap of \$50,000 per district, per election. Mr. Archibald replied, per election, the ability only arises if the City chooses to establish by Ordinance a voluntary limit. If not, contribution per resident has no effect, except for deciding how much a political party may contribute to a candidate. A separate Ordinance would be needed to implement expenditure limitations.

Mr. Yee requested a definition of "small contributor" vs. "individual contributor". Mr. Archibald explained that a small contributor committee is a committee composed of at least 100 individuals who contribute \$50 or less per individual per calendar year.

Mr. Yee raised questions regarding off-years. Mr. Archibald reiterated that the general rule is that there is to be no fundraising during off years except during the six months prior to election. In off years, an office holder's account with a \$10,000 limit may be established for incumbent-related activities (administrative), but not to be used for campaign activities.

Councilmember Pannell spoke in support of staff's recommendation, Option 1, with the savings clause. Mr. Pannell commented that everyone knew that Proposition 208 was coming, yet believed the focus of Councilmembers was not on fundraising.

A motion was made by Councilmember Pannell, seconded by Councilmember Waters, to adopt emergency Ordinance 97-003 (Option 1).

Councilmember Fargo questioned which option was recommended by staff? The response was Option 1, with the savings clause.

Ruth Holton, Executive Director of California Common Cause, also representing the proponents of Prop 208, stressed the importance of choosing to suspend the current City Ordinance, rather than repealing it, to Mr. Steinberg and Mr. Cohn. Ms. Holton believed Proposition 208 to be constitutional, but weak. Ms. Holton pointed out that should Sacramento repeal its existing ordinance, and should Proposition 208 be suspended, there will be nothing in the City ordinances to cover this issue.

Ms. Holton proposed language which would cover this eventuality, stating that the Sacramento Ordinance goes into effect (a default) whenever Proposition 208 is suspended. She indicated a willingness to work with the City Attorney to craft the language.

Mayor Serna questioned the savings clause, asking whether it accomplished the effect Ms. Holton desired? Mr. Archibald replied that it did not.

Mayor Serna asked whether language could be drafted if the City Council votes for repeal, if there were a negative impact regarding Prop 208 in the Supreme Court, which would reinstate the City Ordinance?

Mr. Archibald indicated he would return with a revised approach to address the post-January 1, 1997 issue.

Mayor Serna requested maximum clarity to candidates as to what campaign laws were in operation, since Prop 208 is much more restrictive than the current City ordinance. The Mayor expressed his desire that there be a way to reinstate the City ordinance, should Prop 208 be declared unconstitutional.

A substitute intent motion was made by Councilmember Steinberg, seconded by Councilmember Cohn, presenting a third option: 1) staff to return with language regarding what type of enjoining would have to take place with Prop 208, suspending the existing City ordinance if all or part of Proposition 208 were declared to be unconstitutional, and create a mechanism so that the City ordinance would automatically be back in place, and 2) staff to bring back to Law and Legislation Committee the issue of voluntary expenditure limits.

Ms. Holton said the courts will rule that Proposition 208 is enjoined; other cities have the same concerns. If only a part of Prop 208 is enjoined, then it would be necessary to address the issues provision by provision (as related to the City's existing ordinance).

Mr. Jackson pointed out that the word "enjoined" is not simple, that there is deeper meaning; for instance, there could be a preliminary injunction or a permanent injunction.

Mr. Steinberg amended the language of the intent motion to read "if at any point in time Proposition 208 is not in effect, either by virtue of preliminary injunctive relief or permanent relief, that there is a way to reinstate the City's existing ordinance".

Mr. Waters, regarding the substitute motion, expressed his preference to retain the original premise to suspend; he questioned whether, should part of Proposition 208 that would impact the City Ordinance be enjoined, it could be reinstated as an emergency ordinance? Mr. Archibald replied affirmatively.

Mr. Kerth questioned the clarity issue, saying that however the suspension was dealt with, candidates would not know from day to day where they stood with it.

Mr. Archibald replied that the City ordinance could be revived if a comparable section of Proposition 208 were enjoined.

Mr. Kerth asked how to establish the date of financial contributions? Mr. Archibald replied that there was no easy answer, that transition rules may be needed.

Mr. Kerth commented that issues were harder to sort out under the new rules, that it would be easy to err; Mr. Kerth stressed the need for clarity.

Mr. Cohn said the difficulties are unavoidable during the transition period until a Supreme Court ruling is received; other than March, 1997, there are no more election races until June, 1998. Mr. Cohn spoke in support of the substitute motion.

Mr. Cohn requested the inclusion of a provision "during any period of time when Proposition 208 is not in effect, the City Ordinance would be reinstated automatically". Mr. Cohn supported the option to suspend.

Mr. Jackson said that, in effect, the ordinance would be in place; language could be crafted regarding concerns expressed by Council. Mr. Jackson felt the automatic triggering device would create confusion.

Mr. Steinberg said he understood that a window could be closed quickly; either way, under either proposal, the attorney's office would be kept busy. Mr. Steinberg expressed concerns about the need to keep re-debating the whole issue.

Mr. Yee commented that all Councilmembers would adhere to campaign limitations either way; he suggested supporting staff recommendations.

Councilmember Fargo inquired as to how to leave the current ordinance on the table without leaving it on the books? Mr. Jackson explained that if there were no action to repeal, this ordinance remains on the books. Mr. Jackson stressed that the ordinance could be reenacted as is, that the language of the existing ordinance could not be changed.

Mayor Serna opted for clarity, saying that the existing ordinance, while not perfect, was drafted by the same proponents who drafted Proposition 208. The Mayor said he was committed to Prop 208; if an ordinance were crafted or amended that keeps in line with Proposition 208 and still obeys the law, that would meet with his approval as well.

The Mayor stressed the issue of confusion, saying he supported staff recommendations; the courts must be allowed to do whatever they do.

Mayor Serna said that under Proposition 208, some refer to it as the "incumbent's law", because of the 6 month provision which does not allow enough time for fundraising.

The substitute motion failed with a 6-2 roll call vote, with Councilmembers Fargo, Kerth, Pannell, Waters, Yee, and Serna voting nay and Councilmembers Cohn and Steinberg voting Aye.

The motion to adopt emergency Ordinance 97-003, Option 1, carried with an 8-0 roll call vote.

AMENDED ORDINANCE NO. 97-003

AN ORDINANCE REPEALING THE CITY OF SACRAMENTO CAMPAIGN CONTRIBUTION LIMITS CODE, CHAPTERS 62.02 THROUGH 62.05, INCLUSIVE, OF TITLE 62 OF THE CITY CODE, SAVE AND EXCEPT AS TO ACTS OCCURRING ON OR BEFORE DECEMBER 31, 1996; AND DECLARING THE ORDINANCE TO BE AN EMERGENCY ORDINANCE TO TAKE EFFECT IMMEDIATELY

\* \* \* \* \*

5.0 S.H.R.A.,

Staff Reports

- 5.1 1997 Compensation and benefit recommendations for unrepresented employees and Medicare Reimbursement Policy changes. (D-All)

---

There was no discussion on this item.

A motion was made by Councilmember Kerth, seconded by Councilmember Pannell, to adopt Agency Resolution 97-001; Housing Authority Resolution 97-001; Resolution 97-020. The motion carried with an 8-0 vote.

REDEVELOPMENT AGENCY RESOLUTION NO. 97-001

1997 COMPENSATION ADJUSTMENTS FOR UNREPRESENTED EMPLOYEES AND MEDICARE PREMIUM REIMBURSEMENT POLICY

HOUSING AUTHORITY RESOLUTION NO. 97-001

1997 COMPENSATION ADJUSTMENT FOR UNREPRESENTED EMPLOYEES AND MEDICARE PREMIUM REIMBURSEMENT POLICY

RESOLUTION NO. 97-020

1997 COMPENSATION ADJUSTMENT FOR UNREPRESENTED EMPLOYEES AND MEDICARE PREMIUM REIMBURSEMENT POLICY

- 5.2 Sutter Commons Project (D-3):
- A. Environmental findings;
  - B. Finding of Benefit for use of tax increment funds outside project area;
  - C. \$1,200,000 acquisition and development loan
  - D. Owner participation agreement with 26th LLC;
  - E. Amendment of agency budget
  - F. Finding of Benefit for use of tax increment funds outside merged downtown Sacramento Redevelopment Project Area
- 

John Dangberg, SHRA Director of Community Development, presented the report.

Approval of the attached resolution will authorize the Agency to issue a commitment letter and enter into an OPA and related agreements and to make a forgivable \$1.2 million loan of 1990 Taxable Tax Allocation Bond Funds and 1993 Taxable Tax Allocation Revenue Bond Funds to 26th Street, LLC, a California Limited Liability Company, for the development of 45 new single-family homes on the vacant properties bounded by 26th, 27th, H and I Streets ("Project"). The Agency's loan will be forgiven incrementally as units are sold to home buyers pursuant to the terms of the OPA.

The property at this location is one of the last vacant developable blocks in the Central City; its location makes it a premier site for the development of new housing. For years no development proposals were feasible on this site due largely to the high land price, but during the past three years the Agency has encouraged developers to produce a viable proposal for quality new housing on the site.

The proponents of the Sutter Commons project were able to reach agreement with the current land owner for the development. Residential lots will be arranged in a zero lot line configuration, surrounding a 6,000 square foot central courtyard/driveway. The units will be of wood-frame construction, with stucco exteriors and composition roofs. Individual homes range from 1,320 to 1,523 square feet in size, with prices ranging from \$134,950 to \$149,951.

Approximately \$980,000 of the proposed loan will be disbursed to fund acquisition and predevelopment, while \$220,000 will be utilized to fund development costs.

This report recommends a budget transfer of \$1.2 million from the R Street Housing Project to the Sutter Commons Project to fund a loan to 26th Street, LLC. The proposed loan is contingent upon the developer meeting the conditions of the Owner Participation Agreement (OPA), which include obtaining financing from other sources. Other financing includes \$904,000 in developer equity and \$5,273,000 from a conventional construction loan.

Mr. Dangberg said staff was pleased that Sares Regis Group came forward; this will help to boost the home owner rate.

Mayor Serna inquired as to what the home ownership levels were in our area, compared to the national home ownership level? Mr. Dangberg replied that the national level was at 67%, our area was at 63%; is now at 57%. Mr. Dangberg commented that the percentage levels discussed were for both City and County; the County level is actually higher.

Mayor Serna established with Mr. Dangberg that the home ownership level in the City was 50%.

The Mayor commented that this was not a good rate; he noted that this new project is a Mid-town project and inquired as to whether staff had identified any Downtown projects that would qualify for the same program? Mr. Dangberg replied that in February there would be some Downtown sites; for now, the focus was on Mid-town catalyst sites, close to Downtown, where success can be achieved as to changing the image of Downtown living.

Councilmember Yee inquired as to whether Downtown Tax Increment funds were used outside of boundaries? Mr. Dangberg replied that these funds could be spent outside of the redevelopment area. If a linkage can be shown, it is all right to use the funds; that is, as long as one supports the other.

Tom Lee, SHRA Executive Director, commented that 20% of these funds could be used for housing purposes.

Mr. Dangberg said these particular funds were held for Pacific Plaza, which failed; the funds were then moved to the R Street Corridor.

Councilmember Yee clarified with Mr. Dangberg, regarding the forgivable loan, that \$26,000 would be spent for the land because the project would not be able to proceed without it.

A motion was made by Councilmember Cohn, seconded by Councilmember Fargo, to adopt (A-E) Redevelopment Agency Resolution 97-002 and (F) Resolution 97-021.

Mr. Cohn referred to the Boulevard Park Neighborhood Association, saying that home ownership was only 20% in the Central City. The lack of owner-occupied housing in the mid-town area is critical; all parties worked well with the businesses in the area. All are supportive; this project will help to revitalize the downtown Central City.

Councilmember Pannell expressed concern regarding SHRA, saying he hoped the Agency worked with the same intensity all over the City. Mr. Pannell said the percentage of rental property in the City was too high; he stressed safety concerns as well. The perception is returning that the inner City is safe, Mr. Pannell commented.

Councilmember Fargo expressed concerns regarding subsidized housing; it was her position that the market should work it out. This particular block grant is good to develop, since it is a well-designed, good project, but Ms. Fargo questioned the effect of subsidies on other properties, areas. Ms. Fargo said the rehabilitation of boarded-up buildings was a good use of Tax Increment Funds.

Mayor Serna read the names of the people present who were supporting the project: Ed Cox, Gloria Scott, James Walker, Naomi Keller, G. Bramson, and Margaret Buss (Co-Chair of the Boulevard Park Neighborhood Association).

The motion carried with an 8-0 roll call vote.

REDEVELOPMENT AGENCY RESOLUTION NO. 97-002

SUTTER COMMONS: ENVIRONMENTAL FINDINGS; FINDING OF BENEFIT FOR USE OF TAX INCREMENT FUNDS OUTSIDE PROJECT AREA; APPROVAL OF \$1,200,000 ACQUISITION AND DEVELOPMENT LOAN (MERGED DOWNTOWN SACRAMENTO TAX INCREMENT FUNDS); OWNER PARTICIPATION AGREEMENT WITH 26TH STREET LLC; AND AMENDMENT OF AGENCY BUDGET

RESOLUTION NO. 97-021

SUTTER COMMONS: FINDING OF BENEFIT FOR USE OF TAX INCREMENT FUNDS OUTSIDE MERGED DOWNTOWN SACRAMENTO REDEVELOPMENT PROJECT AREA

\* \* \* \* \*

6.0 CITIZENS ADDRESSING COUNCIL (MATTERS NOT ON AGENDA)

6.1 Charles Perdreauxville presented information to Council regarding an Asset Conversion Plan, the aim of which was to convert all of the City's non-required and non-performing real estate assets into useful taxable assets owned by the private sector. Mr. Perdreauxville envisioned a portion of the funds realized from this proposal would be used for needed environmental cleanups and flood-related issues.

Mayor Serna directed Mr. Perdreauxville to the City Manager's Office for further discussion.

\* \* \* \* \*

7.0 COUNCIL IDEAS AND QUESTIONS

7.1 Councilmember Pannell expressed his thanks to fellow Councilmembers Cohn, Fargo, Kerth, Steinberg, Mayor Serna, Deputy City Manager Masuoka, all of those who helped to raise funds for the United Negro College Fund (UNCF). Fundraising efforts resulted in the amount of \$103,000; Mr. Pannell was pleased to report that the City of Sacramento had been more successful than San Francisco.

\* \* \* \* \*

8.0 RECESSED INTO CLOSED SESSION at the hour of 3:40 p.m.

8.1 Pursuant to Government Code Section 54956.8 to grant authority to its real estate negotiator with respect to discussions for purchase of land owned by Fullerton Swim Club, Inc., a California non-profit corporation, APN's 035-0131-050; 035-0131-051; and 035-0131-054; and land owned by EMC Mortgage Corp., a Delaware Corporation, APN 035-0131-053.

8.2 Pursuant to Government Code Section 54956.8 to grant authority to the City's negotiator to negotiate for the purchase of land owned by Natomas School District APN 225-0230-070

\* \* \* \* \*

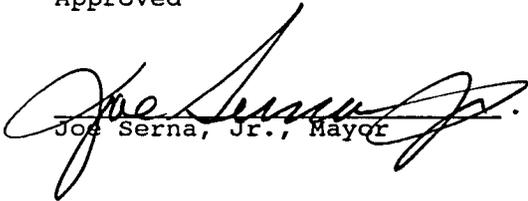
**ADJOURNMENT**

There being no further business to come before the City Council, the meeting was adjourned at the hour of 4:30 p.m.

Submitted

  
Valerie A. Burrowes, City Clerk

Approved

  
Joe Serna, Jr., Mayor