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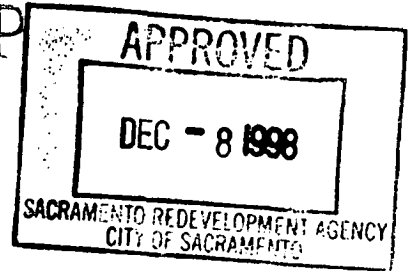
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November 23, 1998

APPROVED
BY THE CITY COUNCIL

DEC 8 1998

OFFICE OF THE
CITY CLERK



City Council
Redevelopment Agency of the City of Sacramento
Sacramento, California

Honorable Members in Session

SUBJECT: RECEIPT OF THE PROPOSED SECOND AMENDMENT TO THE
MERGED DOWNTOWN SACRAMENTO REDEVELOPMENT PLAN;
APPROVAL OF NO-PAC RESOLUTION

LOCATION /COUNCIL DISTRICT: Council District 1;
Merged Downtown Redevelopment Area

RECOMMENDATION:

1. The Redevelopment Agency approve the attached resolution receiving and accepting the proposed Second Amendment to the Merged Downtown Sacramento Redevelopment Plan (see map included as Attachment A) which will extend eminent domain powers for an additional twelve-year period and which forwards the Second Amendment to the City Planning Commission for its review and recommendation;
2. The City Council approve the attached "No PAC" resolution which states that the Second Amendment will not displace a substantial number of low- and moderate-income individuals, and that the formation of a Project Area Committee is not required prior to adoption of the Second Amendment.
3. Downtown Enterprise Department staff consult with and obtain the advice of residents, businesses, property owners, and community organizations located within the Merged Downtown Redevelopment Project Area prior to the joint public hearing tentatively scheduled for March 2, 1999 to approve the Second Amendment.

CONTACT PERSON: Wendy Saunders, Development Manager,
Downtown Enterprise Dept. 264-8196
Anastasia Efstathiu, Downtown Development Group, 264-8646

FOR COUNCIL MEETING OF: December 8, 1998

18

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FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C.

SUMMARY:

This report recommends that the City Council and Redevelopment Agency receive and approve specific documents related to the Second Amendment to the Merged Downtown Sacramento Redevelopment Project Area (Merged Downtown Area). This report, which transmits a copy of the proposed Amendment, is the first step in the administrative process for extending the Agency's eminent domain powers in the Merged Downtown Area for an additional twelve-year period. Staff will return to the Redevelopment Agency and City Council to hold separate joint public hearings on the proposed second amendment on March 2, 1999 at 7:00 p.m. This staff report also requests that the City Council approve a "No-PAC" resolution. The No-PAC resolution recognizes that the Second Amendment will not displace a substantial number of low- or moderate-income individuals, and therefore formation of a Project Area Committee (PAC) will not be required as part of the Amendment.

BACKGROUND:

- The 493-acre Merged Downtown Area was originally adopted on June 17, 1986 in order to combine four separate redevelopment project areas into one: Project Area #2A (Capitol Mall), Project Area 3 (Extension of Capitol Mall), Project Area 4 (Old Sacramento and Chinatown), and Project Area #8 (Uptown Area, the eastern portion of the Central Business District). The Agency was granted the power of eminent domain for a twelve-year period, which expired in June of this year. Under California Redevelopment Law, these powers can be extended for an additional twelve-year period with a minor administrative amendment to the Merged Downtown Sacramento Redevelopment Plan. The first amendment to the Merged Downtown Redevelopment Plan was approved on November 3, 1994, in order to bring the redevelopment plan in compliance with the reforms approved as part of the Assembly Bill (AB) 1290 amendment to California Redevelopment Law.
- Attachment B is the proposed Second Amendment to the Merged Downtown Redevelopment Plan, which extends eminent domain powers an additional twelve-year period. Adoption of this amendment in conformance with California Redevelopment Law will require a number of specific legislative actions, including a public hearing and CEQA findings, which will take place over an approximately five-month period. A draft schedule is included as Attachment C. The attached resolution authorizes the Redevelopment Agency to receive and accept the Second Amendment, and also to forward the document to the City Planning Commission for review and recommendation. Staff will report the Commission's comments and recommendation at the March 2, 1999 joint public hearing on the Second Amendment.
- The use of eminent domain powers has been an indispensable tool of downtown redevelopment efforts. During assemblage of land to eliminate blight, promote development, or otherwise further the goals of the redevelopment plan, eminent domain provides a final recourse when all other means of acquisition have been exhausted. Following are examples of past downtown redevelopment projects which required the use of eminent domain:

*Central Library Expansion & US Bank Bldg.
Capitol Mall
Old Sacramento*

*The Hyatt Hotel
The Sacramento Convention Center
Downtown Plaza*

- Staff will be holding a major public workshop on January 7th in order to inform downtown property owners, businesses and residents of the proposed amendment. In addition, staff will meet with various downtown advisory bodies to inform them of the proposed second amendment.
- California Redevelopment Law requires that a Project Area Committee (PAC), be formed whenever redevelopment activities will directly impact low- or moderate-income residents in the Merged Downtown Area. Eminent domain will not be extended for properties containing lawfully established residential uses. At this point in time, the City Council must approve a resolution that recognizes that the extension of eminent domain will not include residential properties. However, it should be noted that this action in no way prevents the City Council from amending the redevelopment plan in the future to reinstate eminent domain powers to include residential uses. Because this action would constitute a minor administrative activity, staff believes that reinstating these powers could reasonably be achieved in the future within the required time frame for entitling a major redevelopment project which requires the dislocation of a residential structure.

ENVIRONMENTAL CONSIDERATIONS:

The proposed actions are administrative measures required by the redevelopment plan amendment process. Negative Declarations for the proposed plan amendments will be circulated for public review and comment from November 30, 1998 to December 30, 1998. Any comments received will be summarized and presented with the Negative Declaration to the Agency and Council for consideration and adoption following the joint public hearings.

POLICY CONSIDERATIONS:

The actions recommended in this Report have following policy implications:

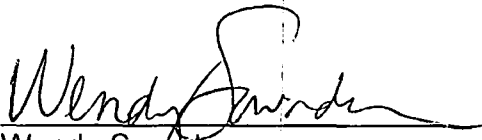
- The extension of eminent domain powers has been an issue not only for the Merged Downtown Area, but for other City redevelopment areas that also were in existence in 1986, when changes in redevelopment law determined the twelve-year time period. Earlier this year the City Council amended the Oak Park and Del Paso Heights redevelopment project areas to, among other things, extend eminent domain powers for an additional twelve-year period. The action requested in this report is consistent with the Council's previous approval to extend eminent domain powers in the City's other project areas.
- The extension of eminent domain is consistent with the Implementation Plan for the Merged Downtown Project Area contains a description of the types of redevelopment activities that the Agency will undertake in furtherance of the Redevelopment Plan. Because the action being recommended in this report will not extend eminent domain powers for lawfully established residential structures, staff has reviewed the project list to ensure that no displacement of low- or moderate-income residents is likely to occur due to redevelopment. As stated earlier, the Agency may choose to reinstate eminent domain powers for residential use at some future time, should an unforeseen project require this power.

FINANCIAL CONSIDERATIONS:


There are no financial actions being recommended as part of this report.

MBE/WBE EFFORTS: Not applicable

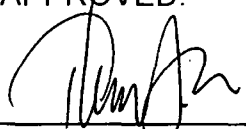
Respectfully submitted,

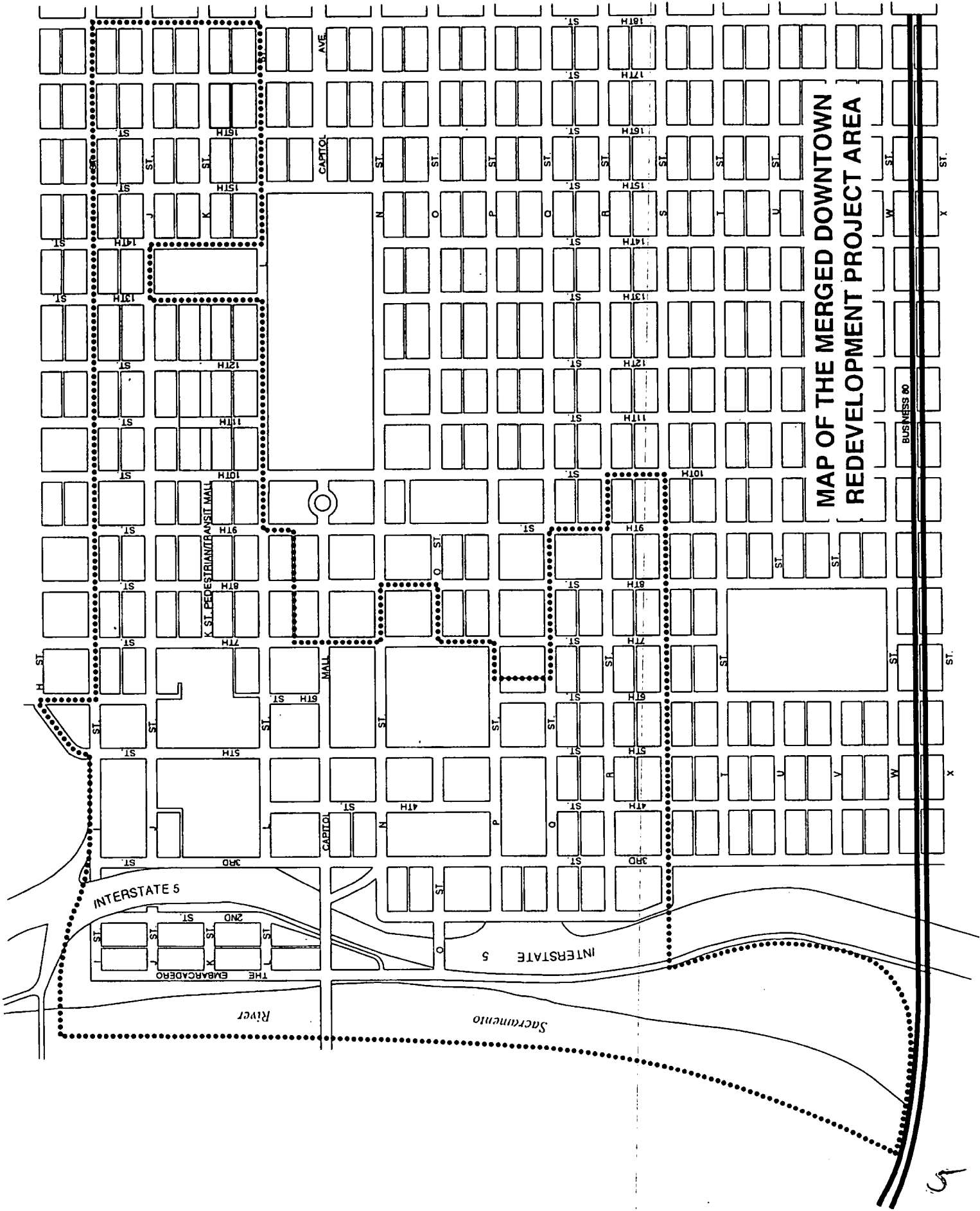

Wendy Saunders
Downtown Development Manager

RECOMMENDATION APPROVED:


WILLIAM H. EDGAR
City Manager

APPROVED:


Thomas V. Lee
Deputy City Manager



**MAP OF THE MERGED DOWNTOWN
REDEVELOPMENT PROJECT AREA**

5

**PROPOSED SECOND AMENDMENT
to the
AMENDED REDEVELOPMENT PLAN
for the
SACRAMENTO MERGED DOWNTOWN REDEVELOPMENT PROJECT**

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
SACRAMENTO, CALIFORNIA**

November, 1998

PREFACE

The Sacramento Redevelopment Agency ("Agency") has prepared a second amendment ("Second Amendment") to the Amended Redevelopment Plan for the merged Downtown Redevelopment Project ("Project" or "Project Area") that was adopted by the Sacramento City Council on June 17, 1986, by Ordinance Nos. 86-063, 86-064, 86-065, 86-066, 86-067. The Sacramento Merged Downtown Plan was amended effective November 3, 1994 by Ordinance No. 94-046 to comply with the provisions of AB-1290.

This Second Amendment reestablishes the authority for eminent domain proceedings to acquire non-residential property in the Project. The time limit for the amendment of the use of eminent domain proceedings is twelve years from the date of adoption of the Second Amendment. This proposed Second Amendment does not alter the boundaries of the Project Area.

PROPOSED SECOND AMENDMENT
to the
AMENDED REDEVELOPMENT PLAN
for the
SACRAMENTO MERGED DOWNTOWN
REDEVELOPMENT PROJECT

AMENDMENT NO. 1

That the title page be amended to show the date of adoption and adoption ordinance number for this Second Amendment.

AMENDMENT NO. 2

That Section 308 (Acquisition of Real Property) be revised to read as follows:

- D. [308] Property Acquisition
 - 1. [309] Real Property

Except as specifically exempted herein, the Agency may acquire, but is not required to acquire, any real property located in the Merged Downtown Project Area by any means authorized by law, except those on which persons reside as provided by CRL 33385.3.

It is in the public interest and is necessary in order to eliminate the conditions requiring redevelopment and in order to execute this Amended Plan for the power of eminent domain to be employed by the Agency to acquire real property in the Merged Downtown Project Area which cannot be acquired by gift, devise, exchange, purchase or any other lawful method.

Eminent domain proceedings, if used, must be or must have been commenced within twelve (12) years from the date of the ordinance adopting this Second Amendment to the Plan.

The Agency shall not acquire real property to be retained by an owner pursuant to a participation agreement if the owner fully performs under the agreement. The Agency is authorized to acquire structures without acquiring the land upon which those structures are located. The Agency is authorized to acquire either the entire fee or any other interest in real property less than a fee.

The Agency shall not acquire real property on which an existing building is to be continued on its present site and in its present form and use without the consent of the owner unless: (a) such building requires structural alteration, improvement, modernization or rehabilitation; (b) the site, or lot on which the building is situated, requires modification in size, shape or use; or (c) it is necessary to impose upon such property any of the controls, limitations, restrictions and requirements of this Amended Plan, and the owner fails or refuses to execute a participation agreement in accordance with the provisions of this Amended Plan.

The Agency is not authorized to acquire real property owned by public bodies which do not consent to such acquisition. The Agency is authorized, however, to acquire public property transferred to private ownership before redevelopment of the Merged Downtown Project Area is completed, unless the Agency and

the private owner enter into a participation agreement and the owner completes his responsibilities under the participation agreement.

The Agency shall not have the power of eminent domain with respect to any parcel containing a structure or structures lawfully occupied at the time of proposed acquisition as the residential dwelling unit of one or more persons (including any parcel so occupied as a residential dwelling which also includes one or more non-residential structures). Notwithstanding the foregoing the Agency may with prior written consent of the affected property owner use the power of eminent domain to acquire a parcel containing an owner occupied single family residence.

AMENDMENT NO. 3

That the pages of the Amended Redevelopment Plan as amended by this Second Amendment be retyped to reflect the changes made by this Amendment.

SACRAMENTO REDEVELOPMENT AGENCY

AMENDMENT TO THE REDEVELOPMENT PLAN
FOR
MERGED DOWNTOWN PROJECT

SCHEDULE OF ACTIONS SUMMARY

October 28, 1998

DOCUMENT	PRELIMINARY DRAFT	AGENCY STAFF COMMENTS	FINAL DRAFT	AG'NCY/C'NCL RECEIPT &/OR APPROVAL
Plan Amendment	11/03/98 (01)	11/17/98 (04)	11/24/98 (05)	12/08/98 (12)
Draft Initial Study/(Mitigated) Negative Declaration	11/10/98 (03)	11/17/98 (06)	11/24/98 (07)	n/a ()
Report to Council	02/01/99 (22)	02/08/99 (23)	02/15/99 (27)	03/02/99 (28)
Final Initial Study/(Mitigated) Negative Declaration	02/01/99 (21)	02/08/99 (24)	02/15/99 (26)	03/02/99 (35)

Negative Declaration

Project description prepared	11/03/98 (02)
Initial Study/(Mitigated) Negative Declaration and Notice of Intent transmitted	11/25/98 (08)
Public review period (30 days)	11/30/98-12/30/98 (09)
Notice of Intent to Adopt (Mitigated) Negative Declaration published	12/01/98 (10)
Transmit response to public agencies	01/04/99 (32)
Approval by Agency	03/02/99 (29)
Approval by Council	04/06/99 or 04/13/99 (36)
Joint Notice of Determination filed	04/13/99 or 04/20/99 (39)

Planning Commission

Plan Amendment to Commission (trans. date; mtg. rec'd)	by 12/09/98; 12/17/98 (14)
Commission report on Plan Amendment	01/21/99 (19)

Citizen Participation

No-PAC resolution	12/08/98 (11)
Public information meeting notice published	12/11/98 (17)
Public information meeting notice mailed	12/11/98 (16)
Public information meeting held	01/07/99 (18)

Joint Public Hearing

Agency consent	03/02/99 (28)
Council consent	03/02/99 (30)
Notice published	01/18; 01/25; 02/01; 02/08/99 (33)
Notices mailed	03/03/98 (31)
Joint public hearing	04/06/99 (35)
1st reading of ordinance	04/06/99 or 04/13/99 (36)
2nd reading of ordinance	04/13/99 or 04/20/99 (38)

NOTE: Parentheses contain corresponding Action Numbers from the Full Schedule of Actions.

APPROVED
BY THE CITY COUNCIL

DEC 8 1998

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 98-606

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION DETERMINING THAT A PROJECT AREA COMMITTEE
SHALL NOT BE FORMED IN CONNECTION WITH THE
PROPOSED SECOND AMENDMENT TO THE REDEVELOPMENT PLAN
FOR THE SACRAMENTO MERGED DOWNTOWN
REDEVELOPMENT PROJECT AREA**

WHEREAS, the Redevelopment Agency of the City of Sacramento has prepared the proposed Second Amendment to the Redevelopment Plan for the Sacramento Merged Downtown Redevelopment Project; and

WHEREAS, Section 33385.3 of the California Community Redevelopment Law (Health and Safety Code, Section 33000, *et seq.*) requires that the legislative body of a city form a project area committee if a proposed amendment to a redevelopment plan would do either of the following:

1. Grant the authority to the agency to acquire by eminent domain property on which persons lawfully reside in a project area in which a substantial number of low-and moderate income persons reside, or
2. Add territory in which a substantial number of low- and moderate-income persons lawfully reside and grant the authority to the agency to acquire, by eminent domain, property on which persons reside in the added territory; and

WHEREAS, Section 33385(f) of California Community Redevelopment Law requires that if a project area does not contain a substantial number of low- and moderate-income individuals, the redevelopment agency shall consult with and obtain the advice of residents and community organizations, and provide such persons and organizations with the proposed redevelopment plan amendment prior to submitting it to the legislative body; and

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____ 11

WHEREAS, the proposed Second Amendment to the Redevelopment Plan does not add territory to the Merged Downtown Redevelopment Project; and

WHEREAS, the proposed Second Amendment to the Redevelopment Plan does not reestablish eminent domain authority over property on which persons reside, and therefore adoption and implementation of the Second Amendment will not result in subjecting properties within the Sacramento Merged Downtown Redevelopment Project in which low- and moderate-income persons reside, to acquisition by the Redevelopment Agency of the City of Sacramento with eminent domain authority.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

Section 1. The City Council finds and determines that the Second Amendment to the Redevelopment Plan for the Sacramento Merged Downtown Redevelopment Project will not displace a substantial number of low- and moderate-income individuals, and that the formation of a project area committee is not required prior to the adoption of the Second Amendment. The City Council further determines that a project area committee shall not be formed in connection with the Amendment.

Section 2. The Redevelopment Agency of the City of Sacramento is hereby authorized and recommended to consult with and obtain the advice of residents, businesses, property owners, and community organizations with the Sacramento Merged Downtown Redevelopment Project Area, and to provide such residents, owners, and organizations with the proposed Second Amendment to the Redevelopment Plan prior to its submission to the City Council.

MAYOR

ATTEST:

CITY CLERK

RESOLUTION NO. 98-059



ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

**RESOLUTION RECEIVING THE PROPOSED SECOND AMENDMENT
TO THE AMENDED REDEVELOPMENT PLAN
FOR THE SACRAMENTO MERGED DOWNTOWN PROJECT AREA
AND REFERRING THE PROPOSED AMENDMENT
TO THE PLANNING COMMISSION FOR REPORT AND RECOMMENDATION**

WHEREAS, the Sacramento Redevelopment Agency has prepared and completed a proposed Second Amendment to the Redevelopment Plan for the Sacramento Merged Downtown Project Area; and

WHEREAS, the California Community Redevelopment Law (Health and Safety Code, Section 33000 et seq) provides in Section 33453 that prior to a joint public hearing on an amendment to a redevelopment plan, the Redevelopment Agency shall submit the proposed plan amendment to the Planning Commission for its report and recommendation.

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

The proposed Second Amendment to the Redevelopment Plan for the Sacramento Merged Downtown Project Area, in the form attached hereto, is referred to the Planning Commission of the City of Sacramento for its report and recommendation.

MAYOR

ATTEST:

CITY CLERK