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ECONOMIC DEVELOPMENT DEPARTMENT

CITY OF SACRAMENTO

March 7, 2002

City Council
Law and Legislation Committee
Sacramento, California

Honorable Members In Session:

SUBJECT: SB 1460 Ortiz, Capitol Area Plan – R Street Corridor

LOCATION AND COUNCIL DISTRICT: Central City - R Street Corridor
Council Districts 3 and 4

RECOMMENDATION:

This report recommends support of SB 1460 Ortiz, to amend the Capitol Area and Project Area boundaries.

CONTACT PERSON: Wendy Saunders, Manager, Downtown Development Group, 264-8196
John W. Dangberg, Executive Director, CADA, 322-2114

FOR COMMITTEE MEETING OF: March 7, 2002

BACKGROUND:

Existing law establishes the Capitol Area boundaries and the Project Area boundaries under the Capitol Area Plan. Existing law also authorizes the Capitol Area Development Authority (CADA), a joint powers agency of the City of Sacramento and the State, to implement the residential- and neighborhood-serving retail elements of the Capitol Area Plan. CADA is further authorized to, among other things, allocate property taxes for the financing of redevelopment in the Project Area.

On February 15, 2002, Senator Deborah Ortiz introduced SB 1460 (see Attachment 1) that would expand the boundaries of the Capitol Area and Project Area (redevelopment area). Unlike the City's redevelopment areas (Downtown, Oak Park, Del Paso Heights etc.), CADA was not formed under the aegis of California Redevelopment Law (CRL) but, rather, by special State legislation. Therefore, any amendment of the Project Area boundaries can only be accomplished by an amendment to CADA's authorizing legislation.

The proposed boundary adjustment would add approximately 12 blocks to the existing area. It would also provide for coterminous boundaries with the City's R Street Corridor Special Planning District contiguous to the Capitol Area. The current boundaries for the Project Area are roughly as follows: L Street to the North, R Street to the South, a staggered boundary along 6th, 7th, 8th, 9th, and 10th streets to the West, and 17th Street to the East. The proposed amendment would extend the boundary one block south to S Street between 10th and 17th Streets and two blocks east to the UP Railroad right of way between S and Q Streets (see Attachment 2).

SB 1460 would also require the adoption of a redevelopment plan in cooperation with the City of Sacramento. The City's R Street Corridor Special Planning District (Attachment 3) would continue to serve as the underlying land use plan for the area. Thus, the City would retain all land use and entitlement controls on privately owned land in the area. However, to support the R Street Corridor Plan's implementation, a more detailed redevelopment plan with neighborhood design and implementation elements would be developed in cooperation with the City. This plan would serve to guide future public investment for development and infrastructure by setting forth design and redevelopment guidelines tied to specific street and neighborhood identity objectives. It would also incorporate existing or establish a new financing plan for completion of desperately needed public improvements in the Corridor.

Under this bill, CADA would be authorized to allocate property taxes (tax increment) for the financing of redevelopment in the expanded Project Area. These funds would be reinvested in the R Street Area to support housing, infrastructure and neighborhood amenity development as outlined in the Redevelopment Plan. Tax increments generated in the existing Capitol Area and the R Street Area would be separately accounted for and there would be limitations on interchangeably spending tax increments generated in either the existing Capitol Area or the R Street Area without prior written agreement between the Director of the Department of General Services and CADA. Not less than 20 percent of the tax increment would be used to increase or improve the supply of affordable housing for low- and moderate-income households.

Although CADA is not redevelopment agency under the CRL it shares many of the same powers CRL redevelopment agencies enjoy. However, in the 24 years since CADA's enabling legislation was adopted, there have been numerous changes in the CRL. Several of the most significant changes include various time limitations, replacement housing and inclusionary (affordable) housing. In discussions with key Senate staff and affordable housing advocates these changes to redevelopment law were identified as important elements to be addressed in the added territory under SB 1460. SB 1460 includes language that attends to these concerns for the added territory. These provisions include the following:

Time Limitation

- Establishes a time limit of 20 years for establishing or incurring debt with provisions for a ten-year extension (indebtedness may be repaid over a longer period of time)
- Authority activities may not continue after 30 years
- Property taxes may not be collected beyond 45 years
- Eminent domain may not be exercised beyond 12 years unless formally extended

Replacement Housing

- If low and moderate housing units are lost or destroyed as a result of actions or agreements by CADA they shall be replaced
- Replacement units shall be affordable to the same income group as those displaced (low, very low and moderate)
- Units must be replaced within 4 years

Inclusionary Housing

- 30% of new/substantially-rehabilitated units developed by authority shall be affordable to and occupied by low- and moderate-income households
- Not less than 50% of the above shall be affordable to and occupied by very low-income households
- 15% of all new/substantially-rehabilitated units developed by public or private parties other than the authority shall be affordable to and occupied by low- and moderate-income households
- Not less than 40% of the above shall be affordable to and occupied by very low-income households
- Provides that housing production goals for the existing Capitol area do not apply to the added area

Discussion

The R Street Corridor abuts and overlaps the southern border of the Capitol Area. This corridor is extensively blighted and negatively impacts the adjoining Central City neighborhoods and the Capitol Area. A great deal of community planning has been completed over the last 15 years to set a direction for the corridor's land uses and to some degree its redevelopment. The latest planning document was the "R Street Corridor Plan" adopted by the City Council in 1996. The R Street Plan calls for significant development of infill housing in the Corridor. To date, very little physical redevelopment or plan implementation has been completed. While several projects including housing and infrastructure have been contemplated they have proven economically difficult or impossible to implement.

Staff believes that CADA, as a City joint powers agency, could be a valuable tool to provide the resources and leadership necessary to implement redevelopment in this segment of the R Street Corridor. The redevelopment of the R Street Corridor adjacent to the Capitol Park Neighborhood would be beneficial to both of CADA's joint-powers entities. The City would benefit from the implementation of the goals established under the R Street Corridor Plan, the foremost of which is the implementation of desirable transit oriented urban housing development and infrastructure in the corridor. The State would benefit from redevelopment activities that would protect the State's significant investment in the adjacent Capitol Area. The region would benefit from multiple smart growth objectives such as jobs to housing balance and transit oriented development opportunities. For these reasons, staff recommends that the City Council support SB 1460 for the expansion of the Project and Capitol Area to include the R Street Corridor as defined.

CADA staff has discussed the Project Area expansion with key local and state government staff, key elected officials and community leaders and groups. To date broad support has been received for the concept. CADA, in cooperation with SHRA, City Planning and Economic Development staff, will continue to outreach and work with key stakeholders.

FINANCIAL CONSIDERATIONS:

There are no costs to the City for the legislative process. All redevelopment advisory services, fiscal analysis and advocacy support have been funded by CADA.

CADA is completing a fiscal analysis. This fiscal analysis will model possible development in the proposed added territory to estimate tax increment generation and timing and limits for the potential issuance of debt. Preliminary estimates suggest the added territory will not generate substantial tax increment revenues. However, the anticipated modest revenues can be used to leverage other private and public resources and reinvested into housing, public infrastructure and neighborhood serving amenities.

ENVIRONMENTAL CONSIDERATIONS:

There are no environmental considerations associated with this action. CADA will comply with CEQA requirements as part of the amendment process.

POLICY CONSIDERATIONS:

Consideration was given to alternatives to expansion of CADA's Project Area.

Expansion of the Merged Downtown Redevelopment Project Area: Staff explored the potential of expanding the Merged Downtown Redevelopment Project Area. The Downtown Project Area will expire in 2009 and the last year to issue debt is 2003. The redevelopment plan amendment process for adding territory under Community Redevelopment Law (CRL) would take no less than 10 to 12 months. Potential tax increment receipts, if any in the first year, would lag adoption by six to twelve months. There would be insufficient time to generate adequate tax increment flows to issue debt by the current deadline. These are time factors that cannot be practically mitigated at this time.

City/SHRA Adoption Of A Stand-Alone Redevelopment Area Under The CRL: Staff explored the potential of a stand-alone project area. The existing Capitol Area and Project Area extends to R Street between 9th and 17th Streets. Thus, a new stand-alone City sponsored project area would create separate redevelopment jurisdictions on each side of R Street. While it would be possible to coordinate activities through two separate redevelopment entities, it could create inefficiencies and possible confusion. Staff believes that it is more practical to have CADA extend its area. A second consideration is that a stand-alone area would have significant plan adoption costs (under the CRL) and marginal economic feasibility. Being a part of the Capitol Area provides critical mass for fiscal soundness, and as well, for planning, implementation and oversight.

It should be noted that there are minor errors in the bill language. One is a typographical error in a reference and the other is an error in the boundary description causing an overlap with the Merged Downtown Redevelopment Project Area. These will be corrected at the first Senate Committee Hearing.

ESBD CONSIDERATIONS:

There are no ESBD considerations. No goods or services are being purchased at this time.

Respectfully Submitted:

Approved:



Wendy Saunders, Manager
Downtown Development Group



Andrew J. Plescia
Economic Development Director

RECOMMENDATION APPROVED:



Betty Masuoka
Assistant City Manager

SENATE BILL**No. 1460****Introduced by Senator Ortiz**

February 15, 2002

An act to amend Sections 8160.1, 8180, 8183, and 8191 of, and to add Sections 8182.5, 8193.1, 8193.2, and 8194 to, the Government Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

SB 1460, as introduced, Ortiz. Capitol Area Plan: R Street Area.

Existing law establishes the capitol area and the project area boundaries of the Capitol Area Plan within the City of Sacramento. Existing law also requires the Capitol Area Development Authority (CADA) to develop a redevelopment plan for the project area within the capitol area of the Capitol Area Plan and authorizes CADA to adopt documents necessary or convenient to, among other things, the allocation of property taxes for the financing of redevelopment in the project area.

This bill would enlarge the capitol area and project area of the Capitol Area Plan to include an area referred to as the R Street Area, as defined. The bill would require the Capitol Area Development Authority (CADA) to prepare a redevelopment plan for the R Street Area that furthers the purposes and objectives of the Capitol Area Plan and would require that the plan be approved after published notice and at least one public hearing.

The bill would also require the rehabilitation, development, or construction of very low, low-, and moderate-income replacement housing, as specified, within 4 years of its destruction or removal in the R Street Area. It would establish specified time limits for activity of the authority. The bill would require CADA to separately account for the use and allocation of the property taxes for the R Street Area.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 8160.1 of the Government Code is
2 amended to read:

3 8160.1. The following terms, used in this article, shall be
4 given the following meanings:

5 (a) "Metropolitan area" means the greater metropolitan
6 Sacramento area, including the City of Sacramento, the County of
7 Sacramento, and the eastern part of Yolo County.

8 (b) "Central city" means that area of the City of Sacramento
9 bounded on the north by the American River, on the west by the
10 Sacramento River, and on the south and east by Interstate Highway
11 80.

12 (c) "Core area" means that area of the City of Sacramento
13 within the area bounded by "G" Street on the north, "R" Street
14 on the south, Fifth Street on the west, and 17th Street on the east.

15 (d) "Capitol area" ~~means that~~ *includes both of the following:*

16 (1) *The area of the City of Sacramento which is bounded on the*
17 *north by "L" Street, on the south by "R" Street, excepting that*
18 *portion lying between 11th and 12th Streets which southern*
19 *boundary shall be the alley lying between "R" and "S" Street on*
20 *the west by Fifth Street, and on the east by 17th Street, and*
21 *referring specifically to those blocks within those boundaries*
22 *containing state-owned properties. The streets bounding the*
23 *Capitol area are included therein, and this does not constitute a*
24 *change in, but is declaratory of the existing law.*

25 (2) *The area of the City of Sacramento which is bounded on the*
26 *north by "Q" Street, on the south by "S" Street, on the west by 17th*
27 *Street, and on the east by the westerly edge of the current*
28 *right-of-way for the rail lines running north and south between*
29 *19th and 20th Streets, and which is bounded on the north by "R"*
30 *Street, on the south by "S" Street, on the west by 7th Street, and on*
31 *the east by 17th Street, inclusive, of the streets therein.*

32 (e) "Department" means the Department of General Services.

33 (f) "Director" means the Director of General Services.

34 SEC. 2. Section 8180 of the Government Code is amended to
35 read:



1 8180. The following terms, used in this article, shall have the
2 following meanings:

3 (a) "Project area" ~~means the~~ *includes both of the following:*

4 (1) *The area within the City of Sacramento which is bounded*
5 *on the north by "L" Street, on the south by "R" Street, excepting*
6 *that portion lying between 11th and 12th Streets which southern*
7 *boundary shall be the alley lying between "R" and "S" Street on*
8 *the west by Seventh Street, and on the east by 17th Street,*
9 *excepting any portion of such area which is within the boundaries*
10 *of a redevelopment project area adopted prior to April 1, 1979, by*
11 *the City of Sacramento pursuant to the Community*
12 *Redevelopment Law.*

13 The streets bounding the project area are included therein, and
14 this does not constitute a change in, but is declaratory of the
15 existing law.

16 Pursuant to an agreement between the authority and the City of
17 Sacramento, the boundaries of the project area established by this
18 section may be amended by a resolution adopted by the authority
19 to include all or any portion of the blocks bounded on the west by
20 5th Street, on the north by "N" Street, on the east by 7th Street,
21 and on the south by "P" Street, upon the effective date of an
22 ordinance adopted by the City of Sacramento amending the
23 boundaries of the city's redevelopment project area to detach all
24 or any portion of those blocks from the city's redevelopment
25 project area for the purpose of including that area within the
26 project area established by this section. For the purposes of
27 paragraph (1) of subdivision (b) of Section 8183, the assessed
28 value of the property detached from the city's redevelopment
29 project area and included within the project area established by this
30 section shall be that portion of the assessed value of that property
31 upon which taxes were allocated to the taxing agencies
32 immediately prior to the effective date of the resolution and shall
33 exclude that portion of the assessed value of that property upon
34 which taxes were allocated to the city's redevelopment agency.

35 In the event that the project area is not amended as described in
36 this section, the city's redevelopment agency may satisfy any
37 replacement housing obligations that result from the development
38 of any portion of the blocks bounded on the west by 5th Street, on
39 the north by "N" Street, on the east by 7th Street, and on the south

1 by "P" Street within that portion of the project area agreed to by
2 the authority and the City of Sacramento.

3 (2) *The area within the City of Sacramento which is bounded*
4 *on the north by "Q" Street, on the south by "S" Street, on the west*
5 *by 17th Street, and on the east by the westerly edge of the current*
6 *right-of-way for the rail lines running north and south between*
7 *19th and 20th Streets, and which is bounded on the north by "R"*
8 *Street, on the south by "S" Street, on the west by 7th Street, and on*
9 *the east by 17th Street, inclusive of the streets therein, which*
10 *portion of the project area is commonly known as the "R Street*
11 *Area."*

12 (b) "Redevelopment plan" means the Capitol Area Plan
13 approved by the Director of General Services on March 15, 1977,
14 and referred to in Section 8160, *and the plan prepared pursuant to*
15 *Section 8182.5*, together with documents adopted pursuant to
16 Section 8183.

17 (c) "Authority" means the Capitol Area Development
18 Authority created by the joint powers agreement executed
19 pursuant to Section 8169.4 by the Director of General Services of
20 the State of California and the Mayor of the City of Sacramento on
21 July 1, 1978.

22 SEC. 3. Section 8182.5 is added to the Government Code, to
23 read:

24 8182.5. The authority shall, in cooperation with the City of
25 Sacramento, prepare an appropriate plan for the development and
26 redevelopment of that portion of the project area set forth in
27 paragraph (2) of subdivision (d) of Section 8180 (the R Street
28 Area), that furthers the purposes and objectives set forth in the
29 Capitol Area Plan. The plan shall be approved after published
30 notice and at least one public hearing by the authority.

31 SEC. 4. Section 8183 of the Government Code is amended to
32 read:

33 8183. (a) The authority may, by resolution, adopt documents
34 necessary or convenient to the exercise of its powers and may
35 designate that any ~~such~~ document shall be incorporated into the
36 redevelopment plan.

37 (b) Documents adopted pursuant to subdivision (a) may
38 include a requirement that taxes, including possessory interest
39 taxes, levied upon taxable property within the project area after the

1 effective date of the resolution adopting ~~such~~ the document or
2 documents be divided as follows:

3 (1) ~~That~~ The portion of the taxes which would be produced by
4 the rate upon which the tax is levied each year by or for each of the
5 taxing agencies upon the total sum of the assessed value of the
6 taxable property in the project area as shown upon the assessment
7 roll used in connection with the taxation of such property by such
8 taxing agency, last equalized prior to the effective date of such
9 resolution, shall be allocated to, and when collected shall be paid
10 into, the funds of the respective taxing agencies, as taxes by or for
11 said taxing agencies on all other property are paid (for the purpose
12 of allocating taxes levied by or for any taxing agency or agencies
13 which did not include the territory in the project area on the
14 effective date of such resolution but to which such territory has
15 been annexed or otherwise included after such effective date, the
16 assessment roll of the county last equalized on the effective date
17 of said resolution shall be used in determining the assessed
18 valuation of the taxable property in the project area on said
19 effective ~~dates~~, and ~~dates~~).

20 (2) ~~That~~ The portion of said levied taxes each year in excess of
21 such amount shall be allocated to, and when collected shall be paid
22 into, a special fund of the authority to pay the principal of and
23 interest on loans, moneys advanced to, or indebtedness (whether
24 funded, refunded, assumed or otherwise) incurred by the authority
25 to finance or refinance, in whole or in part, the redevelopment of
26 the project area. Unless and until the total assessed valuation of the
27 taxable property in the project exceeds the total assessed value of
28 the taxable property in the project area as shown by the last
29 equalized assessment roll referred to in paragraph (1), all of the
30 taxes levied and collected upon the taxable property in the project
31 area shall be paid into the funds of the respective taxing agencies.
32 When such loans, advances, and indebtedness, if any, and interest
33 thereon have been paid, then all moneys thereafter received from
34 taxes upon the taxable property in the project area shall be paid into
35 the funds of the respective taxing agencies as taxes on all other
36 property are paid.

37 (3) For the purpose of allocating taxes pursuant to the
38 document prepared pursuant to this section, the base year shall
39 remain fiscal year 1979-80. Commencing with the fiscal year

1 1982–83, the 1979–80 base year roll shall be adjusted to reflect the
2 revised project area as set forth in subdivision (a) of Section 8180.

3 (4) *For the purposes of the document prepared pursuant to this*
4 *section for the portion of the project area set forth in paragraph (2)*
5 *of subdivision (d) of Section 8180 (the R Street Area), the base year*
6 *shall be the 2001–02 fiscal year. Commencing with the 2002–03*
7 *fiscal year, the 2001–02 base year roll shall be adjusted to reflect*
8 *the project area set forth in paragraph (2) of subdivision (d) of*
9 *Section 8180.*

10 (5) *The authority shall separately account for the receipt and*
11 *expenditures of the allocation of taxes derived from that portion of*
12 *the project area described in paragraph (2) of subdivision (d) of*
13 *Section 8180 (the R Street Area).*

14 (6) *The authority shall not expend or otherwise use the*
15 *allocation of taxes received from any other portion of the project*
16 *area outside of that portion of the project area described in*
17 *paragraph (2) of subdivision (d) of Section 8180 (the R Street*
18 *Area), within the R Street Area unless otherwise approved in*
19 *writing between the authority and the Director of General*
20 *Services.*

21 (c) In the proceedings for the advance of moneys, or making of
22 loans, or the incurring of any indebtedness (whether funded,
23 refunded, assumed or otherwise) by the authority to finance or
24 refinance, in whole or in part, the redevelopment project, the
25 portion of taxes mentioned in paragraph (2) of subdivision (b) may
26 be irrevocably pledged for the payment of the principal of and
27 interest on said loans, advances, or indebtedness.

28 (d) Any documents designated to be incorporated into the
29 redevelopment plan may be adopted at any regular or special
30 meeting of the authority. Notice of the authority's intent to adopt
31 such a document shall be stated in the agenda prepared in
32 connection with the meeting at which the document is adopted,
33 which agenda shall be made available to the public in the manner
34 specified in Section 54956. No other notice shall be required in
35 connection with the adoption of such documents.

36 SEC. 5. Section 8191 of the Government Code is amended to
37 read:

38 8191. (a) Except with respect to taxes allocated to the
39 authority pursuant to subdivision (b) of Section 8183 which are
40 used by the authority to make payments with respect to the

1 installation of street lights and sidewalks within the project area,
2 not less than 20 percent of such taxes shall be used by the authority
3 for the purpose of increasing and improving, within the
4 jurisdiction of the authority, the supply of housing for persons of
5 low income as defined in Section 50093 of the Health and Safety
6 Code and for persons and families of moderate income as defined
7 in Section 50093 of the Health and Safety Code.

8 *(b) With respect to taxes allocated to the authority pursuant to*
9 *subdivision (b) of Section 8183 from that portion of the project*
10 *area described in paragraph (2) of subdivision (d) of Section 8180*
11 *(the R Street Area), not less than 20 percent of those taxes from the*
12 *R Street Area shall be used by the authority for the purpose of*
13 *increasing and improving, within the jurisdiction of the authority*
14 *within the R Street Area, the supply of housing for persons of low*
15 *income, as defined in Section 50093 of the Health and Safety Code,*
16 *and for persons and families of moderate income, as defined in*
17 *Section 50093 of the Health and Safety Code.*

18 SEC. 6. Section 8193.1 is added to the Government Code, to
19 read:

20 8193.1. (a) Whenever dwelling units located within that
21 portion of the project area described in paragraph (2) of
22 subdivision (d) of Section 8180 (the R Street Area) and housing
23 of persons and families of low or moderate income are destroyed
24 or removed from the low- and moderate-income housing market
25 as part of a redevelopment project that is subject to a written
26 agreement with the authority or where financial assistance has
27 been provided by the authority, the authority shall, within four
28 years of the destruction or removal, rehabilitate, develop, or
29 construct, or cause to be rehabilitated, developed, or constructed,
30 for rental or sale to persons and families of low or moderate
31 income, an equal number of replacement dwelling units that have
32 an equal or greater number of bedrooms as those destroyed or
33 removed units at affordable housing costs within the R Street Area.
34 One hundred percent of the replacement dwelling units shall be
35 available at affordable housing cost to persons in the same or a
36 lower income category (low, very low, or moderate) as the persons
37 displaced from those destroyed or removed units.

38 (b) (1) Prior to the time limit on the authority's activities
39 established pursuant to Section 8194, at least 30 percent of all new
40 and substantially rehabilitated dwelling units developed by the

1 authority within the R Street Area shall be available at affordable
2 housing cost to persons and families of low or moderate income
3 and shall be occupied by those persons and families. Not less than
4 50 percent of the dwelling units required to be available at
5 affordable housing cost to persons and families of low or moderate
6 income shall be available at affordable housing cost to, and
7 occupied by, very low income households.

8 (2) (A) (i) Prior to the time limit on the authority's activities
9 established pursuant to Section 8194, at least 15 percent of all new
10 and substantially rehabilitated dwelling units developed within the
11 R Street Area by public or private entities or persons other than the
12 authority shall be available at affordable housing cost to persons
13 and families of low or moderate income and shall be occupied by
14 those persons and families. Not less than 40 percent of the dwelling
15 units required to be available at affordable housing cost to persons
16 and families of low or moderate income shall be available at
17 affordable housing cost to very low income households and shall
18 be occupied by those persons and families.

19 (ii) To satisfy this clause, in whole or in part, the authority may
20 cause, by regulation or agreement, to be available, at affordable
21 housing costs, to persons and families of low or moderate income
22 or to very low income households, as applicable, two units outside
23 the R Street Area for each unit that otherwise would have been
24 required to be available inside the R Street Area.

25 (iii) As used in this paragraph and in paragraph (1),
26 "substantially rehabilitated dwelling units" means substantially
27 rehabilitated, with authority assistance, multifamily rented
28 dwelling units with three or more units, or substantially
29 rehabilitated, with authority assistance, single-family dwelling
30 units with one or two units.

31 (iv) As used in this paragraph and in paragraph (1),
32 "substantial rehabilitation" means rehabilitation, the value of
33 which constitutes 25 percent of the after-rehabilitation value of the
34 dwelling, inclusive of the land value.

35 (B) To satisfy the requirements of paragraph (1) and
36 subparagraph (A) of paragraph (2), the authority may purchase, or
37 otherwise acquire or cause by regulation or agreement the
38 purchase or other acquisition of, long-term affordability covenants
39 on multifamily units that restrict the cost of renting or purchasing
40 those units that meet either of the following criteria:

1 (i) The units are not presently available at affordable housing
2 cost to persons and families of low or very low income.

3 (ii) The units are presently available at affordable housing cost
4 to these persons and families of low or very low income, but are
5 units that the authority finds, based upon substantial evidence,
6 after a public hearing, cannot reasonably be expected to remain
7 affordable to this same group of persons or families.

8 SEC. 7. Section 8193.2 is added to the Government Code, to
9 read:

10 8193.2. The requirements of Section 8193.1 shall apply solely
11 to the portion of the project area described in paragraph (2) of
12 subdivision (d) of Section 8180 (the R Street Area). The
13 requirements of Section 8193 shall apply solely to the balance of
14 the project area, exclusive of the R Street Area.

15 SEC. 8. Section 8194 is added to the Government Code, to
16 read:

17 8194. The authority shall establish the following time limits
18 for that portion of the project area described in paragraph (2) of
19 subdivision (d) of Section 8180 (the R Street Area):

20 (a) A time limit on establishing or incurring loans, advances,
21 and indebtedness to be paid for with proceeds of property taxes
22 received pursuant to Section 8183, which limit shall not exceed 20
23 years from the effective date of this section. However, this limit
24 may be extended by the authority for 10 additional years if the
25 authority finds, based upon substantial evidence, both of the
26 following:

27 (1) Significant blight remains within the R Street Area.

28 (2) This blight cannot be eliminated without the establishment
29 of additional debt.

30 This limit shall not prevent the authority from incurring debt, to
31 be paid from that portion of the set-aside collected pursuant to
32 Section 8191 from properties within the R Street Area, in order to
33 either fulfill the authority's obligations pursuant to Section
34 8193.1, or to refinance, refund, or restructure an indebtedness after
35 the time limits if the indebtedness is not increased and the time
36 during which the indebtedness is to be repaid does not exceed the
37 date on which the indebtedness would have been paid. The loans,
38 advances, or indebtedness may be repaid over a period of time
39 longer than these time limits.

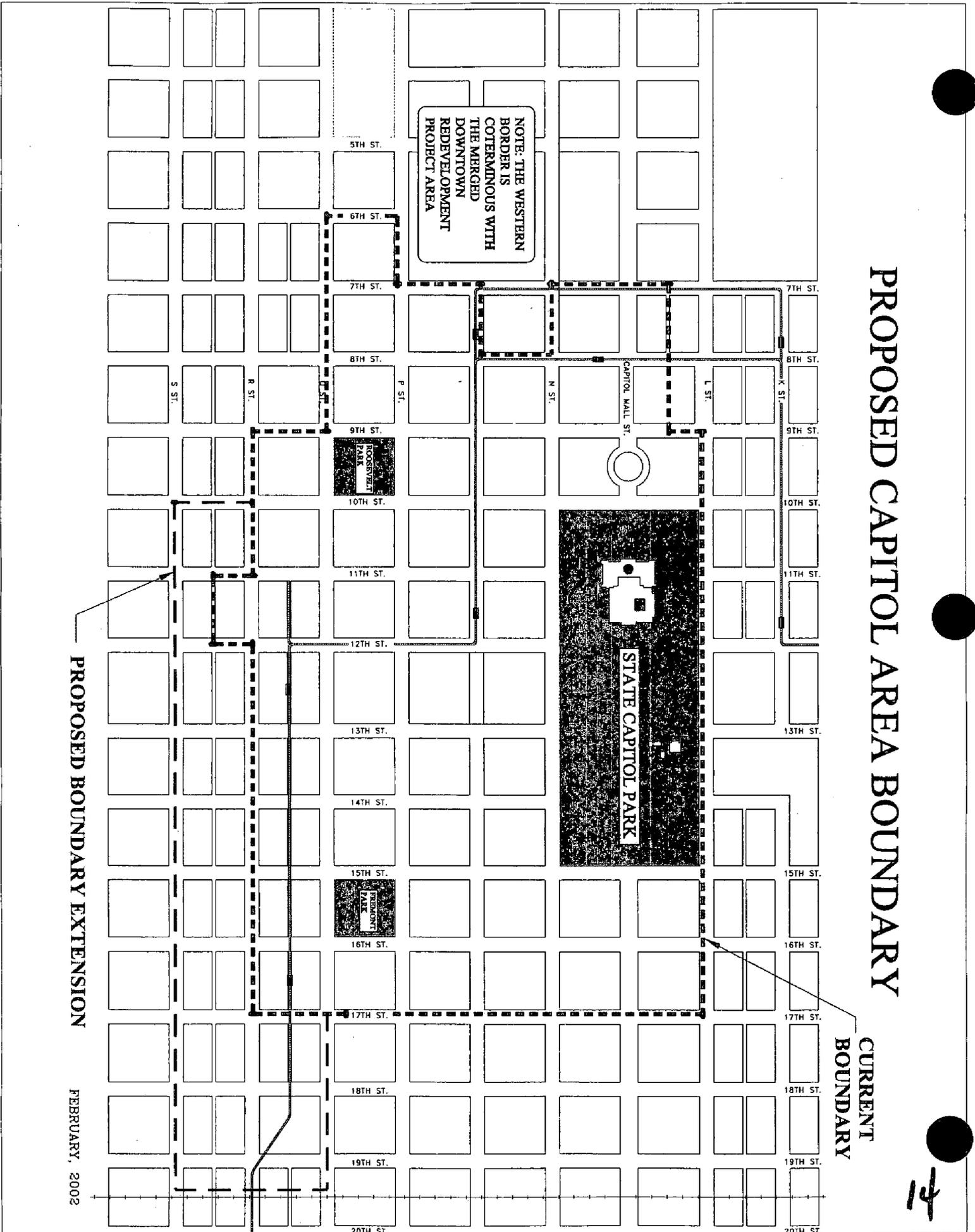
PROPOSED CAPITOL AREA BOUNDARY

CURRENT BOUNDARY

NOTE: THE WESTERN BORDER IS COTERMINOUS WITH THE MERGED DOWNTOWN REDEVELOPMENT PROJECT AREA

PROPOSED BOUNDARY EXTENSION

FEBRUARY, 2002

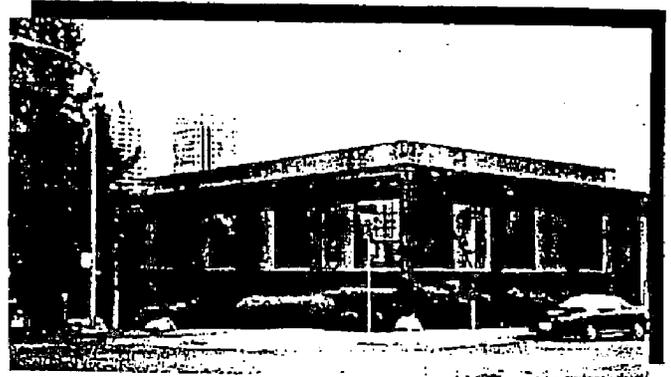


14

P Street Corridor Plan

City of Sacramento
Department of Planning and Development

December 1996



Adopted: December 10, 1996
Resolution No. 96-676



ACKNOWLEDGEMENTS

CITY COUNCIL

Joe Serna, Jr., Mayor
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*A SPECIAL THANKS TO THE R STREET STEERING COMMITTEE FOR THEIR COMMITMENT TO A
NEW VISION FOR THE R STREET CORRIDOR*

R STREET CORRIDOR COMMUNITY PLAN

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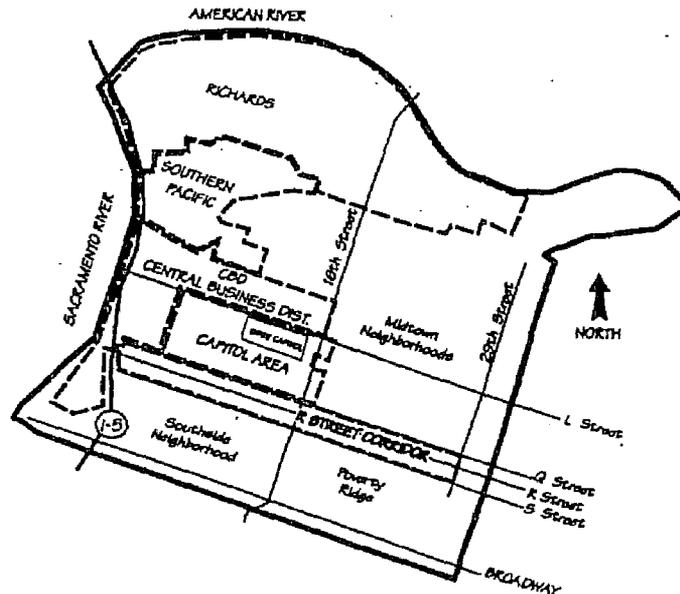
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SACRAMENTO CENTRAL CITY COMMUNITY PLAN
CHAPTER XI

**R STREET CORRIDOR
COMMUNITY PLAN**

A. PLANNING AREA

The R Street Corridor Special Planning District encompasses the 54 blocks bounded by Q Street on the north, S Street on the south, the I-5 Freeway on the west, and 29th Street on the east. The Corridor is located within Sacramento's Central City and consists of some 1,680 parcels of



R STREET CORRIDOR RELATIONSHIP TO CENTRAL CITY

land totaling 128 net acres. The west end of the Corridor is located directly south of the Central Business District (CBD), whereas the central portion of the Corridor from 5th Street to 17th Street is at the southern boundary of the Capitol Area Plan neighborhood. The Corridor is north of several well established residential neighborhoods, including Southside Park, Poverty Ridge, and Newton Booth. In addition, the Midtown residential neighborhoods of Winn Park and Fremont Park border the north end of the Corridor.

The R Street Corridor has been divided into four neighborhood sub-areas, based on the special characteristics of each. These four neighborhoods are known as "Southwest", "Capitol Area", "Sacramento Bee" and "Farmers Market".

Southwest Neighborhood

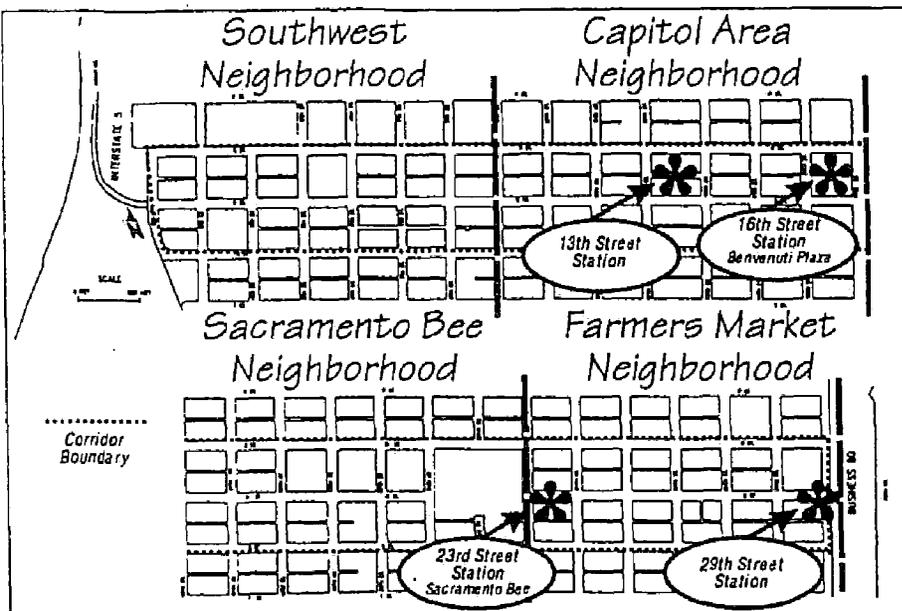
The westernmost 14 blocks of the Corridor, from 2nd to 9th Streets, are designated the Southwest neighborhood. The neighborhood has the largest concentration of predominantly vacant land susceptible for new development within the Corridor. Existing land use consists of recently constructed multi-story office buildings and a mixture of older heavy and general commercial structures. Adjacent uses to the north include the Central City's highest density residential neighborhood (Capitol Towers).

Capitol Area Neighborhood

Named for the State Capitol Area to the north, this 14-block neighborhood reflects the land use character of the Capitol Area, with its mix of low- and mid-rise State office buildings and residential structures. Virtually all of the office buildings are occupied by State government agencies. There is also a significant amount of land being used for surface parking in conjunction with these state offices.

Sacramento Bee Neighborhood

The Sacramento Bee neighborhood, named for its most prominent employer, encompasses the 14 blocks between 16th and 23rd Streets. This neighborhood is characterized by the predominance of older heavy commercial, warehouse and light industrial uses with open storage, especially between 16th and 21st Streets.



THE CORRIDOR IS SERVED BY FOUR TRANSIT STATIONS AND SUBNEIGHBORHOODS WITH SPECIAL CHARACTERISTICS.

Farmers Market Neighborhood

Named for the old farmers market that used to exist just east of the Business 80 Freeway, this neighborhood encompasses the 12 blocks between 23rd and 29th Streets. The Farmers Market neighborhood is the most residential in character of the four. Heavy Commercial and warehouse uses are concentrated along R Street between 25th and 28th. Offices are located on the east and west ends of the neighborhood.

B. VISION

The Land Use Plan envisions the transformation of the R Street Corridor from a warehouse district into a new transit oriented mixed use neighborhood.

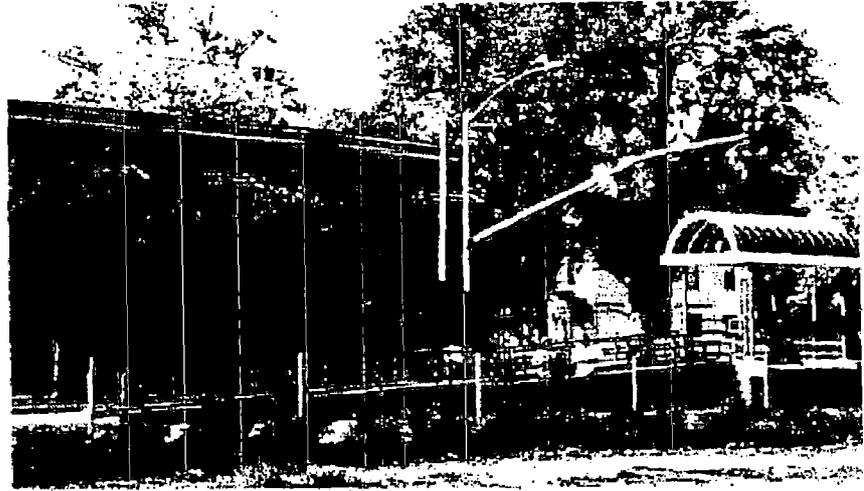
The plan encourages the long-term transformation of the Corridor from

heavy commercial, warehouse and state office uses to a mixed-use district of residential, office and neighborhood oriented commercial uses. The plan facilitates infill development, home ownership and higher density housing opportunities to serve anticipated CBD employment growth over the next 20 years. The location and scale of office development is intended to be compatible with the scale of surrounding neighborhoods.

Mixed use development is concentrated around the four existing light rail transit stations to further an urban transit oriented development pattern. The 13th Street Station, 16th Street Station (Benvenuti Plaza), 23rd Street Station (Sacramento Bee) and the 29th Street Station provide extensive transit service in the Corridor. Concentrating mixed uses near these stations will increase transit ridership, support the region's air quality and traffic management goals and better utilize existing infrastructure.

Residential and lower intensity commercial uses are designated on the east end and at the edges of the Corridor, to reinforce established residential neighborhoods. The majority of the Corridor is designated for residential uses to stabilize land values, increase the financial feasibility of housing and neighborhood retail uses, and to create a vibrant mixed use and mixed income neighborhood.

The plan establishes comprehensive goals and policies to guide future land use decisions and ensure that new development is served by a circulation system which enhances pedestrian and transit access. The Special Planning District (SPD) for the R Street Corridor, amended into the City's Zoning Ordinance, implements the R Street Corridor Plan. The Special Planning District establishes development standards and design guidelines which are tailored to ensure new development is of appropriate design, scale, and intensity to compliment both transit and neighborhood preservation goals.



HIGHER DENSITY MIXED USES SUPPORT TRANSIT RIDERSHIP GOALS.

C. GOALS AND POLICIES

The following goals and policies shall guide land use decisions within the R Street Corridor:

GOAL 1. REINFORCE THE CBD AS THE CITY'S REGIONAL EMPLOYMENT CENTER

Recognizing the CBD as the City's preeminent regional employment and high-rise office center, the R Street Corridor should be developed at a scale and mix of uses to provide a transition between the high intensity CBD, the mixed use state Capitol Plan area, and the adjacent lower density residential districts.



THE R STREET CORRIDOR IS A TRANSITIONAL AREA BETWEEN THE CBD AND ADJACENT NEIGHBORHOODS.

Policy

- 1.1 Limit the scale of new development to the intensities specified in the R Street Corridor Plan and the Merged Downtown Sacramento Redevelopment Area Plan] to assure the creation of a transition zone between the CBD and adjacent residential neighborhoods.

GOAL 2. CREATE NEW MIXED USE NEIGHBORHOODS

Create distinct, stable and integrated residential neighborhoods serving a range of income levels and populations to provide a choice of housing opportunities near downtown jobs.



INFILL HOME OWNERSHIP OPPORTUNITIES SHOULD BE ENCOURAGED TO STABILIZE NEIGHBORHOODS.

Policies

- 2.1 **Designate well-defined residential areas within each of the four neighborhoods (Southwest, Capitol Area, Sacramento Bee, and Farmers Market) at sufficient residential densities (15-60 units/acre) to create a critical mass of housing within the Corridor.**
- 2.2 **Emphasize owner-occupied housing types and opportunities, with a long term objective to achieve 30% home ownership opportunities within the Corridor.**
- 2.3 **Limit heights generally to 45 feet, although residential structures may be 75 feet in height if additional housing units are designed properly.**
- 2.4 **Link development approvals of office projects with development approvals of housing projects within the Intensive and General Commercial Mixed Use Districts.**
- 2.5 **To assure an appropriate mix of uses including housing requires approximately a 3:1 office to housing ratio for the intensive and commercial mixed use areas.**
- 2.6 **Through land use designations, zoning and development standards, provide the opportunity for sufficient neighborhood commercial services to serve residents of mixed use neighborhoods.**

GOAL 3. USE TRANSIT STATIONS IN THE CORRIDOR TO FOCUS DEVELOPMENT

To focus development, the four light rail stations to create discrete neighborhoods with a mix of compatible uses clustered around transit and linked by pedestrian routes. These routes should develop with sufficient intensity to promote light rail ridership and air quality objectives while preserving the surrounding neighborhood integrity.



THE SACRAMENTO BEE PROVIDES AN INTENSITY OF USE (1,500 EMPLOYEES) AT THE 23RD STREET STATION.

Within the R Street Corridor, 19.5 percent of the land area is used for parking. Most of this area is surface parking. As the area transitions to more intensive uses and state offices are consolidated, the City and State should endeavor to reduce the amount of land devoted to parking by reducing parking standards. Structured parking should be encouraged. The City, Regional Transit and the State should continue to examine ways to consolidate shuttle service and improve the cost effectiveness of service to peripheral parking lots. This effort should increase use of peripheral parking lots currently operated by the State and reduce the demand for parking in the area. The Capitol Area Plan establishes an objective to reduce parking in state-owned facilities in the Capitol Area by 1200 spaces.

Policies

- 3.1 Encourage mixed use residential/commercial development within a 660 foot radius of each light rail station, subject to compliance with setbacks and other building intensity standards, to ensure a design and scale compatible with adjacent neighborhood scale uses.
- 3.2 Reduce the amount of land devoted to surface parking through reduced parking standards and local, regional and State implementation of shuttle service and peripheral parking lot programs.

GOAL 4. PROVIDE A MIX OF USES TO SUPPORT AN EXTENDED HOUR CENTRAL CITY

Create an appropriate mix of residential and non-residential uses within the Corridor, with an emphasis on new housing to serve projected Central City employment growth and support a vibrant 18-hour downtown environment.

Policies

- 4.1 Designate a majority of the land area in the R Street Corridor primarily for residential mixed uses to establish new neighborhoods.



GROUND FLOOR RETAIL MIXED WITHIN RESIDENTIAL USES ENLIVENES NEIGHBORHOODS.

- 4.2 Within the Residential Mixed Use district, designate at least 80 percent of the square footage for residential use and up to 20 percent for ground floor neighborhood-serving commercial or office uses.
- 4.3 In mixed use projects, reduce the commercial parking requirement up to 50% where the parking area can be shared to accommodate residential uses.

The R Street Corridor includes a rich mixture of Cultural Entertainment, Office, Industrial, Commercial and Residential Uses



S STREET RESIDENTIAL



STUDIO THEATRE - 11TH & R



*STATE DEPARTMENT OF
GENERAL SERVICES - 400 R STREET*



SACRAMENTO BEE



FOX & GOOSE - 10TH & R

GOAL 5. ESTABLISH DESIGN GUIDELINES AND DEVELOPMENT STANDARDS TO MANAGE THE INTENSITY OF USES WITHIN THE CORRIDOR.

Plan and guide all new development to assure the preservation and enhancement of existing neighborhoods. New higher intensity mixed uses should be located near existing high intensity uses and transition to a less intensive scale to be compatible with less intensive neighborhood uses. This will balance neighborhood preservation, redevelopment and Capitol Area Plan goals.

Policies

5.1 Establish height limits, setbacks and other standards along Q and S Streets and near existing lower-scale residential and commercial uses.

5.2 Establish a height limit of 45 feet along Q and S Streets, and allow structures of up to 100 feet for development that fronts R Street.

These height limits are subject to

compliance with Floor to Area Ratio (FAR) standards to ensure compatibility with adjacent uses.

5.3 Limit heights on 16th Street adjacent to Benvenuti Plaza to 75 feet.

5.4 Buffer existing residential developments under 45 feet in height (such as Capital Terrace, Governor's Square East, Saratoga Townhomes, Southside neighborhood, and the residential neighborhoods along Q and S Streets at the eastern end of the Corridor) from adjacent uses by limiting heights and adequate setbacks that do not encroach on light or air for existing housing.

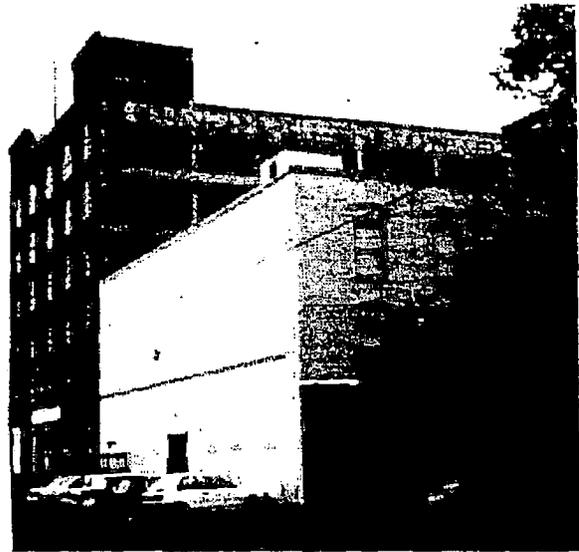
5.5 Adopt Design Guidelines to ensure adequate light, air and transition in building heights, similar to the guidelines now in effect in the Urban Design Plan for the CBD.



BUILDING DESIGN AND HEIGHT SHOULD REFLECT THE NEIGHBORHOOD CONTEXT

GOAL 6. PROMOTE THE PRESERVATION OF HISTORIC STRUCTURES WITHIN THE CORRIDOR

The R Street Corridor contains commercial and residential structures which are listed as essential or priority in the City's Official Register. Structures listed in the City's Official Register are historically, architecturally, and/or culturally significant. These structures provide an awareness of the area's historic past, a unique and distinctive character to the neighborhoods, and a source of pride and sense of community. In some cases, however, disincentives for the preservation of historically significant structures may exist. These disincentives can include expensive maintenance and repair needs, functional obsolescence, lack of adaptability for intended uses, and size and scale which are less than the development potential of the property. In order to counterbalance these obstacles, the plan seeks to provide an incentive for preservation of significant structures by providing greater flexibility in allowed uses for historic structures than is allowed for other existing structures or new development.



THE CADA WAREHOUSE SHOULD BE PRESERVED AS A REMINDER OF THE AREA'S HISTORIC PAST.

Policies

- 6.1 Encourage the economic viability of preserving historic structures by providing flexibility for the uses allowed in existing structures listed as essential or priority in the City's Official Register.**
- 6.2 Provide flexibility in allowed uses for new structures located on small parcels which are partially developed with structures listed as essential or priority in the City's official register which abut Major Streets.**

D. LAND USE DESIGNATIONS

This section of the Community Plan describes the land use designations for the R Street Corridor. The R Street Corridor Land Use Map identifies the location and configuration of these land uses. Table 1, "Regulatory Framework Matrix" summarizes the types of uses,

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densities and potential yield for each land use designation. The SPD establishes the specific development standards and zoning for the area. The following provides a description of each land use designation.

INT-MU: Intensive-Mixed Use: This designation applies to the area generally between 2nd and 8th streets between Q and R. Allowed uses are the more intensive office, housing, and ground floor retail or personal service uses. This mixed use designation requires a 3:1 mix of office to residential uses. The residential component of a development proposal could be satisfied within the same project site or building as the office proposal, within the area designated for Intensive Mixed Use, or within the adjacent Residential Mixed Use area in the R Street Corridor. The maximum floor-area-ratio (FAR) is 3:1. A housing density range of 60-100du/na is allowed. Maximum building height is 100 feet along R Street, but terraces down to 75 feet along Q Street.

GCMU: General Commercial Mixed Use: This designation provides more intensive mixed uses east of the 16th Street station between 16th and 17th Street. Allowed uses are office, housing, retail and personal service uses. This mixed use designation requires a 3:1 mix of office to residential. The residential component of the development could be satisfied within the same project site or building as the office proposal, within the area designated General Commercial Mixed Use, or within the adjacent Multiple Family Residential or Residential Mixed use areas in the R Street Corridor. The maximum floor-area-ratio (FAR) is 3:1. The residential density range is 30-60 du/na. The maximum allowable building height is 75 feet.

GC: General Commercial: This designation concentrates commercial uses adjacent to the 13th, 16th, 23rd, and 29th Street Light Rail stations, as well as south of R Street between 2nd and 6th Streets, and between Q and S, 19th and 20th Streets. This designation permits 100% commercial/office uses. The maximum floor-area-ratio is 2:1. The maximum building height is 45 feet. The land use designation has been applied in locations where newer office buildings exist, or where residential land uses are not deemed appropriate or feasible.

HC: Heavy Commercial: This land use area is located from 20th to 23rd Streets between Q Street and the half block south of R Street, and includes the Sacramento Bee complex and some adjacent parcels. Allowed uses include warehousing, distribution facilities, commercial uses, retail uses, and incidental offices (less than 25% of gross floor area). Conditional uses include residential, retail, and related uses. The height limit for this designation is 45 feet.

RMX: Residential Mixed Use: This predominate land use in the Corridor reinforces and expands adjacent established residential neighborhoods. Allowed uses include a variety of housing types including single family, condominiums, row houses, townhouses and apartments, neighborhood serving retail, and related ground floor uses. Conditional uses include child care facilities, churches, schools, residential hotels and boarding houses. The designation includes the Capitol Area Plan for the south half block between 8th and 9th Streets, Q and R Streets, as a structured parking garage to serve state office uses. This mixed use category requires a minimum of 80% residential at a density range of 15-

60 units per net acre. A maximum of 20% neighborhood-serving ground floor commercial retail or service uses are allowed. The maximum allowable building height in the Residential Mixed Use area is 45 feet, although sites fronting on R Street may be developed at a maximum building height of 75 feet or greater. The percentage of commercial use may be increased up to 100% for projects which renovate existing structures of historic or architectural significance.

MF: Multiple Family Residential: This designation is applied along Q and S Streets to stabilize existing residential areas within the R Street Corridor that are characterized by a mix of single and two family dwellings and small apartment complexes. The designation allows for appropriate infill on vacant parcels. Allowed uses include a range of single and multi-family residential uses. The density range is 6-36 units per net acre. The height limit is 35 feet.

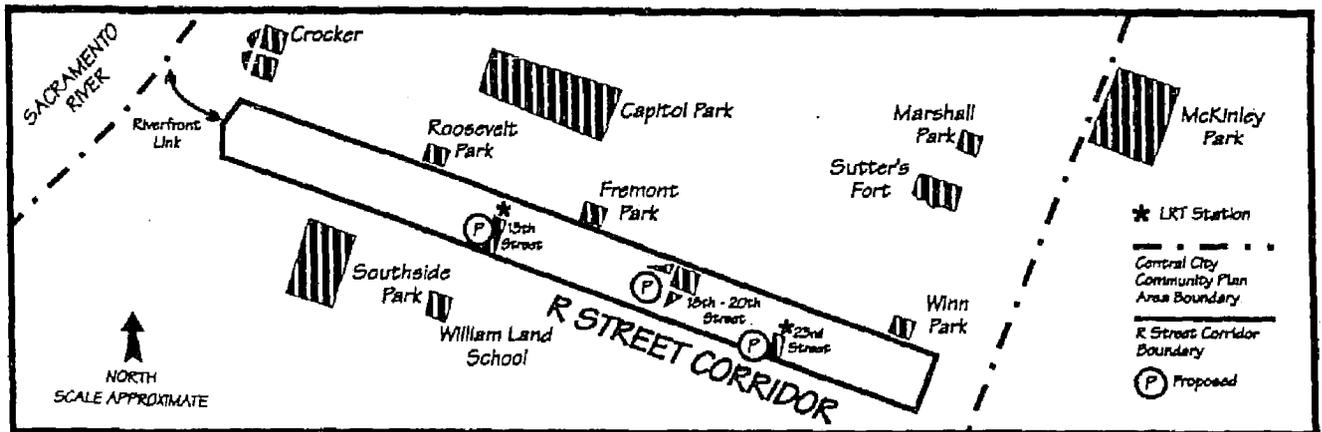
E. OPEN SPACE AND COMMUNITY FACILITIES

GOAL 7 - ENHANCE NEIGHBORHOOD LIVABILITY THROUGH PROVISION OF OPEN SPACE AND OTHER NEIGHBORHOOD FACILITIES.

This section of the Community Plan establishes goals and policies for the provision of community facilities to serve the Corridor. These facilities include parks and schools.

1. PARKS

Sacramento's Central City is memorable in great part because of its well-landscaped parks that provide a lush setting for surrounding urban activities. From Capitol Park at the core of the Central City to the one-block parks within Sacramento's Midtown neighborhoods, the park system helps to reinforce the identity of these neighborhoods while providing useable



**EXISTING AND PROPOSED PARKS AND SCHOOLS
WILL SERVE FUTURE RESIDENTIAL USES IN THE R STREET CORRIDOR**

recreational space for its citizens. The R Street Corridor is served by three neighborhood parks to the north; Roosevelt Park between 9th and 10th Streets, Fremont Park between 15th and 16th Streets, and Winn Park between 27th and 28th streets. Also Crocker Park, associated with the Crocker Art Gallery, is located two blocks to the north of the Corridor between 2nd and 3rd Streets. Additionally, Southside Park, a six square block community facility, is located two blocks south of the Corridor, between 6th and 8th streets. Finally, the Sacramento Riverfront, with its planned pedestrian and riverfront improvements, will connect to the west end of the Corridor.

Quimby fees generated by residential subdivisions in the Corridor are anticipated to be used for the improvement of the existing parks serving the Corridor. However, these existing parks should be supplemented by additional open space to serve future residents and employees. The Land Use Map for the Corridor shows the location of future park sites. The park sites designated at the 13th and 23rd Street Light Rail Stations are intended to enhance these areas as activity centers and public gathering spaces. Retail uses are also concentrated in these areas to reinforce these areas as a destination spot. The park site identified for the 18th to 20th Street area is also intended to enhance this location as a destination point and bridge the physical barriers which currently limit uses in this location. This park would also serve as a linkage between the proposed residential area between 16th and 19th Streets, and the existing residential areas to the north and northeast.

GOAL 8 - PROVIDE SUFFICIENT OPEN SPACE TO SERVE FUTURE RESIDENTS AND EMPLOYEES OF THE R STREET CORRIDOR.

Policies

- 8.1 Provide up to 20 acres of parks and/or open space to meet the current City park standard of five acres per 1,000 residents.
- 8.2 Quimby fees obtained from development in the Corridor should be used to obtain additional parkland and to improve existing parks serving the Corridor.
- 8.3 Land designated for Parks and Open Space should be considered as sites for future public acquisition or fulfillment of the private common open space requirement of commercial developments.
- 8.4 Park locations should focus public spaces around light rail stations and neighborhoods.
- 8.5 Existing neighborhood parks serving the Corridor (Southside, Roosevelt, Fremont, Winn) should be improved with active uses and family facilities to serve future residents of the Corridor.

2. SCHOOLS

The R Street Corridor area is served by the Sacramento City Unified School District, including William Land and Theodore Judah Elementary Schools, Sutter Middle School, and Sacramento and McClatchy High Schools. Sufficient capacity presently exists to serve future middle school students. Existing capacity is inadequate to serve future elementary and high school students.

The preferred method of dealing with the need is through the expansion and enhancement of existing school facilities. As a second priority, the City should work with the District to identify standards for locating and reserving new school sites to serve the R Street Corridor and the Central City. The introduction of smaller prototype urban schools, developed in conjunction with commercial or other neighborhood-serving development would better utilize these facilities and promote an active and secure environment.

**GOAL 9 - PROVIDE ADEQUATE SCHOOL FACILITIES TO SERVE FUTURE RESIDENTS
OF THE R STREET CORRIDOR AND THE CENTRAL CITY.**

Policies

- 9.1 The City and the Sacramento City School District should cooperate in identifying existing school facilities that can be maintained and expanded to serve future R Street residents.
- 9.2 If existing facilities cannot fully meet the need, as a second priority, the City and the Sacramento City School District should cooperatively explore the possibility of a smaller prototype urban school that can serve the needs of R Street Corridor residents.
- 9.3 The possibility of a joint use school, developed in conjunction with commercial or other neighborhood-serving development, or public open space, should also be explored.

F. CIRCULATION

The Circulation Plan for the R Street Corridor includes vehicular and pedestrian improvements designed to enhance the area as a residential mixed use neighborhood. The Circulation Plan compliments land use policies, and link neighborhoods with public amenities and the existing light rail stations. The Circulation Plan (Map 2) identifies the location of existing bike lanes, light rail stations and the proposed southern light rail extension and the intersections proposed for pedestrian enhancements. The proposed R Street cross sections are depicted in Figures 1 and 2.

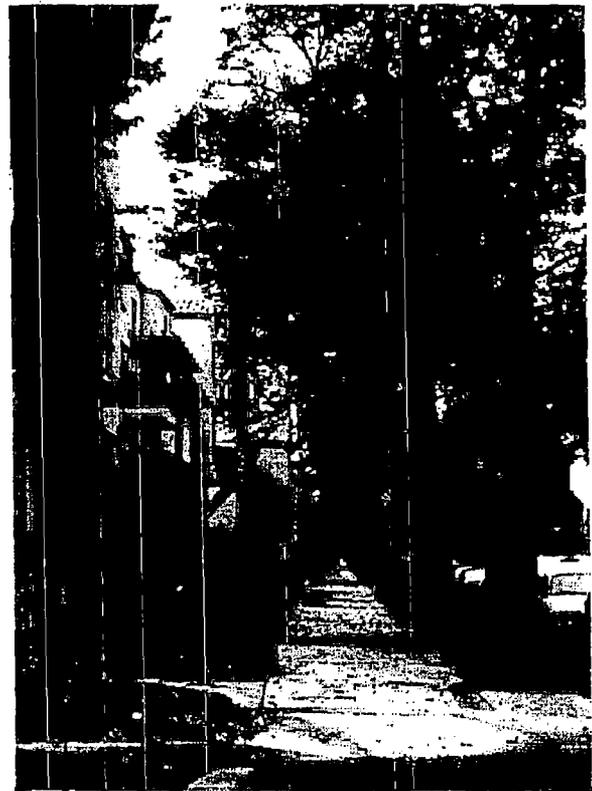
Map 2 identifies several locations for "pedestrian enhanced intersections". These enhancements could include, but are not limited to, pedestrian controlled signals, enhanced lighting, sidewalk bulbing, and alternative paving materials at cross-walks. Of particular importance are the intersections at 16th and Q, 16th and R, 29th and Q, and 29th and R. These are locations at which a major, high traffic street separates existing and proposed moderate to high intensity commercial and residential development from existing light rail stations. Pedestrian friendly crossings are important at these locations to facilitate the linkage between the developments and the stations, thereby maximizing the transit ridership potential generated by the development.

Vehicular Circulation

GOAL 10 - DESIGNATE R STREET A LOCAL, PEDESTRIAN SCALE STREET.

Policies

- 10.1 Retain the local street classification for R Street as a 2 lane, 2 way street. Facilitate pedestrian, bicycle and vehicular forms of circulation. Retain stop signs, as warranted, to reduce traffic volumes and slow the speed of traffic.
- 10.2 Limit vehicle access from R Street and encourage parking access from the alleys to reduce the amount of street frontage devoted to the automobile and to minimize traffic on R Street.
- 10.3 Improve portions of R Street which are currently substandard and design streets to reflect a pedestrian scale.



SIDEWALKS, STREET LIGHTING AND STREET TREES WILL ENHANCE PEDESTRIAN USE OF R STREET.

Transit/Bus Service

The R Street Corridor is adequately served by four existing light rail stations. The 13th Street and 16th Street Stations, one half block north of R Street, and the 23rd Street and 29th Street Stations on R Street. Bus routes currently link the Corridor to Downtown Sacramento and the Downtown light rail stations.

The proposed Union Pacific Railroad/Sacramento City College alignment will begin in the R Street Corridor by branching off the existing Folsom line LRT tracks on the alley north of R Street.

The southbound LRT extension will establish the 16th Street Light Rail Station as a primary transfer point for LRT patrons traveling to and from South Sacramento, East Sacramento, North Sacramento, and the Central City area. The increased activity at this station heightens the importance of transit/land use coordination with Regional Transit. It also increases the importance of encouraging mixed use development which is of sufficient commercial intensity and residential density to increase and maximize the potential transit market in this area, consistent with RT guidelines.

Policy

- 10.4 Future enhancements to bus or shuttle service within the corridor should link the Intensive Mixed Use district on the west end with the 13th Street Light Rail Station.

Bicycle Circulation

The R Street Corridor is served by on-street (Class II) bike lanes on T Street, and 11th, 20th, 24th, and 28th streets.

Street Cross Sections

**GOAL 11 - PROMOTE MULTIPLE MODES OF CIRCULATION THROUGH THE
ADOPTION OF NEW R STREET CROSS SECTIONS.**

Policy

- 11.1 Within the R Street public right of way, provide planter strips with street trees, street lighting, on-street parking, and sidewalks to provide a safe and attractive environment for pedestrians, bicyclists, and other modes of transportation.

Two different street cross sections are proposed for R Street to address different transit and land use conditions. The west end of the corridor, the 3rd to 19th Street section, is proposed to serve more intensive office, and residential mixed uses. For the east end of the corridor, from 23rd to 29th Streets, the light rail line occupies the middle of the street, and a significant amount of the street right of way. This cross section is proposed to serve predominantly residential and retail uses.

3rd-19th Street Cross section

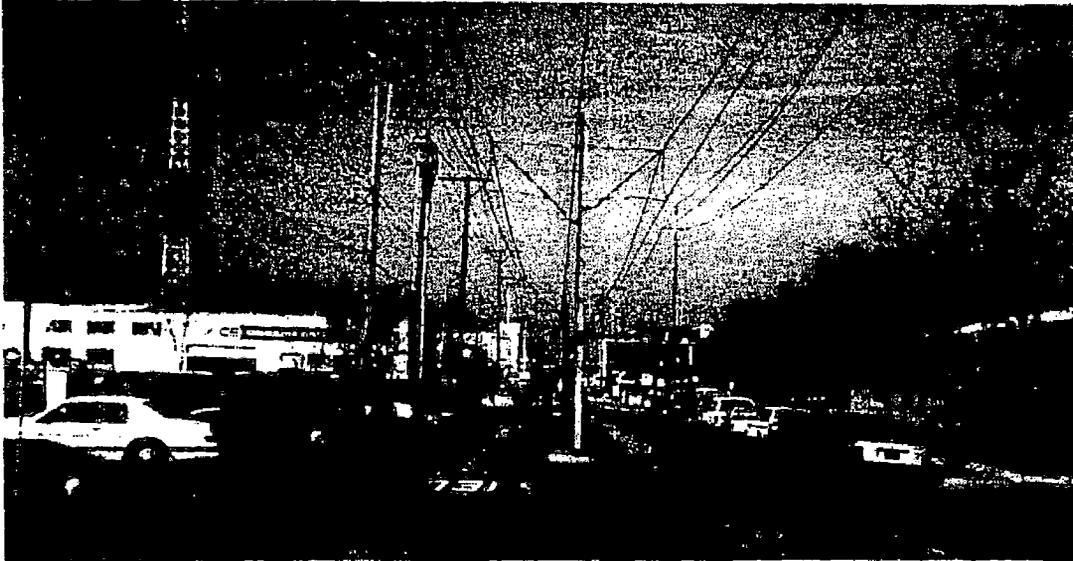
From 2nd to 19th Streets, an 80 foot right of way exists to accommodate the desired two way, two lane local street (Section depicted in Figure 1; Plan depicted in Figure 2). The proposed street cross section will locate the middle of the street 4 feet south of the centerlines of the right of way. This will allow for an extra 8 feet of landscaping on the north side of the street to provide adequate sunlight for public space. Street lighting is also proposed for this cross section, and will be located along the center of the planter strip.

23rd-29th Street Cross section

Figure 3 depicts proposed cross sections for the 23rd to 29th Street section of R Street. Figure 4 depicts the Streetscape Plan. The cross section for this area devotes 26 feet of the public right of way for exclusive light rail use. To accommodate light rail and still allow for on street parking, street trees, and sidewalks, street tree planter boxes are proposed. These planters must be designed to provide proper drainage, and rolled rather than square planters are preferable. Street lighting is also proposed for this cross section, and will be located along the edge of the sidewalk.

G. UTILITIES

Many sections of R Street are unimproved, lacking curbs, gutters and drainage facilities. Inadequate drainage facilities exist between 10th and 13th Streets, 16th to 19th Streets, and 23rd to 29th Streets. These road segments will need improvements to support the development proposed for the Corridor.



R STREET WILL REQUIRE UTILITY AND STREET IMPROVEMENTS TO SERVE NEW DEVELOPMENT.

Water service is supplied to property fronting R Street from the alleys located to the north and south. Water for fire hydrants is supplied from the numbered cross streets. Existing fire hydrants will need relocation and/or upgrading to existing standards in conjunction with future development.

The corridor is served by a combined storm drain and sanitary sewer system. The 22 inch brick combination sewer line which exists between 10th and 13th Streets was repaired in 1990, along with limited surface drainage improvements. No other major problems requiring reconstruction of existing combination sewer mains are evident, but the system is 80-90 years old, and was constructed for industrial uses. More intensive development could necessitate the improvement and/or enlargement of the system.

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GOAL 12 - PROVIDE THE NECESSARY UTILITY IMPROVEMENTS FOR THE R STREET CORRIDOR IN THE MOST ECONOMICAL MANNER POSSIBLE.

Further planning is needed to coordinate the necessary improvements to sewers, storm drains and water lines to serve the proposed development.

Policy

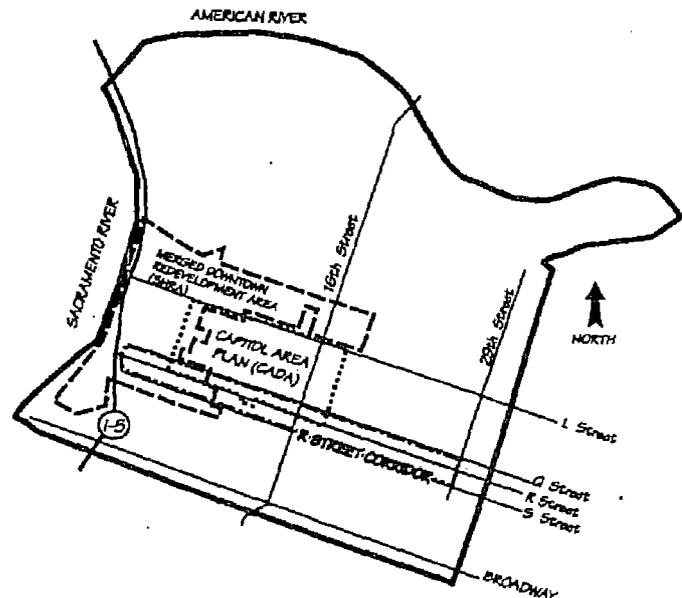
- 12.1 Develop and implement a Utility Master Plan to coordinate the phasing of utility, street and other capital improvements.

H. HOUSING

GOAL 13 - PROVIDE ECONOMIC INCENTIVES FOR HOUSING DEVELOPMENT

Policies

- 13.1 Provide mechanisms which will assist the financial feasibility of housing in the Corridor.
- 13.2 Reinvest a significant portion of the tax increment financing generated within the Merged Downtown Sacramento Redevelopment Project Area to improve the economic feasibility of housing and neighborhood commercial uses within the Corridor.



CADA/SHRA COORDINATION IS NEEDED TO ASSIST HOUSING DEVELOPMENT.

- 13.3 Identify catalyst housing sites within the R Street Corridor to receive SHRA housing assistance in the near term to stimulate private housing construction market in the Corridor. To the extent feasible purchase and land bank sites within the Corridor for housing development. Additionally, where opportunities are available, SHRA should negotiate with developers of office and mixed-use projects to secure land for housing.
- 13.4 Work with the Sacramento Housing and Redevelopment Agency (SHRA), the Department of General Services and Capitol Area Development Authority (CADA) to establish the R Street Corridor as a priority location for future housing opportunities in conjunction with the Capitol Area Plan.
- 13.5 Work with SHRA to analyze the feasibility of expanding the boundaries of the Merged Sacramento Downtown Redevelopment Project Area and/or work with the Capitol Area Development Authority to analyze the feasibility of expanding the Capitol Area Plan boundary.
- 13.6 City and Redevelopment Agency Staff should meet with lenders to develop funding commitments.
- 13.7 Designate R Street as a "Transit Village" pursuant to State Law (AB 3152). This qualifies the area for tax increment, housing and transportation financing assistance to achieve the transit oriented goals of the plan.

I. IMPLEMENTATION

Implementation of the R Street Corridor Plan will require the cooperation of the City, Sacramento Housing and Redevelopment Agency (SHRA), Capitol Area Development Authority (CADA), private property owners, neighborhood organizations and others. The implementation actions include:

LAND USE

1. Adopt the Special Planning District and Design Guidelines applicable to the R Street Corridor.
2. Adopt General Plan Amendments, and Rezones to bring all property within the boundaries of the R Street Corridor into conformance with the proposed R Street Corridor Plan.
3. Work with the State of California, Department of General Services, to reduce parking within the Central City by utilizing shuttle services to transport state workers to parking lots on the periphery of the Central City, under the W-X freeway and Business 80.

UTILITIES

4. **Develop a Master Plan and Capitol Improvement Program** to coordinate the implementation of utility and public works improvements.

CIRCULATION/INFRASTRUCTURE

5. **As part of the Downtown Development Fee Study**, consider the establishment of a Transit Development Fund for the financing of transit projects.
6. **Link the Riverfront and R Street** with the proposed bike route continuing on 2nd Street from T Street to R Street and crossing over Interstate 5 on the former Railroad bridge.
7. **Coordinate with the City's Traffic Division** to explore the possibility of constructing the proposed pedestrian enhanced intersections as part of the City's Neighborhood Traffic Management Program.
8. **Study the Feasibility of Financing Approaches Including an Assessment District** to fund proposed park development, street and street lighting improvements, pedestrian enhanced intersections and necessary utility upgrades.
9. **Study the possibility of routing the proposed Downtown Shuttle or the proposed Historic Trolley** through the Corridor, from 2nd Street to the 13th Street Light Rail station, to connect higher intensity development on the west end to downtown.

PARKS/SCHOOLS

10. **The City and the Sacramento Unified School District** should enter into agreements to provide adequate school facilities.
11. **Quimby fees** should apply for park improvements to existing parks to serve families, including the installation of improved lighting and active recreational opportunities.
12. **Investigate the feasibility of public purchase of the park sites** designated between 18th and 20th Streets as well as the mini parks designated at the Light Rail Stations at 13th and 23rd Streets.

Table 1

R Street Corridor Plan Regulatory Framework Matrix					
Land Use Designation	Uses		Standards		
	Allowable	Conditional	Max Height	Density/Intensity	Development Potential
Intensive-Mixed Use (INT-MU)	<ul style="list-style-type: none"> ◆ Offices ◆ Retail and Personal Services ◆ Multi-Family Residential 	<ul style="list-style-type: none"> ◆ Consumer Oriented Businesses 	75'- Q 100'- R	1.0 FAR min 3.0 FAR max Residential 60-100 du/ha	11.8 acres 348 Res Units 1,116,800 sq ft Office/Comm
General Commercial Mixed-Use (GC-MU)	<ul style="list-style-type: none"> ◆ Offices ◆ Retail and Personal Services ◆ Multi-Family Residential 	<ul style="list-style-type: none"> ◆ Consumer Oriented Businesses 	75'	2.0 FAR min 3.0 FAR max Residential 30-60 du/ha	3.5 acres 115 Res Units 345,000 sq ft Office/Comm
General Commercial (GC)	<ul style="list-style-type: none"> ◆ Offices ◆ Non Auto Oriented Commercial Uses. 	<ul style="list-style-type: none"> ◆ Non-Auto Oriented uses 	45'	1.0 FAR min 2.0 FAR max	21.6 acres 2,040,600 sq ft Office/Comm
Residential Mixed Use (RMX)	<ul style="list-style-type: none"> ◆ Multi-Family Residential, ◆ Neighborhood serving retail and Related Uses. 	<ul style="list-style-type: none"> ◆ Child care and related uses, churches, schools, residential hotels and boarding houses. 	45'- 75'	Residential 15-60 du/ha	70.1 acres 2,030 Res Units 779,200 sq ft Office/Comm 63,000 sq ft Heavy Comm
Residential (MF)	<ul style="list-style-type: none"> ◆ Single- and Multi-Family Residential 	<ul style="list-style-type: none"> ◆ Child care and related uses. 	35'	6-38 du/ha	10.6 acres 320 Res Units
Heavy Commercial HC	<ul style="list-style-type: none"> ◆ Warehousing, Distribution facilities ◆ General Commercial ◆ Retail ◆ Incidental office 	<ul style="list-style-type: none"> ◆ Residential ◆ Retail ◆ Child care and related Uses. 	45'	1.0 FAR max	11.0 acres 81,500 sq ft Office/Comm 385,000 sq ft Heavy Comm
TOTAL					128.6 acres 2800 Res Units 4,373,600 sq ft Office/Comm 418,000 sq ft Heavy Comm

b:\matrix.tbl

NORTH
SIDE OF
STREET

R STREET

Centerline of R.O.W.
4' Centerline of street

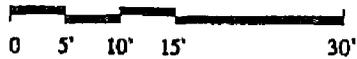
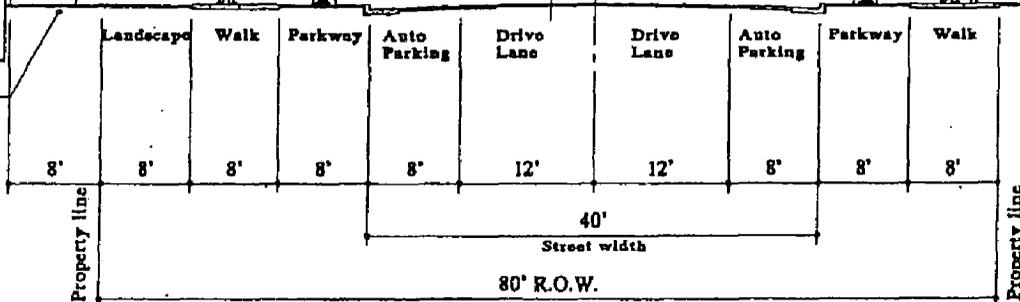
Min. 3'-0" - Max. 5'-5"
First floor above grade
from back of sidewalk

Max. 4 1/2 stories

1st FLOOR

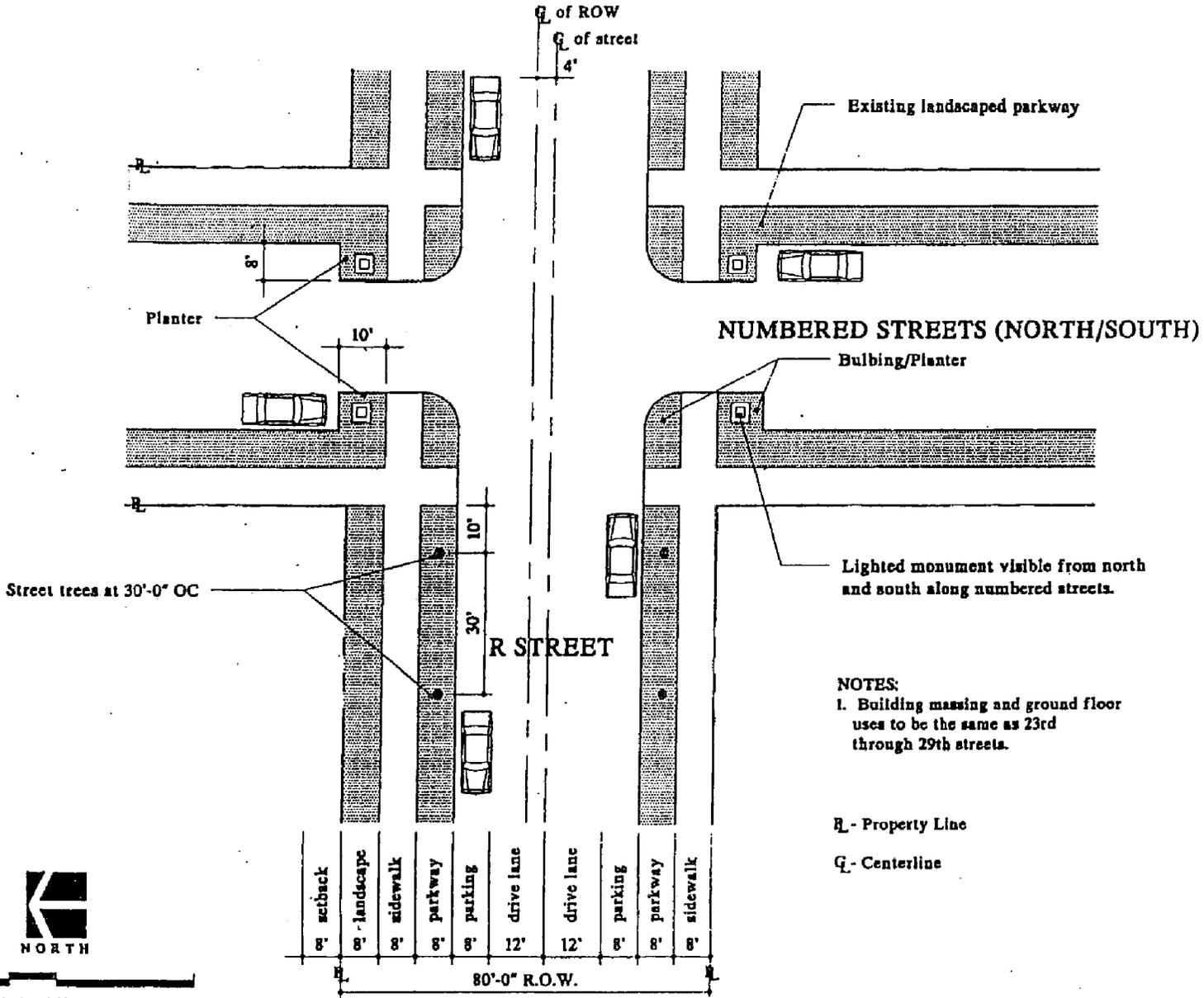
SUBTERRANEAN
PARKING

8'-0" setback on
north side of
street for sunny
places.



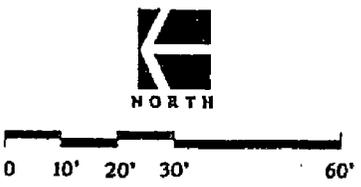
5 December 95

R STREETSCAPE SECTION
BETWEEN 3rd - 19th STREETS



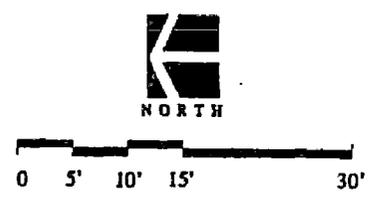
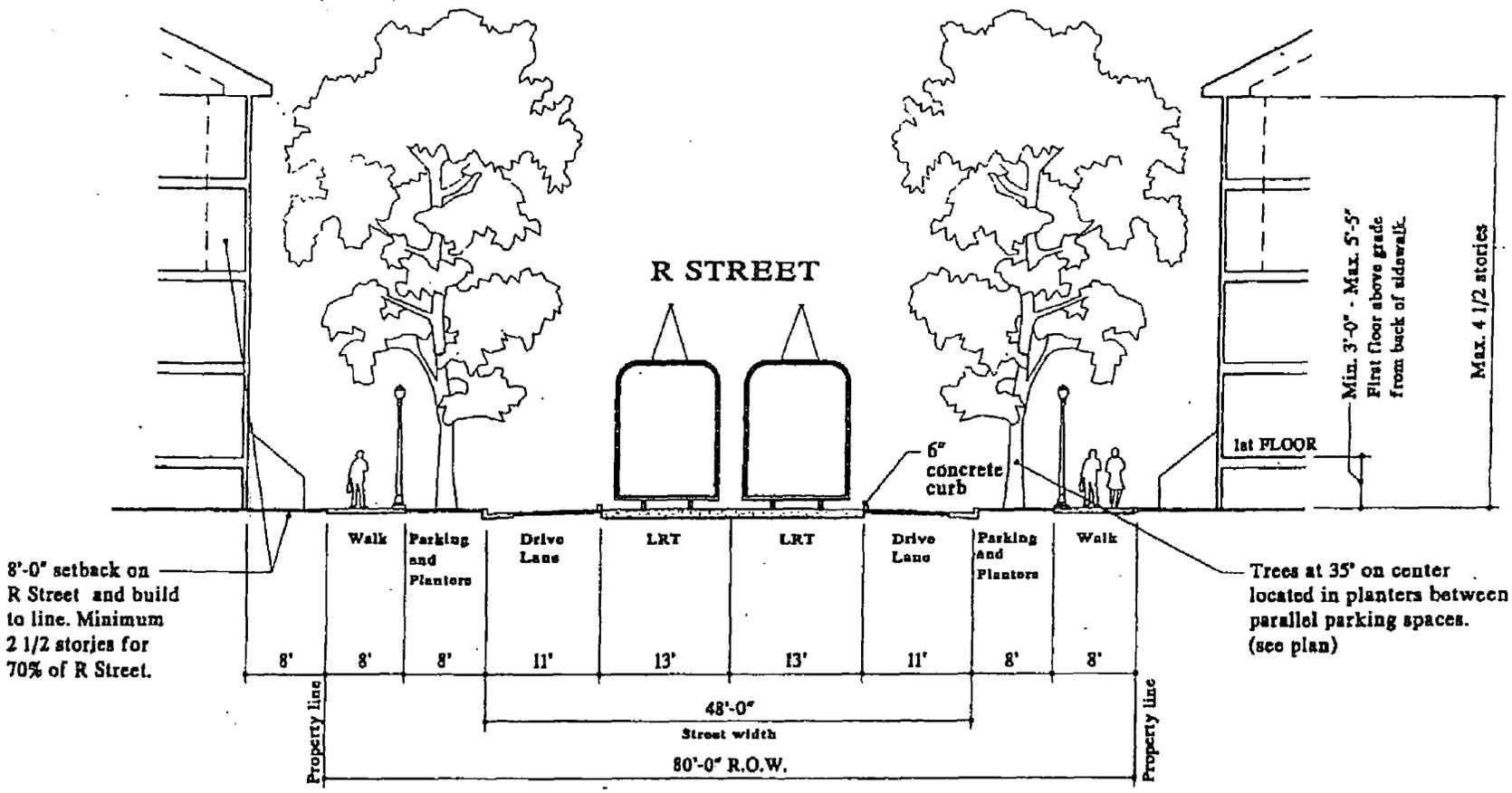
NOTES:
1. Building massing and ground floor uses to be the same as 23rd through 29th streets.

RL - Property Line
Q - Centerline



5 December 95

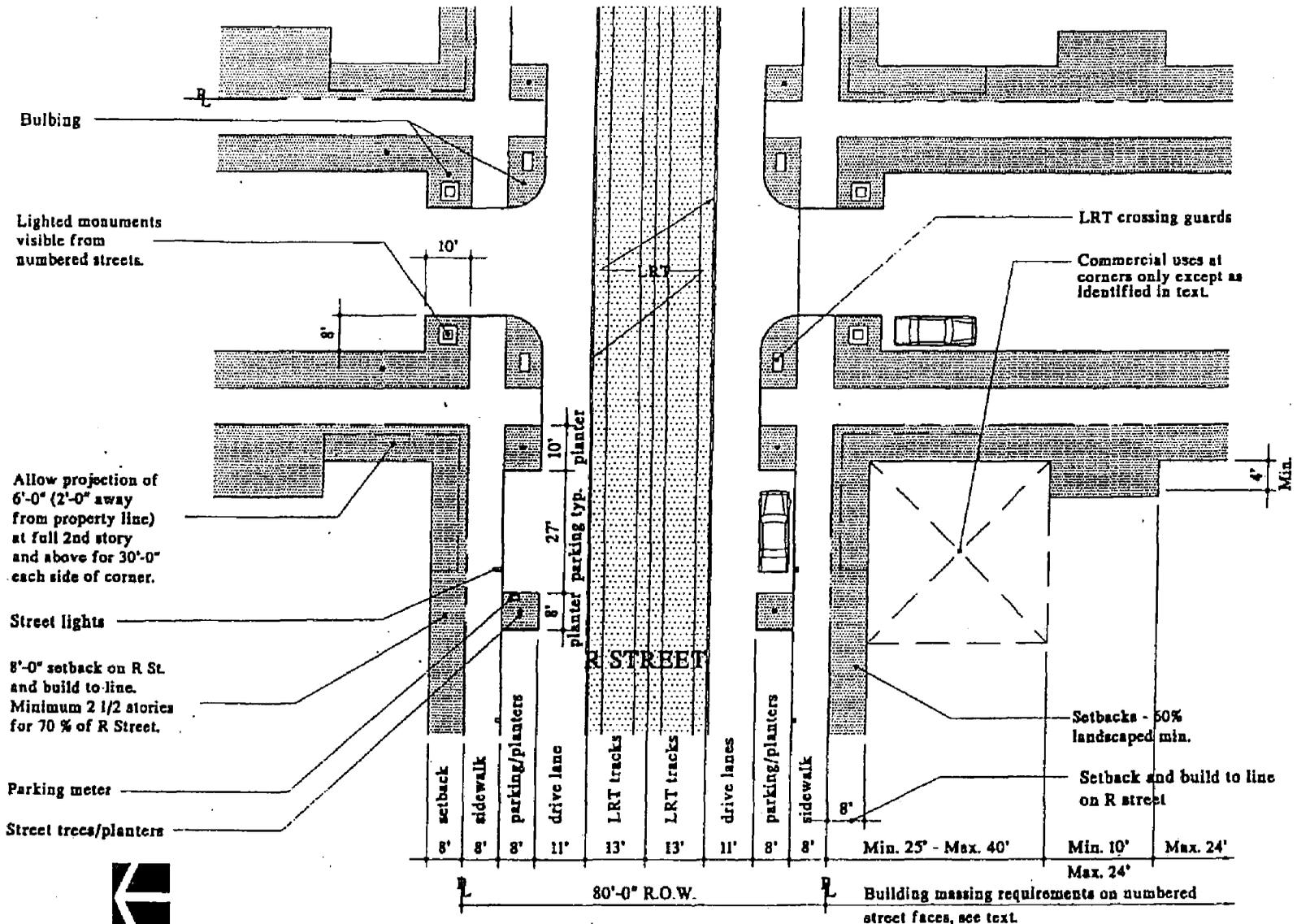
R STREETScape PLAN BETWEEN 3rd - 19TH STREETS



5 December 95

R STREETSCAPE SECTION BETWEEN 23rd - 29th STREETS

43



Bulbing

Lighted monuments visible from numbered streets.

Allow projection of 6'-0" (2'-0" away from property line) at full 2nd story and above for 30'-0" each side of corner.

Street lights

8'-0" setback on R St. and build to line. Minimum 2 1/2 stories for 70 % of R Street.

Parking meter

Street trees/planters

LRT crossing guards

Commercial uses at corners only except as identified in text.

Setbacks - 50% landscaped min.

Setback and build to line on R street

80'-0" R.O.W.

Building massing requirements on numbered street faces, see text.

R - Property Line

5 December 95

R STREETSCAPE PLAN BETWEEN 23rd - 29th STREETS



2.3

DEPARTMENT OF
ADMINISTRATIVE SERVICES
BUDGET AND POLICY REVIEW

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 100
915 I STREET
SACRAMENTO, CA
95814-2681

February 27, 2002

PH 916-264-5845
FAX 916-264-5755
TDD (ONLY) 916-264-7227

Law and Legislation Committee
Sacramento, California

Honorable Members in Session:

**SUBJECT: STAFF UPDATE ON PUBLIC FINANCING – FINANCING
COMPONENT.**

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

This update report is for Law and Legislation Committee discussion and further direction to staff from the Committee.

CONTACT: Aaron B. Chong, Senior Management Analyst, 264-6762

FOR THE COMMITTEE MEETING OF: March 7, 2002

BACKGROUND:

On January 29, 2002, staff provided the committee with an update on the issue of public financing. Staff was directed by the Committee to report back with additional information regarding financing options for funding the public financing component.

DISCUSSION:

Options for Lifting Expenditure Ceilings

Beginning on page 5 of “Attachment I”, section 2.14.060, there are three alternatives dealing with the lifting of expenditure ceilings for the Committee’s consideration.

Option 1 by Common Cause/League of Women Voters proposes that if a candidate declines to accept voluntary expenditure ceilings and spends in excess of 75% of recommended expenditures for that office or an independent expenditure committee spends in excess of 50% for that office, the expenditure ceiling no longer applies to any candidate for that same

office. The proposal also provides that those remaining candidates that originally agreed to the ceiling limits will continue to qualify for matching public funds.

Option 2 is similar to option 1 except the references to independent expenditure committees are deleted.

Option 3 was discussed at a prior Law and Legislation Committee meeting where only those candidates that are impacted negatively by independent expenditures are entitled to exceed the expenditure limits.

Appropriation of Public Funds

There are two options, under section 2.14.215 on page 14 of the ordinance (“**Attachment I**”), dealing with the procedural aspects for appropriating public matching funds.

The two options provide the City Council with procedures to transfer funds from the General Fund to the Campaign Reform Budget Unit. Option 1 allows discretion by the Council.

Overall Cap for Public Financing Fund

An item that was not yet addressed is an overall financing cap for the proposed public financing fund.

Staff recommends that the Law and Legislation Committee consider a cap. Staff recommends an annual cap of \$125,000 be set for the fund.

Common Cause/League of Women Voters had recommended a cap of \$575,000 or .06% of the City budget (\$252,000), whichever is less, in any two year period.

Financing Options

Per the direction of the Committee, staff is providing this report back on what options are available to fund the public financing aspect of the Campaign Reform Program. In order to ascertain the dollar range of funds needed to fund the public financing program, staff has examined election data from the primary election of June 1992 to the most recent data from the Special Election dated April 2001.

Since 1992, there has been eleven elections held in the City of Sacramento: five primaries, two general and four special elections.

The most contested race during the ten years was during the Primary election of June 1992, when there were eleven mayoral candidates running for Mayor and sixteen candidates running for City Councilmember seats from four different districts. Of the sixteen council candidates, there were six candidates running in one district (District 8).

There were no elections held during calendar year 1995.

Based on the election data from 1992 through 2001, the maximum amount of funds required to match candidate funding for any single year would be \$1,640,000, from the 1992 election.

Staff notes that not all of the candidates will meet the matching funds requirements. Only a small percentage of candidates will be able to meet the match requirements.

This figure was based on the proposed ordinance match of \$30,000 per qualified council candidate and \$100,000 per qualified mayoral candidate.

It is staff's estimate that if an election fund were to be created, several options are available to fund the program.

Draw from General Fund

OPTION 1

One option would be to draw from the City's General Fund on an annual basis to fund this new public financing component. This option would average the necessary amounts over a four-year period to avoid creating huge funding concerns during mayoral elections that would burden the City's budget. Staff anticipates that an annual initial funding amount of \$125,000 (based on cap) be funded each year on a four year cycle, which would include a mayoral race, a council race and any special elections, if any. The total funding anticipated over a four-year estimate would be \$500,000. This amount could fund approximately 20% of all estimated candidates who could meet the match requirement.

As this fund would be indexed annually, the amount required to fund the amount would also increase. Consequently, an annual amount to fund this program could range from the initial \$125,000 (based on cap) to approximately \$137,500, which would fund approximately \$550,000 over a four year period.

If the funds were allocated from the General Fund, the proposed fund would be placed among the various funding and budget needs of the entire City and the City Council would determine the priority of the request among the other needs of the City.

If the proposed allocation is approved by the City Council from among the various funding priorities, the funded amount would be drawn from the General Fund and after annual amounts are disbursed to the candidates, the remaining amount would be placed in a reserve fund balance to be allocated to future races.

San Francisco, Los Angeles and Oakland currently all fund their Campaign Reform Public Finance Funds through their city's general fund. Los Angeles by far funds the most - \$2 million per year into a \$8-10 million trust fund.

PHASED PARTIAL FUNDING FROM GENERAL FUND

OPTION 2

Since there is serious concern regarding the upcoming year's budget and possible revenue shortfall, option 2 also draws from the General Fund but with some modifications:

First, the City would initially draw only \$50,000 - 75,000 per year for the next three years to fund the public financing program. Second, this initial amount would be implemented in

phases. The initial three year total, ranging from \$150,000 to \$225,000 would be to match only the next mayoral race and not all-upcoming races.

All unused funds from this initial funding would be placed in a reserved balance account for future races. Depending on the revenue outlook at the end of the three years, future allocations could continue to be the same, adjusted or expanded to include Council races in the next phase.

As with option 1, the proposed allocation must be approved by the City Council from among the various funding priorities. The funded amount would be drawn from the General Fund and after annual amounts are disbursed to the mayoral candidates, the remaining amount would be placed in a reserve fund balance to be allocated to future races.

In the event that there were insufficient funds to fund all qualified mayoral candidates, the proposed ordinance provides for prorating of matching funds.

Levy a Special Tax

OPTION 3

Due to imminent projected budget concerns to the City's revenues, including the impact to the General Fund, a third option to fund the public finance fund would be to create and levy a special tax to start and maintain this Campaign Reform Fund.

A special tax would require (i) council action to approve placing the issue on the ballot; and (ii) a 2/3 vote of the people. It would be a special tax, since the funds generated by the tax would be earmarked for a special purpose.

Staff is not aware of any jurisdictions that have utilized this option to fund public financing of campaigns at this time.

FINANCIAL CONSIDERATIONS:

There would be a \$500,000 - \$550,000 service impact to the General Fund over the initial four-year period if the first option were selected.

Depending on the economy and future allocations from the General Fund, the amount of funding would be adjusted at the end of the three-year period. The second option would be a service impact of \$150,000 to \$225,000 to the General Fund over the next three years.

If the third option were chosen, there would be no financial impact to the General Fund but could place an additional financial burden to the citizens of the City if this option were to pass.

ENVIRONMENTAL CONSIDERATIONS:

There are no environmental considerations associated with this report.

POLICY CONSIDERATIONS:

The Committee must consider whether to proceed with public financing and to what extent public financing should be recommended to the City Council for enactment.

ESBD CONSIDERATIONS:

There are no ESBD considerations. No goods or services are being purchased at this time.

Respectfully submitted:



Aaron B. Chong
Senior Management Analyst

RECOMMENDATION APPROVED:



BETTY MASUOKA
Assistant City Manager

Maximum Public Financing City Match Per Election

Election Data 1992-2001.

Annual Financial Summary

YEAR	CANDIDATE DATA	MAXIMUM CITY MATCH IF ALL CANDIDATES MET REQUIREMENTS
Calendar Year 1992	Primary 11 Mayoral Candidates 4 Candidates -- District 2 2 Candidates -- District 4 4 Candidates -- District 6 6 Candidates -- District 8 General 2 Candidates -- District 8	\$1,580,000 Primary \$ 60,000 General \$1,640,000 TOTAL
Calendar Year 1993	6 Candidates -- District 5	\$180,000 Special Election
Calendar Year 1994	Primary 2 Candidates -- District 1 3 Candidates -- District 3 2 Candidates -- District 5 4 Candidates -- District 7 General 2 Candidates -- District 3 2 Candidates -- District 7	\$330,000 Primary \$120,000 General \$450,000 TOTAL
Calendar Year 1995		No Elections
Calendar Year 1996	6 Mayoral Candidates 2 Candidates -- District 2 1 Candidate -- District 4 1 Candidate -- District 6 2 Candidates -- District 8	\$720,000 Primary
Calendar Year 1997	4 Candidates -- District 5	\$120,000 Special Election
Calendar Year 1998	3 Candidates -- District 1 1 Candidate -- District 3 1 Candidate -- District 5 1 Candidate -- District 7 SPECIAL 4 Candidates -- District 8	\$210,000 Primary
Calendar Year 1999	4 Candidates -- District 6	\$120,000 Special Election
Calendar Year 2000	10 Mayoral Candidates 4 Candidates -- District 2 2 Candidates -- District 4 1 Candidate -- District 6 5 Candidates -- District 8	\$1,330,000 Primary
Calendar Year 2001	SPECIAL 5 Candidates -- District 1	\$150,000 Special Election

Annual Low Amount: \$120,000
 Annual High Amount: \$1,640,000
 Average Amount: \$547,000
 Median Amount: \$450,000

ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**AN ORDINANCE AMENDING TITLE 2 OF THE
SACRAMENTO CITY CODE BY ADDING CHAPTER 2.14
THERETO, RELATING TO CAMPAIGN SPENDING LIMITS
AND PUBLIC CAMPAIGN FINANCING**

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

SECTION 1.

Title 2 of Sacramento City Code is amended by adding Chapter 2.14 thereto, to read as follows:

**Chapter 2.14: Campaign Spending
Limits and Public Campaign Financing**

Article I. General Findings

§ 2.14.010 Title.

This Chapter may be cited as the "Campaign Spending Limits Code" of the City of Sacramento.

§ 2.14.020 Findings.

The City Council of the City of Sacramento finds and declares as follows:

- (a) The policy of this City is to protect the integrity of the electoral process.
- (b) Monetary contributions to political campaigns are a legitimate form of participation in the political process, but the financial strength of certain individuals or organizations should not permit them to exercise a disproportionate or controlling

FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

DATE ADOPTED: _____

influence on the election of candidates for municipal office. The increasing amounts of expenditures in political campaigns have forced many candidates for elective office to raise larger and larger sums from individuals or interest groups with a specific financial stake in City matters. This can cause the public perception that the votes of City Council members and decisions of elected officials are being improperly influenced by monetary contributions. Such a perception can undermine the credibility of the City Council and the governmental process.

- (c) The best interests of the citizens of the City of Sacramento are served by reducing the direct and indirect costs of campaigns.
- (d) The City finds that limitations on contributions of money, services and materials by individuals or groups to municipal election campaigns should be imposed by law to protect the public health, safety and welfare. These limitations, however, should be reasonable so as not to discourage personal expression or participation in the political process.
- (e) Campaign spending for municipal office campaigns is escalating to dangerous and unreasonable levels.
- (f) The constant pressure to raise contributions during both election years and off-election years is distracting elected municipal officials from addressing the needs of the community.
- (g) Some elected municipal officials are responding to high campaign costs by raising large amounts of money in off-election years to either pay off campaign debts previously incurred or to accumulate campaign funds for future use. This fundraising distracts elected officials from important public matters, encourages contributions which may have a corrupting influence or, at the very least, the appearance of improper influence, and gives incumbent elected officials an unfair fundraising advantage over potential challengers.
- (h) The integrity of the legislative process and public confidence in elected municipal officials are all diminishing.
- (i) The public has the right to ensure the fullest and most thorough discussion and debate of public issues during an election campaign by expending public funds to secure the widest possible dissemination of information from diverse and opposing sources to assure an unfettered interchange of ideas.
- (j) The City finds that voluntary campaign expenditure limitations, coupled with the

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DATE ADOPTED: _____

provision of public funds for campaign purposes, are necessary to further these public interests at a reasonable cost to the City, and that such a program should therefore be established.

§ 2.14.030 Purpose and Intent.

The City Council of the City of Sacramento enacts this ordinance to accomplish the following purposes:

- (a) To encourage public trust in the electoral and decision-making processes of the City, and to ensure that individuals and interest groups have a fair and equal opportunity to participate in the elective and legislative process;
- (b) To reduce the potential for influence by large contributors with a specific financial stake in matters before the City, thus countering the perception that decisions of municipal officials are influenced more by the size of contributions than by the merits of proposals and what is in the best interest of the people of the City;
- (c) To assist candidates for municipal elective office in raising enough money to communicate their views and positions adequately to the public without excessive expenditures or large contributions, thereby promoting public discussion of the important issues involved in political campaigns;
- (d) To limit overall expenditures and campaigns for municipal elective offices, thereby reducing the pressure on candidates to raise large campaign war chests beyond the amount necessary to communicate reasonably with voters;
- (e) To provide a neutral source of campaign financing by providing a limited amount of public funds to defray a portion of the costs of campaigns for municipal elective office;
- (f) To encourage smaller contributions;
- (g) To allow municipal officials and elected candidates to spend a smaller portion of their time on fundraising and a greater proportion of their time discussing important City issues;

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ORDINANCE NO. _____

DATE ADOPTED: _____

- (h) To help restore public trust in the City's legislative and electoral institutions; and
- (i) To limit the use of loans and credit in the financing of political campaigns for municipal elective office.

Article II. Definitions

§ 2.14.040 Definitions.

Unless a particular word or phrase is otherwise specifically defined in this article, or the contrary is stated or clearly appears from the context, the definitions set forth in the Political Reform Act of 1974 (Government Code Sections 81000 et seq.) and in Chapter 2.13 of this Title shall govern the construction, meaning, and application of words and phrases used in this Chapter. References to particular sections of the Government Code or other statutes or laws, including references in this section, shall be deemed to include any changes to such sections, statutes or laws, including any amendments, deletions, additions, renumberings or recodifications that may occur subsequent to the enactment of this code.

Article III. Spending Limitations

§ 2.14.050 Spending Limitations.

- A. No candidate for the office of City Council member who files a statement of acceptance of financing from the Campaign Reform Fund pursuant to Section 2.13.180(a), and whose statement is not rescinded pursuant to Section 2.13.100, shall make campaign expenditures in an election for the office of City Council member in excess of the following amounts:
 - (1) **Seventy-five thousand dollars (\$75,000)** in a primary election period; and
 - (2) **Seventy-five thousand dollars (\$75,000)** in a general or special election period.

- 4 -

FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

DATE ADOPTED: _____

B. No candidate for the office of Mayor who files a statement of acceptance of financing from the Campaign Reform Fund pursuant to Section 2.14.100 and whose statement is not rescinded pursuant to Section 2.14.100, shall make campaign expenditures in excess of the following amounts:

- (1) **Three hundred thousand dollars (\$300,000)** in a primary election period; and
- (2) **Three hundred thousand dollars (\$300,000)** in a general or special election period.

C. Although only candidates for City office who have filed a statement of acceptance of financing are subject to the expenditure limitations set forth in subsections (a) and (b) above, it is the intent of this section that such expenditure limitations apply to all candidates for the following purpose:

- (1) for purposes of determining when otherwise applicable expenditure limitations no longer apply to candidates who have filed a statement of acceptance; and
- (2) for purposes of determining when a candidate must provide the notification required by Section 2.14.100.

§ 2.14.060 Expenditure Ceilings Lifted

Alternative 1 [CCLWV Proposal § 62.05.303]

A. If a candidate declines to accept the voluntary expenditure ceilings and receives contributions, has cash on hand or makes qualified campaign expenditures in excess of 75% of the recommended expenditure ceiling for that office, or an independent expenditure committee or committees in the aggregate spend more than 50% of the applicable recommended expenditure ceiling for that office, the voluntary expenditure ceiling shall no longer be binding on any candidate running for the same office.

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DATE ADOPTED: _____

- B. Any candidate running for that office who originally accepted the voluntary expenditure ceilings and qualified for matching funds as set forth in Sections 2.14.100, 2.14.130 and 2.14.140 shall be permitted to continue receiving matching funds.

Alternative 2

§ 2.14.060 Expenditures in Excess of Limitations. [revised Staff draft]

- A. If a candidate who has filed a statement of rejection of financing pursuant to Section 2.14.100 **receives contributions, has cash on hand or makes qualified campaign expenditures in excess of 75% of the applicable expenditure limitation set forth in Section 2.14.050**, such expenditure limitation shall cease to be applicable to all other candidates but only upon the occurrence of one of the following:
- (1) receipt of notice by a candidate transmitted pursuant to Section 2.14.070 notifying the candidate that an opponent who has filed a statement of rejection has **received contributions, has cash on hand or has made qualified campaign expenditures in excess of 75% of the applicable expenditure limitation set forth in Section 2.14.050** exceeded the expenditure limitations set forth in Section 2.14.050; or
 - (2) if any State or City campaign statement filed by a candidate who has filed a statement of rejection discloses on its face that the candidate has **received contributions, has cash on hand or has made qualified campaign expenditures in excess of 75% of the applicable expenditure limitation set forth in Section 2.14.050**.
- B. Any candidate running for that office who originally accepted the voluntary expenditure ceilings and qualified for matching funds as set forth in Sections 2.14.100, 2.14.130 and 2.14.140 shall be permitted to continue receiving matching funds.

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DATE ADOPTED: _____

Alternative 3 [modified CCLWV Proposal, raised at February 12, 2002 L & L meeting: where independent expenditures in support of, or opposition, to particular candidate(s), only those candidate(s) impacted negatively are entitled to exceed spending limit].

NOTE: consider establishing a requirement for Clerk notification based on information provided on face of campaign statements

§ 2.14.070 Notification by Telegram.

Any candidate for City office who **receives contributions, has cash on hand or makes qualified campaign expenditures in excess of 75% of the applicable expenditure limitation set forth in Section 2.14.050** shall notify all opposing candidates and the City Clerk of such over expenditure by mailgram, telegram, guaranteed overnight mail through the United States Postal Service or equivalent private delivery service, or personal delivery, within twenty-four (24) hours of such over expenditure.

§ 2.14.080 Extensions of Credit.

- A. Extensions of credit to a candidate for a period of more than ninety (90) days, or in an amount in excess of the contribution limitations established in Chapter 2.13 of this Title, shall be prohibited.
- B. Extensions of credit to a candidate shall be considered campaign expenditures for purposes of this article as of the time the extension of credit is granted.

§ 2.14.090 Contingency Fee Arrangements.

Contingency fee arrangements based on the outcome of an election between candidates and individuals retained to provide goods or services during the course of a campaign shall be limited to two hundred fifty dollars (\$250.00) per arrangement. Contingency fee arrangements of more than two hundred fifty dollars (\$250.00) per arrangement are prohibited.

FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

DATE ADOPTED: _____

Article VI. Public Financing

§ 2.14.110 Statement of Acceptance or Rejection.

- A. At the time of filing his or her declaration of candidacy, a candidate for the office of Mayor or City Council member shall file with the City Clerk one of the following statements:
 - (1) a statement of acceptance of financing from the Campaign Reform Fund; or
 - (2) a statement of rejection of financing from the Campaign Reform Fund.
- B. Not later than ten (10) days following the filing of a statement pursuant to subparagraph (a) above, the City Clerk shall notify other candidates for the same City office who have filed statements pursuant to subparagraph (a) above of the filing. The Clerk shall provide notice by mailing a copy of the notice via registered or certified mail to the other candidate(s) for the same City office.
- C. If a candidate files a statement of rejection of financing, any opposing candidate who has filed a statement of acceptance of financing may rescind such statement and file a statement of rejection with the City Clerk within ten (10) days of the notice given by the City Clerk.
 - (1) For purposes of this subparagraph, notice shall be deemed to have occurred on the date that the Clerk places the notice in the mail.
- D. Except as provided in subsection (c), a candidate who files a statement of acceptance or rejection of financing from the Campaign Reform Fund may not change that decision.

§ 2.14.110 City Campaign Statement.

All candidates shall file a City Campaign Statement with the City Clerk on the same date that the candidate files his or her Declaration of Candidacy. The City Campaign Statement required by this section shall include all information required by Article IV of this Chapter for the election year up through five (5) days before the date on which the candidate files

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his or her Declaration of Candidacy.

§ 2.14.120 Notification by Candidates.

Any candidate who receives contributions of, or deposits in the candidate's campaign contribution account, \$10,000.00 or more, shall notify the City Clerk of such fact by mailgram, telegram, guaranteed overnight mail through the United States Postal Service or equivalent private delivery service, or personal delivery within twenty-four (24) hours of reaching the \$10,000.00 limit. The City Clerk shall mail notification of such fact, within two working days, to all opposing candidates who have filed declarations of candidacy.

§ 2.14.130 Qualification for Matching Funds.

A. A candidate shall qualify to receive payments from the Campaign Reform Fund for a primary or special election only if he or she meets all of the following requirements:

- (1) The candidate has filed a statement of acceptance of financing and has not rescinded such statement;
- (2) The candidate has raised and deposited in the candidate's campaign contribution account, after the first day of the election year or during a special election period, at least Ten Thousand Dollars (\$10,000), if a candidate for Mayor, and at least Five Thousand Dollars (\$5,000) if a candidate for a City Council position, consisting of contributions totaling Two Hundred and Fifty Dollars (\$250) or less per source from sources other than themselves, their spouses or their dependent children; and
- (3) The candidate is opposed by a candidate who has qualified for payments from the Campaign Reform Fund or who has raised or deposited in his or her campaign contribution account contributions of Ten Thousand Dollars (\$10,000) or more if a candidate for Mayor, or Five Thousand Dollars (\$5,000) or more, if a candidate for a City Council position.

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- B. All candidates in a general election who have filed a statement of acceptance of financing, have not rescinded such statement, and who meet the requirements of this Section shall be entitled to receive payments from the Campaign Reform Fund.
- C. For purposes of determining whether a candidate has raised the minimum amount specified in Subsection A(2) of this Section, the first Two Hundred and Fifty Dollars (\$250) of any contribution that exceeds Two Hundred and Fifty Dollars (\$250) shall be counted, and the remainder shall not.
- D. For purposes of determining whether a candidate has raised the minimum amount specified in Subsection A(2) of this Section, a loan, pledge, extension of credit, or a non-monetary contribution shall not be considered a contribution.

§ 2.14.140 Formula for Payment of City Funds.

A candidate who is eligible to receive payments from the Campaign Reform Fund shall receive payments on the basis of the following formula: For a contribution or contributions totaling Two Hundred and Fifty Dollars (\$250) or less from a single source that is received after the first date of the primary period, or after the first of the general period, or during a special election or special runoff election period, a matching ratio of one dollar (\$1.00) from the Campaign Reform Fund for each dollar received up to a maximum City match of (1) Thirty Thousand Dollars (\$30,000) per election period per candidate for the office of City Council member; and (2) One Hundred Thousand Dollars (\$100,000) per election period per candidate for the office of Mayor. It is the intent of this section to provide a City match of Two Hundred and Fifty Dollars (\$250) even though the total contribution or contributions from a single source exceeds Two Hundred and Fifty Dollars (\$250).

**§ 2.14.150 Recordkeeping and Reporting Requirements
For Contributions of Less Than \$100.00.**

- A. In order for contributions of less than \$100.00 but more than \$50.00 to be eligible for a match from the Campaign Reform Fund, a candidate must provide the following information on the City campaign statement filed in support of the request to match such contribution: the names and addresses of the donor and

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intermediary, the amount contributed, and the date of each such contribution. This reporting requirement shall also apply to any contribution of \$50.00 or less for which matching funds are requested where the cumulative contributions from the donor or intermediary total more than \$50.00 in any election period.

- B. With respect to any contribution of \$50.00 or less for which a candidate requests matching funds from the Campaign Reform Fund, the candidate shall maintain, and shall make available to the City Clerk or City Treasurer, upon request, a record of the names and addresses of the donor and intermediary, the amount, and the date of each such contribution.

§ 2.14.160 Contributions by Candidate, Spouse or Dependent Children.

Contributions by a candidate, a candidate's spouse, or a candidate's dependent children shall not be considered a contribution for purposes of receiving payments from the Campaign Reform Fund pursuant to Sections 2.14.130 and 2.14.140.

2.14.165 Limits on Contributions of Personal Funds by a Candidate.

Notwithstanding any other provisions of this Code to the contrary, including but not limited to the provisions of Chapter 2.13, if a candidate has filed a statement of acceptance pursuant to Section 2.14.110, the cumulative total of contributions made by that candidate, the candidate's spouse and the candidate's dependent children to the candidate's campaign account shall not exceed Thirty Thousand Dollars (\$30,000) in a single election period for a candidate for the office of Mayor in a single election period, for a single election, or Seven Thousand Five Hundred Dollars (\$7,500) in a single election period for a candidate for a City Council Member position.

§ 2.14.170 Loans, Pledges and Non-Monetary Contributions.

A loan, a pledge, an extension of credit, or a non-monetary contribution shall not be considered a contribution for purposes of receiving payments from the Campaign Reform Fund pursuant to Sections 2.14.130 and 2.14.220.

§ 2.14.180 Procedure for Payment of City Funds.

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- A. Requests for payment of public matching funds may be filed pursuant to this Section, and shall be paid by the Director of the Department of Finance pursuant to this Section upon a determination that the requirements of this Section and this Chapter 2.14 have been satisfied.
- B. The request for public matching funds shall be made on a form specified by the Director of the Department of Finance. Requests shall be filed with the City Clerk, who shall immediately transmit them to the Director of the Department of Finance. The City Campaign Statements required by this section shall be current through two (2) calendar days before they are filed. Contributions made more than two (2) calendar days prior to the preceding Campaign Statement shall not be eligible for matching public funds.
- C. A candidate or candidate's controlled committee, certified as eligible to receive public matching funds, may submit a request for public matching funds each time a threshold of Ten Thousand Dollars \$10,000 or more in matchable private contributions is reached for Mayoral candidates, and Five Thousand Dollars (\$5,000) or more in matchable private contributions is reached for candidates for City Council member. In order to qualify for payment the candidate must file the following documents at the same time he or she files a request for payment: i) a City Campaign Statement; and ii) copies of each check, money order or other written legal tender eligible to be matched by public funds.
- D. In addition to requests for payment allowed by Subsection B above, a candidate or candidate's controlled committee, a candidate or candidate's controlled committee, may submit a request for public matching funds of \$1,000 or more 10 calendar days before the election.
- E. In addition to requests for payment allowed by Subsections C and D above, after the date of an election, each candidate may submit one (1) final request for payment from the Campaign Reform Fund. Such request shall be submitted within thirty (30) days after the date of the election and payment shall be made by the Director of the Department of Finance within five (5) working days. Requests for payment received by the City Clerk more than thirty (30) days after the date of the election shall not be eligible for payment from the Campaign Reform Fund.

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- F. The Director of the Department of Finance shall have 5 calendar days to approve or reject a request for payment of matching funds and disburse the public funds to the candidate or candidate's controlled committee. If the Director of the Finance Department is required to make a payment to a candidate on a day on which City offices are closed, payment shall be made on the next working day.

§ 2.14.190 Withholding City Funds.

- A. If a candidate is eligible to receive funds from the Campaign Reform Fund pursuant to the foregoing provisions of this chapter, the fact that the candidate is, or is alleged to be, in violation of another provision of this chapter shall not constitute grounds for withholding or denying such funds to the candidate except as provided in subsection (b) of this section.
- B. Candidates who are eligible to receive funds from the Campaign Reform Fund, and whose State or City Campaign Statement discloses on its face that such candidate has exceeded the expenditure limitations set forth in Section 2.13.130, shall not be eligible for any further funds from the Campaign Reform Fund unless such expenditure took place after otherwise applicable expenditure limitations were waived for the candidate pursuant to Section 2.13.140.

2.14.200 Use of Public Matching Funds

- A. Public matching funds shall be used exclusively for legitimate campaign expenses to promote the candidacy of the recipient candidate.
- B. All surplus public matching funds, or matching funds used in violation of the requirements of this Code, shall be returned or reimbursed to the City's Campaign Reform Fund.

Article VII. Public Funds

§ 2.14.210 Campaign Reform Fund.

There is hereby established in the annual City budget a Campaign Reform Budget Unit to be administered by the City Clerk pursuant to the provisions of this Article.

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§ 2.14.215 Appropriation.

Option 1

- A. During the preparation of the budget for any fiscal year which contains either a general election period or a primary election period, the City Manager shall estimate the amounts necessary to provide the public funding established by this Article, and to make all other payments and meet all other expenses authorized by the provisions of this Article. Thereafter, the City Council shall include in its final budget for the fiscal year the amount, if any, that it determines to be appropriate for the Campaign Reform Budget Unit. In the event that the amounts estimated by the City Manager to be necessary to provide the public funding established by this Article and to make all other payments and meet all other expenses authorized by the provisions of this Article are inadequate, the City Clerk shall advise the City Council of the shortage, and the City Council shall thereafter transfer such additional funds, if any, that it determines to be appropriate, from the General Fund Administrative Contingencies Unit to the Campaign Reform Budget Unit.

- B. If a special election or special runoff election is held for a City office and there are not sufficient funds in the Campaign Reform Budget Unit to provide in full the public funding established by this Article and to make the other payments authorized by this Article, the City Clerk shall advise the City Council of the shortage, and the City Council shall thereafter transfer such additional funds, if any, that it determines to be appropriate, from the General Fund Administrative Contingencies Unit to the Campaign Reform Budget Unit.

Option 2

- A. During any fiscal year which contains either a general election period or primary election period, the City Council shall, in its final budget for that year, appropriate from the General Fund and deposit in the Campaign Reform Budget Unit the amounts estimated by the City Manager to be necessary to provide the public funding established by this Article and to make all other payments authorized by the provisions of this Article. In the event that insufficient funds are appropriated in the final budget to pay said sums, the City Council shall, upon the request of the City Clerk, and to the extent funds are available, transfer sufficient moneys from the

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General Fund Administrative Contingencies Unit to the Campaign Reform Budget Unit to make all payments authorized by the provisions of this Article.

- B. If a special election or special runoff election is held for a City office and there are not sufficient funds in the Campaign Reform Budget Unit to provide in full the public funding established by this Article and to make the other payments authorized by this Article, the City Council shall, upon the request of the City Clerk, transfer sufficient monies from the General Fund Administrative Contingencies to the Campaign Reform Budget Unit to make all payments authorized by the provisions of this Article.

§ 2.14.220 Administrative Expenses.

All administrative expenses incurred by the City Clerk and the Finance Department in connection with the administration of this Article, including, but not limited to, salaries, benefits, supplies and overhead, shall be charged to, and paid from, the Campaign Reform Budget Unit.

§ 2.14.230 Report by City Clerk.

- A. During an election year, the City Clerk shall advise the City Council and each candidate on the fifth (5th) of each month following a month in which payments were made from the Campaign Reform Fund of the following:
 - (1) the candidates who received funds from the Campaign Reform Fund;
 - (2) the amount received by each candidate from the Campaign Reform Fund;
 - (3) the cumulative amounts received by each candidate from the Campaign Reform Fund.
- B. Within four (4) months following each election in which funds are provided from the Campaign Reform Fund, the City Clerk shall submit a final report to the City Council reporting the amount of funds paid to each candidate from the Campaign Reform Fund. In the event a race involves both a primary and general election, the report required by this section shall be submitted within four (4) months of the general

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election and shall cover both the primary and general elections.

§ 2.14.240 Surplus Funds.

All surplus funds remaining after all obligations are met by a candidate shall be returned to the Campaign Reform Fund, not to exceed the amount paid to the candidate from the Campaign Reform Fund, as follows:

- A. In the case of a primary or special election where one candidate does not receive a majority of the votes cast, all candidates, except those two candidates who will appear on the ballot in a general or runoff election, must return surplus funds within ninety (90) days after the primary or special election.
- B. In the case of a primary or special election where one candidate does receive a majority of the votes cast, and in general and special runoff elections, all candidates must return surplus funds within ninety (90) days after the election.

§ 2.14.250 Insufficient Funds: Allocation and Disbursement.

- A. At the close of the period for filing declarations of candidacy for City elective office, the Director of the Finance Department, in consultation with the City Clerk and any other City officers, employees or agents as required, shall determine (1) the total amount of money in the Campaign Reform Fund as of that date; and (2) the amount estimated as necessary to provide participating candidates with matching public funds. For purposes of estimating the amount of public funds required, the Director of the Finance Department shall presume that each participating candidate will request, and will be entitled to, the maximum amount of matching public funds made available during the primary and general election periods pursuant to Section 2.13.210.
- B. If the Director of the Finance Department determines the monies in the Campaign Reform Fund are insufficient to satisfy the estimated needs of the eligible candidates, and if additional funds adequate to meet the estimated needs of participating candidates are not thereafter transferred into the Campaign Reform Fund, the Director of the Finance Department shall allocate and thereafter disburse

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the matching public funds as provided below:

- (1) **Allocation Between Mayoral and Councilmember Races.** If it is determined that the amounts in the Campaign Reform Fund are insufficient to meet the estimated needs of participating candidates, the Director of the Finance Department shall allocate forty percent (40%) of the Campaign Reform Fund for the mayoral race and sixty percent (60%) of the Campaign Reform Fund for the City Councilmember races, except as provided below.
 - a) **Exception.** To the extent an amount allocated pursuant to the foregoing procedure exceeds the estimated needs of the remaining participating candidates in the mayoral or City Councilmember races, the surplus shall be allocated to the other race(s).

- (2) **Reallocation After Primary Election Period:** Following the primary elections for the mayor and/or City Councilmember races, the Director of the Finance Department shall determine whether the aggregate amounts remaining in the Campaign Reform Fund are sufficient to provide the remaining participating candidates with matching funds in the general election. If it is determined that the amounts are insufficient to meet the estimated needs of the remaining participating candidates, the Director of the Finance Department shall again allocate 40% of the Campaign Reform Fund for the mayoral race and 60% of the Campaign Reform Fund for the City Councilmember races, except as provided below.
 - a) **Exception.** To the extent an amount allocated pursuant to the foregoing procedure exceeds the estimated needs of the remaining participating candidates in the mayoral and/or City Councilmember races, the surplus shall be allocated to the other race(s).

- (3) **Disbursement of Public Funds.** The Director of the Finance Department shall disburse monies from the Campaign Reform Fund, as allocated above, to qualifying candidates for the mayoral or City Councilmember races pursuant to the following procedures:
 - a) **Primary and Special Elections:** The Director of the Finance

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Department shall disburse matching public funds to participating candidates for the mayoral or City Councilmember races on a first come-first served basis, provided that the total amount disbursed to participating candidates in the mayoral or City Councilmember races shall not exceed one-half of the amounts allocated to those races pursuant to B(1) above. Disbursements to participating mayoral candidates shall be made only from the funds allocated to the mayoral race pursuant to B(1) above, and disbursements to participating City Councilmember candidates shall be made only from the funds allocated to the City Councilmember races pursuant to B(1) above.

- b) **General Elections:** The Director of the Finance Department shall disburse matching public funds to participating candidates for the mayoral or City Councilmember races on a first come-first served basis, provided that the total amount disbursed to participating candidates in the mayoral or City Councilmember races shall not exceed the amounts allocated to those races pursuant to B(2) above. Disbursements to participating mayoral candidates shall be made only from the funds allocated to the mayoral race pursuant to (b)(2) above, and disbursements to participating City Councilmember candidates shall be made only from the funds allocated to the City Councilmember races pursuant to B(2) above.

- C. Commencing one week after the last date for filing declarations of candidacy, and continuing until the date of the ensuing general election, the Director of Finance, in consultation with the City Clerk and any other City officers, employees, or agents as required, shall issue bi-weekly reports on the financial status of the Campaign Reform Fund. Such report shall include an accounting of how much money remains available in the Fund for distribution to qualifying candidates, how many candidates have declared their intention to accept financing and have qualified for financing from the Fund, the comparable data regarding eligible candidates and available funds at similar stages in prior elections, if any, and any other information that will assist candidates in estimating whether sufficient funds are likely to be available in the Campaign Reform Fund to satisfy the full entitlement of qualifying candidates.

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Article VIII. Campaign Statements and Audits

§ 2.14.260 Contents of City Campaign Statements.

- A. All City Campaign Statements required to be filed with the City Clerk pursuant to this chapter shall contain the following information:
 - (1) the information required by Government Code Section 84211 and any administrative regulations adopted pursuant thereto; and
 - (2) any information required by the City Clerk.
- B. All City Campaign Statements required to be filed with the City Clerk pursuant to this Article shall be on a form prescribed by the City Clerk.

§ 2.14.270 Final Campaign Statement.

Within ninety (90) days after an election for City elective office, each candidate shall file a City Campaign Statement with the City Clerk itemizing all campaign contributions to the candidate, all campaign expenditures by the candidate, and any surplus funds. The City Campaign Statement required by this section shall include all required information current up through five (5) calendar days before the date of filing.

§ 2.14.280 Duties of Treasurers and Candidates.

- A. All City Campaign Statements filed under this chapter shall be signed under penalty of perjury and certified by both the candidate and the campaign treasurer. The certification shall state that the candidate and the campaign treasurer have used all reasonable diligence in preparing the City Campaign Statement, and that to the best of their knowledge it is true and complete.
- B. A campaign treasurer to comply with his or her duties with respect to the preparation of City Campaign Statements shall:
 - (1) establish a system of recordkeeping sufficient to ensure that receipts and expenditures are recorded promptly and accurately;

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- (2) either maintain the records personally or monitor such recordkeeping by others;
- (3) take steps to ensure that all requirements of this chapter concerning the receipt and expenditure of funds and the reporting of such funds are complied with;
- (4) either prepare City Campaign Statements personally or review with care the City Campaign Statements and underlying records prepared by others;
- (5) correct any inaccuracies or omissions in City Campaign Statements of which the treasurer knows, and cause to be checked and, if necessary, corrected, any information in City Campaign Statements which a person of reasonable prudence would question based on all the surrounding circumstances of which the treasurer is aware or should be aware by reason of his or her duties under this chapter.

C. A candidate to comply with his or her duties with respect to the preparation of City Campaign Statements shall:

- (1) ascertain whether the treasurer is exercising all reasonable diligence in the performance of his or her duties, including those duties specified under subsection (b);
- (2) take whatever steps are necessary to replace the treasurer, or raise the treasurer's performance to required standards, if the candidate knows or has reason to know that the treasurer is not exercising all reasonable diligence in the performance of his or her duties;
- (3) review with care the City Campaign Statements prepared for filing by the treasurer;
- (4) correct any inaccuracies and omissions in City Campaign Statements of which the candidate knows, and cause to be checked and, if necessary, corrected, any information in City Campaign Statements which a person of reasonable prudence would question based on all the surrounding

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circumstances of which the candidate is aware or should be aware by reason of his or her duties under this chapter; and

- (5) perform with due care any other tasks assumed in connection with the raising, spending or recording of campaign funds insofar as such tasks relate to the accuracy of information entered on City Campaign Statements.

§ 2.14.290 Duties of the City Clerk With Respect to Campaign Statements.

- A. It shall be the duty of the City Clerk to determine whether required City Campaign Statements have been filed. In order to fulfill this duty, if the City Clerk is aware that a candidate has an obligation to file a City Campaign Statement and has failed to do so, the City Clerk shall notify the candidate of the obligation to file a City Campaign Statement. In determining whether required documents have been filed, the City Clerk shall not be required to conduct any investigation to determine whether or not a candidate has an obligation to file a City Campaign Statement.
- B. It shall be the duty of the City Clerk to determine whether City Campaign Statements filed conform on their face with the requirements of this chapter. The City Clerk, in determining whether City Campaign Statements conform on their face with the requirements of this chapter, shall not be required to seek or obtain information to verify entries on a City Campaign Statement.
 - (1) The City Clerk, in determining whether City Campaign Statements conform on their face with the requirements of this chapter, shall review:
 - a) all statements to determine whether they contain the full name, residential and business addresses and phone number of the candidate and the campaign treasurer;
 - b) all statements to determine whether they have been signed, dated and verified by the candidate and the campaign treasurer;
 - c) all statements to determine whether they are legible and printed in ink

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or typewritten so that reasonable reproductions can be made;

- d) all statements to determine whether beginning and closing dates for the statement which are prescribed by law are accurate;
- e) all statements to determine whether the following information is contained in the statement:
 - 1) the total amount of contributions received during the period and the cumulative total amount of contributions;
 - 2) the total amount of campaign expenditures made during the period and the cumulative total amount of campaign expenditures;
 - 3) the total amount of contributions received from persons who have given \$100.00 or more;
 - 4) the total amount of contributions received from persons who have given less than \$100.00;
 - 5) the total amount of campaign expenditures of \$100.00 or more;
 - 6) the total amount of campaign expenditures under \$100.00;
 - 7) the total amount of accrued expenses of \$100.00 or more;
 - 8) the total amount of accrued expenses of less than \$100.00;
 - 9) the balance of cash and cash equivalents on hand at the beginning and end of the period;
 - 10) for each person listed as contributor or lender of a cumulative amount of \$100.00 or more, the complete name, address, occupation and employer, if any (or name of business, if

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described as self-employed), cumulative amount contributed, date and amount of contribution or loan;

- 11) for each recipient committee listed as a contributor or lender of a cumulative amount of \$100.00 or more, in addition to the information specified in subsection 10 above, the identification number assigned to the committee by the Secretary of State or the full name and address of the treasurer of the committee;
 - 12) the following information must be provided for campaign expenditures of \$100.00 or more during the period: the complete name of the payee, the address, the amount of each expenditure, a brief description of the consideration for which the campaign expenditure was made and, if the statement indicates a person other than the payee provided the consideration, the complete name and address of the person providing the consideration;
 - 13) the following information must be provided for accrued expenses of \$100.00 or more during the period: the complete name of the payee, the address, the amount of each expenditure, a brief description of the consideration for which the campaign expenditure was made and, if the statement indicates a person other than the payee provided the consideration, the complete name and address of the person providing the consideration;
 - 14) for each committee listed as a recipient of a campaign expenditure of \$100.00 or more, in addition to the information specified in subsection 10 above, the identification number assigned to the committee by the Secretary of State or the full name and address of the treasurer of the committee; and
 - 15) the information required by subsection (a) of section 2.13.140.
- f) All statements to determine whether there are no gross or readily

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apparent errors in arithmetic calculations.

- C. It shall be the duty of the City Clerk to accept for filing any City Campaign Statement which this chapter requires to be filed. In those cases where the City Clerk discovers in his or her review of City Campaign Statements that a candidate has filed an incorrect, incomplete or illegible statement, or a statement which cannot be reproduced, he or she shall make reasonable efforts to notify the candidate of the error or omission. No notification is required in those cases in which the errors or omissions are minor ones which do not recur throughout the statement. An error or omission is minor if it does not result in omission of the amount of an individual contribution or expenditure. An error or omission in connection with the identification of a donor or intermediary is minor if such persons is identified by name and either street address, occupation, employer or principal place of business. An error or omission in connection with the identification of the recipient of an expenditure or person providing consideration for an expenditure is minor if such person is identified by name.
- D. Notwithstanding the provisions relating to minor errors or omissions set forth in subsection (c), a contribution of \$100.00 or more shall not qualify for purposes of receiving funds from the Campaign Reform Fund pursuant to Sections 2.13.210 and 213.220 unless the candidate's City Campaign Statement includes the following information with respect to each such contribution: the complete name, address, occupation, and employer, if any (or name of business, if self-employed), of the donor or intermediary.

§ 2.14.300 Audits.

- A. The Director of the Finance Department or his or her authorized representative may make, or have made, investigations or audits with respect to any City Campaign Statements required by this chapter, or any campaign accounts for either City or non-City elective office maintained by any candidate, at any time between the last day for filing a Declaration of Candidacy for a City office and one year following the date of the election in which a candidate is elected to that City office.
- B. Each candidate who receive money from the Campaign Reform Fund shall be subject to audit.

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- C. Any candidate whose campaign statements are subject to an investigation or audit by the Director of the Finance Department or authorized representative shall provide the Director of the Finance Department or authorized representative with all financial records, documents and any other information or material requested by the Director of the Finance Department or authorized representative.

§ 2.14.310 Operative Date.

The provisions of this Chapter shall apply to elections for City office commencing with City elections, if any, to be held in 2001.

§ 2.14.320 Periodic Review.

- A. The contribution limits set forth in Article III of this Chapter shall be adjusted in January of every even year after 2000 to reflect any increase or decrease in the Consumer Price Index as reported by the U.S. Department of commerce or its successor agency. Such adjustments shall be rounded off to the nearest fifty dollars.
- B. The expenditure limitations set forth in Article V of this Chapter shall be adjusted in January of every even year after 1992 to reflect any increase or decrease in the Consumer Price Index as reported by the U.S. Department of Commerce or its successor agency. Such adjustments shall be rounded off to the nearest thousand dollars.
- C. The matching public fund amounts set forth in Article VI of this Chapter shall be adjusted in January of every even year after 2000 to levels equal to one-half of the expenditure levels, as adjusted pursuant to subparagraph (a) above.

Article IX. Enforcement

§ 2.14.330 Application of State Laws.

Nothing in this article shall be deemed to exempt any person from complying with applicable provisions of any other laws of this state, including the contribution limitations

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contained within the California Political Reform Act (Government Code §§81000 et seq).

§ 2.14.340 Enforcement.

- A. Except as provided otherwise in this article, any person who wilfully or knowingly violates any provision of this Chapter is guilty of a misdemeanor.
- B. In addition to the penalties provided in subparagraph (a), if after election a candidate is convicted of a violation of any of the provisions of this Chapter, the election to office of such candidate shall be void and such office shall become vacant immediately thereupon or on the date upon which the candidate, if he or she is not an incumbent, would otherwise take office, whichever occurs later. In such event, the vacancy shall be filled in accordance with the procedures set forth in the City Charter for the filling of vacant City offices. If a candidate is convicted of a violation of this division at any time prior to election, his or her candidacy shall be terminated immediately and the candidate shall no longer be eligible for election. Any person convicted of a violation of this article shall be ineligible to hold City office for a period of five (5) years from and after the date of conviction.

§ 2.14.350 Injunctive Relief.

Any candidate or other resident of the City may bring an action, at any time during an off-election year, an election year or thereafter, in a court of competent jurisdiction, to enjoin actual or threatened violations of, or to compel compliance with, or to obtain judicial declarations regarding, the provisions of this Article.

§ 2.14.360 Civil Liability.

- A. The City Council may maintain on behalf of the City, or a candidate or other resident of the City may maintain on their own behalf, a civil action to recover personally from a candidate any contributions received by the candidate in excess of the contribution limitations established by this Article, any contributions which a candidate fails or refuses to remit to the City Clerk or return to the donor pursuant to Section 2.14.050, any campaign expenditures made in excess of the expenditure limitations established by Section 2.14.050, and any funds received by the candidate from the Campaign Reform Fund in violation of any provision of this

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Article.

- B. Any money recovered in any action maintained pursuant to this section shall be deposited in the Campaign Reform Fund.
- C. The City Council may maintain an action pursuant to this section only after the election in which a candidate is election to the City elective office for which the election is held. A candidate or other City resident may maintain an action pursuant to this section at any time during an off-election year, election year or thereafter.

SECTION 2. Severability

If any section, subsection or clause of this ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections and clauses shall not be affected.

DATE PASSED FOR PUBLICATION:

DATE ENACTED:

DATE EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK

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