



**City Manager's Report**  
**June 12, 2012 City Council Meeting**  
**Prepared By: Cleve Morris**

**Item#:** 10.1

**Subject:** First Reading and Introduction of an Ordinance Repealing Ordinance No. 1641, which Adopted a Redevelopment Plan for the Placerville Redevelopment Agency.

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**Discussion:** On May 10, 2011, the City Council adopted Ordinance No. 1641, an ordinance of the City Council approving a Redevelopment Plan for the City of Placerville. The Ordinance required a 90-day waiting period prior to taking affect. The effective date of the Ordinance would have been August 10, 2011. On August 8, 2011, a referendum petition was filed with the City to block the implementation of the Redevelopment Ordinance. The referendum would require the City to either repeal the Ordinance, or hold an election to allow the citizens to vote on the Ordinance.

In July of 2011, the State Legislature adopted AB1X26 eliminating redevelopment agencies throughout California. A lawsuit questioning the constitutionality of AB1X26 was filed to block the implementation of AB1X26. The ruling on the lawsuit was announced in January of 2012 and it was ruled constitutional. Therefore, a process was put in place to eliminate redevelopment agencies. This process allowed agencies to continue to pay off debt, but eliminate all assets and the agency itself. The City of Placerville had no assets, but we did have one debt. That debt was the loan for creation of the Redevelopment Plan. In discussions with our redevelopment attorney, we determined that if we could eliminate the referendum, we could use the redevelopment wind-down process to pay back the loan. However, upon the City's requests to the proponents of the referendum, they refused to further discuss or consider withdrawing the referendum. Without withdrawal of the referendum, it is clear that the City cannot use the redevelopment process to recover the debt.

The next option would be to consider placing the referendum on the November ballot and run a campaign to defeat it, thus making redevelopment a possibility. However, this too has great risks since under that scenario the effective date of the Redevelopment Plan becomes the date it is approved by the voters, which would be November of 2012. Since AB1X26 prohibits any actions taken after the date of its adoption, July of 2011, it most likely would be ruled that the Redevelopment Plan was still not effective.

The final option to the City at this time is to repeal the Ordinance and eliminate the need to hold an election. Even though redevelopment has been eliminated, the referendum and Ordinance are still in place. Therefore, in order to avoid the question of whether or not we need to hold an election, we should repeal the Ordinance.

After further review of these three options, it is staff's recommendation that we should exercise option three and repeal Ordinance No. 1641. With this action, the opportunity to recover the \$400,000 loan to the Redevelopment Agency is greatly reduced.

**Cost:** \$400,000.

**Budget Impact:** This revenue was not anticipated in the current year budget nor is it built into next year's budget.

**Recommendation:** First Reading and Introduction of an Ordinance Repealing Ordinance No. 1641, which Adopted a Redevelopment Plan for the Placerville Redevelopment Agency.



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M. Cleve Morris, City Manager

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF PLACERVILLE  
DELETING AND REPEALING ORDINANCE NO. 1641 ADOPTING A  
REDEVELOPMENT PLAN FOR THE CITY OF PLACERVILLE**

The City Council of the City of Placerville does ordain as follows:

WHEREAS, the City Council adopted Ordinance No. 1641 on May 10, 2011; and

WHEREAS, prior to the effective date of the Ordinance a referendum was filed blocking the implementation of the Ordinance and requiring a vote of the registered voters of Placerville prior to the Ordinance taking effect; and

WHEREAS, in July of 2011, prior to the effective date of the Ordinance, the California State Legislature adopted AB1X26 which eliminated redevelopment agencies in the state of California; and

WHEREAS; a lawsuit was filed questioning the constitutionality of AB1X26; and

WHEREAS; a California Supreme Court decision ruled AB1X26 constitutional, eliminating redevelopment agencies in California; and

WHEREAS; the City Council of the City of Placerville has determined it is not in the best interest of the City to continue with the implementation of Ordinance 1641 in any form or to place the question before the voters for consideration,

NOW, THEREFORE, the City Council of the City of Placerville does hereby repeal and delete Ordinance 1641 adopted on May 10, 2011.

The above Ordinance was introduced at a regular meeting of the City Council of the City of Placerville on June 12, 2012, by Councilmember \_\_\_\_\_, and the reading of said Ordinance was waived. The Ordinance was read for a second time on \_\_\_\_\_. Councilmember \_\_\_\_\_ moved for adoption of the Ordinance, and a poll vote was taken which stood as follows:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Mark Acuna, Mayor

Attest:

\_\_\_\_\_  
Susan Zito, City Clerk, MMC

**ORDINANCE NO. 1641**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLACERVILLE  
APPROVING AND ADOPTING THE REDEVELOPMENT PLAN  
FOR THE PLACERVILLE REDEVELOPMENT PROJECT**

WHEREAS, on April 26, 1983, the City Council of the City of Placerville ("City Council"), by Ordinance No. 1319, declared a need for a redevelopment agency to function within the City of Placerville and established itself as the Redevelopment Agency of the City of Placerville ("Agency") pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 *et seq.*; "CRL"); and

WHEREAS, the Agency is vested with the responsibility to carry out redevelopment activities within the City of Placerville ("City"); and

WHEREAS, the Agency has prepared a proposed Redevelopment Plan ("Redevelopment Plan") for the Placerville Redevelopment Project ("Project Area" or "Project"); and

WHEREAS, the Planning Commission of the City of Placerville ("Planning Commission") has reviewed the Redevelopment Plan and recommended the approval and adoption of the Redevelopment Plan, together with its certification that the Redevelopment Plan conforms to the General Plan of the City of Placerville; and

WHEREAS, the Agency, acting as the Lead Agency, prepared and circulated a Draft Environmental Impact Report (the "Draft EIR") on the proposed Redevelopment Plan in accordance with the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*; "CEQA"), the guidelines implementing CEQA (Title 14, California Code of Regulations Section 15000 *et seq.*; "CEQA Guidelines") and the guidelines and procedures adopted by the Agency pursuant thereto, and the Draft EIR was thereafter revised and supplemented to incorporate comments received and responses thereto, and, as so revised and supplemented, a Final Environmental Impact Report (the "Final EIR" or "EIR") was prepared and certified by the Agency on April 12, 2011, by Resolution No. RA-2011-06; and

WHEREAS, the City Council has received from the Agency the proposed Redevelopment Plan, a copy of which is on file at City Hall, located at 3101 Center Street, Placerville, California, together with the Agency's Report to the City Council on the proposed Redevelopment Plan, which includes (1) the reasons for the selection of the Project Area; (2) a description of the physical and economic blighting conditions existing in the Project Area; (3) a description of proposed projects and programs and an explanation of how the proposed projects and programs will alleviate the blighting conditions existing in the Project Area; (4) an implementation plan for the Project; (5) an explanation of why the elimination of blight and redevelopment of the Project Area cannot be accomplished by private enterprise acting alone or through other financing alternatives other than tax increment financing; (6) the proposed method of financing the redevelopment of the Project Area, including an assessment of the economic feasibility of the Redevelopment Plan; (7) a method or plan for relocation; (8) an analysis of the

Preliminary Plan for the Project; (9) the Report and Recommendations of the Planning Commission, including its finding of conformity of the proposed Redevelopment Plan with the General Plan of the City of Placerville; (10) a summary of community outreach efforts; (11) the EIR; (12) the report of the County Fiscal Officer; (12) a neighborhood impact report; and (13) a summary of consultations with affected taxing entities; and

WHEREAS, the Agency and City Council have reviewed and considered the EIR and have determined that the adoption of the Redevelopment Plan would have a less than significant effect on the environment, or that the significant or potentially significant impacts of the adoption of the Redevelopment Plan have been reduced to a level of insignificance by the adoption of mitigation measures, except in the areas of cultural resources and noise; based on the foregoing, the Agency and City Council each adopted mitigation measures and a mitigation monitoring plan and adopted a statement of overriding considerations for the significant effects that cannot be mitigated to a level of insignificance; and

WHEREAS, the City Council and the Agency held a joint public hearing on April 12, 2011, on the adoption of the proposed Redevelopment Plan and on the certification of the EIR prepared for said Redevelopment Plan, at Town Hall, 549 Main Street, Placerville, California; and

WHEREAS, notice of said joint public hearing was duly and regularly published in the *Mountain Democrat*, a newspaper of general circulation in the City, once a week for at least four successive weeks prior to the date of such joint public hearing, and a copy of said notice and proofs of publication are on file with the City Clerk; and

WHEREAS, copies of the notice of joint public hearing and a statement concerning acquisition of property by the Agency were mailed by first class mail to the last known address of each assessee of each parcel of land in the Project Area, as shown on the last equalized assessment roll of the County of El Dorado; and

WHEREAS, copies of the notice of joint public hearing were mailed by first class mail to all resident and business occupants within the Project Area; and

WHEREAS, copies of the notice of joint public hearing were mailed by certified mail with return receipt requested to the governing body of each taxing entity that receives taxes from property in the Project Area; and

WHEREAS, copies of the notice of joint public hearing were mailed by certified mail with return receipt requested to the California Department of Finance and the California Department of Housing and Community Development; and

WHEREAS, the City Council has considered the Report and Recommendations of the Planning Commission, the Agency's Report to the City Council, the Redevelopment Plan, has provided an opportunity for all persons to be heard, and has received and considered all evidence and testimony presented for or against any and all aspects of the Redevelopment Plan; and

WHEREAS, the City Council has adopted written findings in response to each written objection filed with the City Clerk at or prior to the joint public hearing; and

WHEREAS, all actions required by law have been taken by all appropriate legal bodies;

**THE CITY COUNCIL OF THE CITY OF PLACERVILLE DOES HEREBY FIND AND ORDAIN AS FOLLOWS:**

Section 1. The purpose and intent of the City Council with respect to the Project Area is to accomplish the following: (a) the elimination of blighting influences, the correction of environmental deficiencies, and the conservation, rehabilitation, and redevelopment of the Project Area; (b) the enhancement and renovation of businesses within the Project Area to promote their economic viability, and the overall strengthening of the economic base of the Project Area and community; (c) the cooperation of and participation by property owners, business owners, public agencies and community organizations in the redevelopment and revitalization of the Project Area; (d) the provision of needed improvements to the community's recreational, cultural, and other community facilities to better serve the Project Area; (e) the provision of needed improvements to streets, curbs, gutters, water and sewer utilities and other public utilities and facilities within the Project Area; (f) the attainment of an environment reflecting a high level of concern for architectural, landscape, and urban design principles; (g) the conservation and preservation of buildings and structures of architectural or other historic significance to the community; (h) the provision of affordable housing that serves the needs and desires of the various age and income groups of the community; and (i) the provision of adequate land for parking and open spaces.

Section 2. Based on the evidence in the record, including, but not limited to, the Agency's Report to the City Council on the Redevelopment Plan prepared in accordance with CRL Section 33352, and all documents referenced therein and any evidence and testimony received at the joint public hearing on adoption of the Redevelopment Plan held on April 12, 2011, the City Council hereby makes the following findings and determinations:

(a) The Project Area is a blighted area, the redevelopment of which is necessary to effectuate the public purposes declared in the CRL. This finding is based upon the following facts, as more particularly set forth in the Agency's Report to the City Council:

(1) The Project Area is predominantly urbanized;

(2) The Project Area is characterized by and suffers from a combination of physical and economic blighting conditions, including: buildings in which it is unsafe or unhealthy for persons to live or work due to serious code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards and faulty or inadequate water and sewer utilities; conditions that prevent or substantially hinder the viable use or capacity of buildings; depreciated or stagnant property values; impaired property values due in significant part to hazardous wastes; abnormally low retail lease rates, and a high crime rate that constitutes a serious threat to the public safety and welfare; and

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

(b) The Redevelopment Plan will redevelop the Project Area in conformity with the CRL and in the interests of the public peace, health, safety and welfare. This finding is based upon the fact that redevelopment of the Project Area will implement the objectives of the CRL by eliminating conditions of blight in the Project Area and preventing their recurrence through the implementation of the Agency's proposed projects and programs in conjunction with other public and private projects and programs.

(c) The adoption and carrying out of the Redevelopment Plan is economically sound and feasible. This finding is based on the fact that under the Redevelopment Plan the Agency will be authorized to seek and utilize a variety of potential financing sources, including tax increments; that the nature and timing of public redevelopment assistance will depend on the amount and availability of such financing resources, including tax increment generated by new investment in the Project Area, that under the Redevelopment Plan no public redevelopment activity can be undertaken unless the Agency can demonstrate that it has adequate revenue to finance the activity, and that the financing plan included within the Agency's Report to the City Council prepared for the Redevelopment Plan demonstrates that sufficient financial resources will be available to carry out the implementation of the Redevelopment Plan.

(d) The Redevelopment Plan is consistent with the General Plan, including, but not limited to, the Housing Element of the General Plan, which substantially complies with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code. This finding is based on the General Plan and the findings of the Planning Commission that the Redevelopment Plan conforms to the General Plan as set forth in its Resolution No. 2011-01, adopted on February 1, 2011, and Resolution 2011-02, adopted on March 1, 2011.

(e) The carrying out of the Redevelopment Plan would promote the public peace, health, safety and welfare of the community and would effectuate the purposes and policies of the CRL. This finding is based on the fact that redevelopment will benefit the Project Area as a whole by correcting conditions of blight and by coordinating public and private actions to stimulate development and improve the economic and physical conditions of the Project Area.

(f) The condemnation of real property, as provided for in the Redevelopment Plan, is necessary to the execution of the Redevelopment Plan, and adequate provisions have been made for the payment for property to be acquired as provided by law. This finding is based on: (1) the need to ensure that the provisions of the Redevelopment Plan will be carried out and to prevent the recurrence of blight; (2) the fact that no property will be acquired unless the Agency can demonstrate that it has adequate revenue for the acquisition; and (3) the fact that the

condemnation of real property by the Agency is subject to the requirements of the California Eminent Domain Law (Code of Civil Procedure Section 1230.010 *et seq.*).

(g) The Agency has a feasible plan for the relocation of families and persons who might be displaced, temporarily or permanently, from housing facilities in the Project Area. This finding is based on the fact that the Redevelopment Plan provides for relocation assistance according to law.

(h) There are, or shall be provided, within the Project Area or within other areas not generally less desirable with regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families or persons who might be displaced from the Project Area, decent, safe, and sanitary dwellings equal in number to the number of displaced families and available to such displaced families and persons and reasonably accessible to their places of employment. Families and persons shall not be displaced prior to the adoption of a relocation plan pursuant to CRL Sections 33411 and 33411.1, and dwelling units housing persons and families of low or moderate income shall not be removed or destroyed prior to the adoption of a replacement housing plan pursuant to CRL Sections 33354.5, 33413 and 33413.5.

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

(j) Inclusion of any lands, buildings, or improvements which are not detrimental to the public health, safety, or welfare is necessary for the effective redevelopment of the entire area of which they are a part, and any such area is not included solely for the purpose of obtaining the allocation of tax increment revenues from such area pursuant to CRL Section 33670 without other substantial justification for its inclusion. This finding is based upon the fact that all properties within the Project Area boundaries were included because they were underutilized because of blighting influences, were affected by the existence of blighting influences, were necessary to accomplish the objectives and benefits of the Redevelopment Plan, or because of the need to impose uniform requirements on the Project Area as a whole.

(k) The elimination of blight and the redevelopment of the Project Area could not be reasonably expected to be accomplished by private enterprise acting alone without the aid and assistance of the Agency. This finding is based upon the existence of blighting influences, including the lack of adequate public improvements, as identified in the Agency's Report to the City Council, and the inability of individual property owners or developers to remove these blighting influences without public assistance, and the inadequacy of other governmental programs and financing mechanisms to eliminate blight or provide infrastructure.

(l) The Project Area is a predominantly urbanized area as defined by subdivision (b) of CRL Section 33320.1. This finding is based upon the facts, as more particularly set forth in the Agency's Report to the City Council, that 80.3 percent of the land in the Project Area has been or is developed for urban uses or is an integral part of an area developed for urban uses.

(m) The time limitations in the Redevelopment Plan are reasonably related to the proposed projects to be implemented in the Project Area and the ability of the Agency to eliminate blight within the Project Area. This finding is based on the facts that redevelopment

depends, in large part, upon private market forces beyond the control of the Agency and shorter time limitations would impair the Agency's ability to be flexible and respond to market conditions as and when appropriate and would impair the Agency's ability to maintain development standards and controls over a period of time sufficient to assure area stabilization. In addition, shorter time limitations would limit the revenue sources and financing capacity necessary to carry out proposed projects and programs in the Project Area.

(n) The implementation of the Redevelopment Plan will improve or alleviate the physical and economic conditions of blight in the Project Area, as described in the Agency's Report to the City Council. This finding is based upon the facts, as more particularly set forth in the Agency's Report to the City Council, that the proposed projects and programs to implement the Redevelopment Plan are focused upon actions that improve or alleviate identified blighting conditions and that the means of financing the proposed projects and programs has been satisfactorily demonstrated.

Section 3. The City Council is satisfied that permanent housing facilities will be available within three years from the time occupants of the Project Area, if any, are displaced, and that pending the development of such facilities, there will be available to any such displaced occupants adequate temporary housing facilities at rents comparable to those in the City at the time of their displacement. No persons or families of low and moderate income shall be displaced from residences unless and until there is a suitable housing unit available and ready for occupancy by such displaced persons or families at rents comparable to those at the time of their displacement. Such housing units shall be suitable to the needs of such displaced persons or families and must be decent, safe, sanitary and otherwise standard dwellings.

Section 4. The City Council is satisfied that written findings have been adopted in response to the written objections received at or before the joint public hearing. Having considered all evidence and testimony presented for or against any and all aspects of the Redevelopment Plan, the City Council hereby overrules all written and oral objections to the Redevelopment Plan.

Section 5. That certain Redevelopment Plan for the Placerville Redevelopment Project, the Project Area map contained therein, a copy of which is on file in the office of the City Clerk at City Hall, having been duly reviewed and considered is hereby incorporated into this Ordinance by reference and made a part hereof, and as so incorporated is hereby designated, approved, and adopted as the official Redevelopment Plan for the Placerville Redevelopment Project.

Section 6. In order to implement and facilitate the effectuation of the Redevelopment Plan, certain official actions must be taken by the City Council; accordingly, the City Council hereby (a) pledges its cooperation in helping to carry out the Redevelopment Plan; (b) directs the various officials, departments, boards and agencies of the City having administrative responsibilities in the Project Area likewise to cooperate to such end and to exercise their respective functions and powers in a manner consistent with the Redevelopment Plan; (c) stands ready to consider and take appropriate action on proposals and measures designed to effectuate the Redevelopment Plan; and (d) declares its intention to undertake and complete any

proceeding, including the expenditure of moneys, necessary to be carried out by the City under the provisions of the Redevelopment Plan.

Section 7. The mitigation measures, as identified in Agency Resolution RA-2011-06, adopted on April 12, 2011, and Council Resolution No. 7890, adopted April 26, 2011, are incorporated and made part of the Redevelopment Plan.

Section 8. The City Clerk is hereby directed to send a certified copy of this Ordinance to the Agency, whereupon the Agency is vested with the responsibility for carrying out the Redevelopment Plan for the Placerville Redevelopment Project.

Section 9. Pursuant to CRL Section 33373, the City Clerk is hereby directed to record with the County Recorder of El Dorado County not later than 60 days after adoption of this Ordinance, a notice of the approval and adoption of the Redevelopment Plan pursuant to this Ordinance, containing a description of the land within the Project Area, a statement that proceedings for the redevelopment of the Project Area have been instituted under the CRL, particularly stating that the Agency is authorized to acquire property by eminent domain with restrictions on occupied residential.

Section 10. Pursuant to CRL Section 33375, the City Clerk is hereby directed to transmit a copy of the description and statement recorded pursuant to Section 9 of this Ordinance, a copy of this Ordinance, and a map or plat indicating the boundaries of the Project Area, to the auditor and assessor of the County of El Dorado, to the governing body of each of the taxing entities which receives taxes from property in the Project Area, and to the State Board of Equalization within thirty (30) days following adoption of this Ordinance.

Section 11. The City Clerk is hereby ordered and directed to certify to the passage of this Ordinance and to cause the same or a summary thereof to be published in a newspaper of general circulation within fifteen (15) days of adoption of this Ordinance.

Section 12. The Building Department of the City is hereby directed for a period of two (2) years after the effective date of this Ordinance to advise all applicants for building permits within the Project Area that the site for which a building permit is sought for the construction of buildings or for other improvements is within a redevelopment project area.

Section 13. If any part of this Ordinance or the Redevelopment Plan which it approves is held to be invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance or of the Redevelopment Plan, and this City Council hereby declares that it would have passed the remainder of this Ordinance or approved the remainder of the Redevelopment Plan if such invalid portion thereof had been deleted.

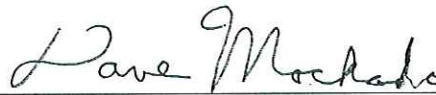
Section 14. This Ordinance shall be in full force and effect ninety (90) days after its adoption.

The above Ordinance was introduced at a regular meeting of the City Council of the City of Placerville held on April 26, 2011, by Councilmember Hagen, and it was read for the first

time. The Ordinance was read for the second time on May 10, 2011, and Mayor Machado moved its adoption. The motion was seconded by Councilmember Hagen. A poll vote was taken, which stood as follows:

AYES:	Acuna, Hagen, Machado
NOES:	None
ABSENT:	Borelli
ABSTAIN:	None
RECUSED:	Mattson

The Motion having a majority vote of "AYE," the Ordinance was declared to have been adopted and it was so ordered.



\_\_\_\_\_  
Mayor Dave Machado

Attest:



\_\_\_\_\_  
Susan Zito, MMC, City Clerk