

OFFICE OF THE CITY MANAGER

DATE: September 8, 2003
TO: Pasadena Community Development Commission and City Council
FROM: Chief Executive Officer/City Manager
SUBJECT: Proposed Merger of Northwest Redevelopment Project Areas

On August 11, 2003, the City Council reviewed the proposal to merge Northwest Redevelopment Project Areas.

The Council expressed concern that the proposed merged advisory body included an at-large category. Since those appointees could be appointed from any of the redevelopment areas, it would be possible for all three to be appointed from the same area, resulting in over-representation from one area. To avoid this issue, Council may choose to eliminate the three at-large members, reducing the total number of members from 17 to 14.

Council also directed staff to return with additional information regarding the following:

1. *Does the Lincoln Avenue Corridor Project Area Committee have an agreement that extends the life of the PAC beyond what is required under redevelopment law?*

Staff has reviewed the city records and did not locate a separate agreement regarding the length of time the Lincoln Avenue PAC is to remain in existence. City staff also contacted Mr. Chris Sutton and Mr. Ernie Sanchez, Lincoln PAC Chair, by telephone and in writing and asked that they provide the City with a copy of the "agreement" referenced at the City Council meeting. Both Mr. Sutton and Mr. Sanchez indicated they did not have an agreement. Therefore, the only provision governing the life of the PAC is embodied in the Lincoln Avenue Redevelopment Plan, and like all redevelopment plans, it may be amended by the legislative body, as stated in Article 12 of the Health and Safety Code, by ordinance as prescribed by law.

2. *Why not merge all of the redevelopment areas?*

The five redevelopment areas in the Northwest share a geographic orientation, similar physical conditions and socio-demographic characteristics as well as similar goals and objectives. California Redevelopment Law encourages communities to merge project areas, if the merger is clearly of benefit in the removal of blight.

Including the Downtown Project Area in the merger would not provide any benefits to the other areas because 100% of the tax increment is pledged to funding general fund specific fire and police retirement obligations. The Old Pasadena Project Area had separate and distinct objectives which included building public parking and to encourage rehabilitation of several key and historic structures. While certainly feasible to merge the Old Pasadena Project Area with Northwest Project Areas, the different goals and geographic separation would be of concern.

The Halstead/Sycamore Project Area was adopted specifically to allow for a tax-sharing agreement with an existing Pasadena auto dealership. No property tax increment is generated in the project area.

3. *Did Villa-Parke, Lake /Washington, and Orange Grove have Project Area Committees?*

Article 6.5, §33385(e) of the Health and Safety Code stipulates that for project areas selected prior to March 7, 1973, the legislative body may, but shall not be required to, call upon the residents and existing community organizations to form a project area committee. Staff research indicates that there were PAC's for Villa-Parke, Lake/Washington and Orange Grove that completed their work objectives and terminated within a three-year period after the adoption of the redevelopment plan.

Table 1 below illustrates the date of adoption for each of the Northwest projects areas and the establishment of a PAC:

Table 1

Plan Area	Fair Oaks	Lake-Washington	Lincoln	Orange Grove	Villa Parke
Redevelopment Plan Adopted	1964, expanded 1986	1982	1986	1973 and 1979	1972
PAC Formation	1985	1981	1985	1972	1972
PAC Termination	Per Redevelopment Plan	1984	Per Redevelopment Plan	1975	1975

4. *What are the requirements to form a PAC and what are the duties and function of the PAC?*

The legislative bodies under the following situations are required to form a Project Area Committee:

- a) When a substantial number of low income persons or moderate-income persons or both reside with the project area and the redevelopment plan as adopted will contain authority for the agency to acquire by eminent domain property on which any persons reside, and
- b) When the redevelopment plan as adopted contains one or more public projects that will displace a substantial number of low-income persons or moderate-income persons, or both.

Staff is not recommending that the Council reinstate the powers of eminent domain nor proposing any public project that will cause displacement of low-income persons or moderate-income persons, or both.

In general, once formed, the duties and function of the PAC are governed by §33385. The legislative body upon its direction and approval, decrees that the redevelopment agency obtain the advice of the project area committee concerning those policy matters which deal with the planning and provision of residential facilities or replacement housing for those to be displaced by project activities. The agency shall also consult with the committee on other policy matters, which affect the residents of the project area. The provision of this section shall apply throughout the period of preparation of the redevelopment plan and for a three-year period after

the adoption of the redevelopment plan, subject to one-year extensions by the legislative body. The specific PAC duties for the five-redevelopment areas are specified in Attachment 1.

5. Clarify the 12-month funding allocation and clarify what are the trigger points.

Staff proposes an allocation concept that will reserve tax increment generated in each project area for a period of one-year following completion of the merger to ensure funds will continue to be available for feasible projects within the respective project areas. The proposed projects will be evaluated based on their financial feasibility and in compliance with the respective redevelopment plans. Following expiration of the one-year reserved period, the previously reserved funds in each project area will become available to fund any project deemed feasible within the merged project area after undergoing the appropriate review and analysis by staff and the advisory bodies. Staff is confident that the one-year period is sufficient to fund projects in the pipeline.

Due to the fact that the Orange Grove Redevelopment Project Area is built out, staff proposes that the funds generated from this project area be available immediately to all project areas. The funds can be used to fund a project within a project area if the project area does not have sufficient funds to commit to a project, which will be evaluated based on feasibility and a benefit to the area. If bonding does occur within the first year, the reservation of the increased proceeds would be reserved for up to a 12-month period following bond closing.

6. What are the original Project Area Committee representative numbers and mix?

Section 33385(c) stipulates that the project area committee shall only include, when applicable, elected representatives consisting of residential owner occupants, residential tenants, business owners, and existing organizations within the project area. Each group shall be adequately represented. Table 2, below, shows the numerical makeup of the original project area committees and their representative mix. The average active PAC attendance ranged from 5 members in Villa Parke to 34 members in Lake/Washington, representing a cross section of ethnic, racial, geographical and economic mix from the project areas.

Table 2

PAC	Residential Owners	Residential Tenants	Business Owners/Tenants	Community Organization	At-Large	Total Members
Fair Oaks	5	3	4	3	1	17
Lincoln	7	2	8	8		25
Lake/Washington*	NA	NA	NA	NA	NA	15 Board members; 34 PAC members
Orange Grove **	NA	NA	NA	NA	NA	Average meeting attendance in 1972 was 14 members
Villa- Parke	NA	NA	NA	NA	NA	Average meeting attendance in 1972 was 5 members.

* The board was composed of all categories except at-large.

** City records indicate the PAC was composed of residential owners/tenants and community organizations. The redevelopment plan called for the formal PAC to

be composed of a fair cross section of ethnic, racial, geographic and an economic mix of the project area.

NA Information on specific numbers of representatives was not available.

7. Consider the history of the area, the size of the body and the possibility of disenfranchisement.

The history of the project areas began with the creation of the Pepper (Fair Oaks) Project in 1964, and Villa Parke and Orange Grove in 1972 and 1973, respectively, followed by Lake Washington in 1982 and Lincoln Avenue in 1986. The Pepper Project was expanded in 1986 to include the commercial areas along Fair Oaks and Orange Grove Blvd. Together, the City and the community initiated steps to revitalize and redevelop portions of the Northwest community plagued by blight and decay. At formation, each redevelopment area elected a Project Area Committee to formulate specific goals and objectives to address the communities concerns.

In December 1983, the City Board of Directors decided that the Northwest Area of the City held top priority for focusing city revitalization efforts and over the next year and a half; a five-year implementation strategy was developed, entitled "The Northwest Pasadena Community Plan." The Board of Directors adopted the Plan in September 1985.

The Northwest Plan contained a set of goals, objectives and activities that responded to concerns regarding land use and zoning, environmental quality, housing, economic development, employment, human services and public safety. The Northwest Plan was the impetus for the creation of the Lincoln Redevelopment Project Area and expansion of the Pepper Project south to include the commercial areas on Fair Oaks Avenue and Orange Grove Boulevard, renamed the Fair Oaks Project. The selection of the area to be added was in response to the problems of the area and the need for public participation and assistance to solve these problems.

The cooperative relationship by the City and Northwest residents has resulted in significant economic and social improvements, although much remains to be done. However, redevelopment has helped to attract many new businesses and to create numerous jobs throughout the community. In addition, new housing has been developed providing both housing opportunities for both renters and homeowners. Funds have also been provided for rehabilitation and restoration of many of the historic homes that characterized Northwest neighborhoods. In addition, various capital improvements and public projects have helped to improve the infrastructure. The taxable values of the project areas have grown significantly, increasing collectively from a base value of \$40 million to a project value of \$323 million or 800% increase for 2004. A summary of the redevelopment efforts and results in each of the projects is provided below.

Orange Grove – The Orange Grove Redevelopment area encompasses 40.8 acres and five blocks within Northwest Pasadena. At the time the redevelopment area was established, there were 103 residential units and four non-residential structures with a residential population of 375 people. The project area was established for the elimination and prevention of the spread of blight and deterioration; the conservation, rehabilitation, renewal and redevelopment of the project area; the removal of structurally substandard buildings to return the project area to an economically sustainable area; and to permit new construction with the maximum participation by present owners and business tenants.

The current population of the Orange Grove Redevelopment area is 198 persons with 121 residential units and 3 non-residential uses including Avery Dennison and the Pasadena Historical Museum. The land use characteristics of the area have not changed. It remains primarily residential with limited non-residential uses. The residential development (Orange Grove Village) and the construction of the Scott Methodist Church have significantly improved the area. The project area designated in the redevelopment plan has been built out and all proposed developments are complete. The taxable value will increase from a base value of \$2 million in 1972 to an estimated value of \$66 million or 3,225% in 2004. Staff is not recommending representation for the Orange Grove Redevelopment area on the merged advisory body since the goals and objectives of the Plan have been met.

Lake-Washington – The Lake/Washington Redevelopment area is 29 acres with a population of 390 persons, 146 units and 41 businesses. The project area was established to prevent the spread of blight; correct environmental deficiencies on lot configurations; update public improvements; revitalize existing properties; make changes to unproductive land uses and buffer residential uses from commercial uses. The redevelopment plan identified 10 development projects, which included residential serving commercial businesses, affordable housing, special needs housing and rehabilitation of specific existing buildings. All of the identified projects have been completed except the Washington Theater, which is currently in escrow. The taxable value increased 460% from \$7 million to an estimate of \$35 million for 2004. The PAC was no longer required after 1985 because the plan was adopted and approved in 1982. However, issues of blight still remain in the area, which need to be addressed and representation on the merged PAC is recommended.

Villa Parke – The Villa Parke redevelopment area is 127 acres and is primarily residential with a population of 4,669 persons, 1,189 units and 33 businesses. The project area was created to eliminate and protect the causes of blight in the area; encourage the rehabilitation and modernization of existing buildings; develop commercial, recreational and cultural facilities to service the social needs of the area; improve traffic circulation; develop higher density affordable residential housing; create employment and economic development opportunities and eliminate overcrowding and unsafe housing issues. These projects have been completed. However, additional issues of blight remain and there is a potential for new development opportunities in the area, which would be assisted by area representation and is recommended by staff. Overall, taxable values increased from a base value of \$12 million to an estimated value of \$91 million or 754% in 2004.

Fair Oaks Avenue – The Fair Oaks Redevelopment area encompasses 160 acres in Northwest Pasadena with a population of 4,616 persons, 1,276 units and 62 businesses. The project area was created to address the spread of blight and deterioration of the project area; preserve historical and architectural resources; reduce crime and increase public safety; enhance the delivery of human services programs; promote private sector investment; retain existing businesses; develop vacant and underutilized areas; expand the US mail facility; retain and stabilize low-and moderate-income housing; eliminate off-street parking and circulation issues and to upgrade public improvements. The project area has completed the majority of the projects identified in the redevelopment plan, but some blight remains. Major developments in the area include The Renaissance Plaza, Foothill Opportunities and the Fair Oaks Business Park. The tax increment dollars for the Fair Oaks Redevelopment area are pledged to pay off debt for specific redevelopment projects and there are no funds available for new redevelopment projects. As a result, Fair Oaks would benefit the most from the merger to continue to address issues of blight and new development opportunities. In spite of these remaining challenges, the taxable value in the combined Fair Oaks Project Area has increased 639% from \$17 million to a projected value of \$106 million for 2004.

Lincoln Avenue – The Lincoln Avenue Redevelopment Project area is 17 acres, with a population of 178 persons, 53 households and 55 businesses. The project area was created to address the spread of blight and deterioration of the project area; to create and develop job opportunities; preserve the existing employment base; preserve historical and architectural resources; reduce crime and increase public safety; enhance the delivery of human services programs; promote private sector investment; retain existing businesses; develop vacant and underutilized areas; retain and stabilize low-and moderate-income housing; eliminate off-street parking and circulation issues and upgrade public improvements. The Lincoln Avenue Project Area has completed redevelopment of four of the five development areas. Additional tax increment funds are needed to address the blight in the area, encourage development of additional neighborhood serving commercial uses and address the issue of off-street parking problems. Continued representation in the merged project area is recommended. The taxable values in the Lincoln Project Area increased steadily from \$2 million to \$25 million or 1,222% projected for 2004.

Conclusion

Fair representation for each project area, based on historical PAC membership, would suggest a PAC consisting of 81 members to represent four redevelopment areas excluding Orange Grove. However, last fiscal year the Lincoln PAC scheduled 13 meetings, four of which were cancelled due to lack of quorums. The average attendance was seven members. The Fair Oaks PAC scheduled a total of 17 meetings and a total of eight were cancelled due to lack of a quorum or other reasons. The average attendance for the Fair Oaks PAC was eight members per meeting.

Based on the previous PAC attendance records, staff proposes that representation can be adequately met by a 17-member Project Area Committee with representation, as specified in the Health and Safety Code, by the four redevelopment project areas with remaining blight to address the needs and concerns of the community in a concerted and proactive manner.

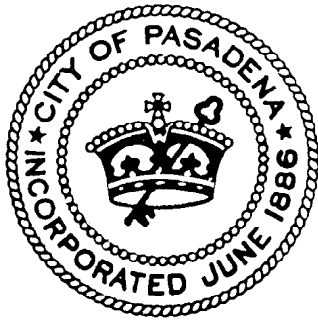
Respectfully submitted:

CYNTHIA J. KURTZ
Chief Executive Officer/City Manager

ATTACHMENT 1

Specific duties of the PAC for the five-redevelopment areas as specified in the redevelopment plans:

- Assist in community organizing in the formulation and implementation of the Redevelopment Plan.
- Consult with and advise the Commission and the City on other policy matters, which affect residents or businesses of the project area.
- Prepare reports and recommendations to the City Agencies on the Redevelopment Plan.
- Serve as a model for community-involved redevelopment by assuring continuity and a strong leadership by the Project Area Committee in the design and implementation of the Redevelopment Project Area.
- Serve as the formal means through which the residents of the Project Area are involved in the planning, development and execution of the Redevelopment Project to the fullest extent, and have clear and direct access to decision making in all stages of the planning process by reviewing and evaluating project activities and making advisory recommendations as necessary and appropriate.
- Consult and advise with City agencies concerning policy matters which affect owners, residents and businesses in the project area, and which deal with the planning, provisions or replacement of residential, commercial or industrial facilities for those displaced by project activities.
- Consult and advise City agencies on other policy matters, which affect owners, residents and businesses in the project area.
- Coordinate and act as liaison between business associations, concerned neighborhood associations, and the City agencies.
- Provide information on project design and implementation activities to PAC as well as distribute information to residents, businesses and owners in the area.
- Assist and encourage all requests of the community to participate in the Committee activities to City agencies.
- With the Community Development Commission's assistance, apply for any grants available to non-profit organizations to assist in carrying out the revitalization activities in the area. Assist in informing the public and businesses of grants, loans, rehabilitation programs and other financial assistance programs.



Agenda Report

DATE: July 21, 2003

TO: Pasadena Community Development Commission and City Council
THROUGH: Economic Development and Technology Committee (July 16, 2003)

FROM: Chief Executive and Officer/City Manager

SUBJECT: Proposed Merger of Northwest Redevelopment Project Areas

RECOMMENDATION

It is recommended that the Pasadena Community Development Commission and the City Council direct staff to commence with the amendment/merger process to combine the five existing redevelopment project areas in Northwest Pasadena in accordance with the provisions and requirements of California Redevelopment Law- Health and Safety Code 33000 et seq. It is further recommended that formation of a new 17 member Merged Area Advisory Body be commenced with as described in Exhibit 1.

RECOMMENDATIONS OF ADVISORY BODIES

Community Development Committee - On June 12, 2003 the CDC recommended approval of a 17 member Merged Area Advisory Body which would be subject to evaluation in the future to determine if the number of representatives from each redevelopment area benefits the merged redevelopment area. They also recommended approval of staff's recommendation for the allocation concept for the use of pooled funds with some minor changes (Exhibit 1).

Northwest Commission - On April 2, 2003 the Northwest Commission confirmed their previous recommendation to approve the merger of the five redevelopment areas, staff's recommendation for the allocation of the funds and the formation of a Merged Area Advisory Body which would consists of 17 members from the five redevelopment areas (Exhibit 1).

Fair Oaks Project Area Committee - On April 2, 2003 the Fair Oaks PAC confirmed their previous recommendation to oppose the merger, but if approved by the City Council recommended a Merged Area Advisory Body of 53 members which would keep the existing PAC's together and allow for the inclusion of representation from the other redevelopment areas. It was also recommended to approve staff's recommendation for the allocation of funds (Exhibit 1).

Lincoln Avenue Committee – On April 2, 2003 the Lincoln Avenue PAC recommended against the proposed merger, but if approved by the City Council there was a unanimous vote to recommend a proposed resolution regarding the merger, the formation of a Merged Area Advisory Body and the allocation of funds in Exhibit 2.

BACKGROUND

On February 10, 2003, the City Council unanimously approved the repeal of the debt time limits in accordance with the provision of Senate Bill 211. Council directed staff to hold a community meeting to receive input from stakeholders on the recommendations for the proposed merger of the five redevelopment areas, the proposed formation of a Merged Area Advisory body, and the allocation of the combined funds.

Merger of the Project Areas

A merger of the five Northwest redevelopment project areas would provide the Commission with the ability to share tax increment funds within the merged project area, thereby achieving greater leveraging of tax increment resources. For example, the proposed merger would allow tax increment revenues from the Orange Grove area, which has met its redevelopment goals, to be invested in other areas that have a continued need for blight removal. The separate redevelopment plans, as amended, would continue to govern the individual project areas with respect to all matters other than the pooling of tax increment revenue.

Currently, each of the five-redevelopment project areas is generating tax increment funds. As shown in Exhibit 3, the Fair Oaks Project carries a substantial debt, while the other project areas generate modest amounts of tax increments. After repaying current debt obligations, the combined tax increments could provide significant financial assistance to potential projects. With the exception of Fair Oaks Avenue, revenues would be available in the first year of the merger to be allocated throughout the merged project area.

The estimated timeframe for merging the redevelopment areas is approximately nine months. The major steps in the process include preparation of an amendment to each plan, preparation and circulation of the appropriate environmental analysis for the merger; review of the amendments by advisory bodies and the community; and a public hearing on the proposed amendments (noticed to all residents and businesses within the project area). Finally, the State Department of Housing and Community Development must be notified of the intent to merge project areas before reading of the ordinance providing for the merger.

As part of the merger process, staff will initiate a community participation process through the Northwest advisory bodies to provide the opportunity for affected residents, businesses and community organizations to discuss how the merger would impact the existing Project Area Committees as well as how the funds would be allocated to potential projects in the merged area.

If the merger is approved, the tax increment revenues generated by the five redevelopment areas will be pooled into one funding source for the purpose of eliminating remaining blight throughout the merged area in accordance with the recommended Proposed Allocation Concept outlined in Exhibit 4.

Committee Meetings:

There were three joint meetings scheduled at various locations in the Northwest. These meetings were attended by the Fair Oaks and Lincoln Avenue Project Area Committees and the Northwest Commission. Notices in English and Spanish were sent through Neighborhood Connections and they were also posted along the commercial corridors and residential streets within each Redevelopment Area to invite the Northwest community.

The first meeting was scheduled on March 6th; however, the meeting was cancelled due to the lack of quorums for the Lincoln Avenue and Fair Oaks Project Area Committees.

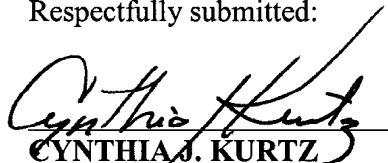
The second meeting was held on March 20th at Madison Elementary School. This meeting was set up as a workshop to seek input on the proposed merger from the community. There were six people in attendance who provided their input as residents and business owners within the redevelopment areas. There were three key questions asked of each of the participants; do they support the merger, who should comprise the advisory body, and the method to allocate the pooled funds. There was concurrence amongst the six people regarding the formation of a Joint Advisory Body that would keep the original PAC members together and include representatives from the other redevelopment areas. There were individual comments regarding the allocation of funds which ranged from requiring a two year freeze on funds for each redevelopment area to the first project that is submitted should receive the funds. The final question regarding their thoughts on the merger was acknowledged as a positive step towards improving the Northwest to requests for additional information. A summary of the comments is provided in Exhibit 5.

The last meeting was held on April 2, 2003 at Jackie Robinson Center. This meeting also included a question and answer session with the consultant from Keyser, Marston and Associates who was hired by the City to assist staff with the merger process, and the Deputy City Attorney from the City Attorney's office. The PAC members and Commissioners had specific questions regarding the merger process and the legality of recommended Merged Area Advisory Body formation. At the conclusion of the question and answer session, the chairs asked their respective bodies to confirm their previous recommendations on the merger, Merged Area Advisory Body formation and allocation of funds or make a motion for a different recommendation.

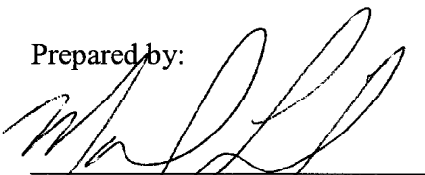
FISCAL IMPACT

A total of \$125,000 has been appropriated from the fund balances for each of the redevelopment areas to cover the cost for processing the merger.

Respectfully submitted:


CYNTHIA J. KURTZ
Chief Executive Officer/City Manager

Prepared by:


MARIO E. LEONARD
Manager, Northwest Programs

Approved by:


RICHARD BRUCKNER
Director of Planning & Development

LIST OF EXHIBITS FOR STAFF ADDENDUM

EXHIBIT 1 - Merged Advisory Body formation recommendation

**EXHIBIT 2 - Lincoln Avenue PAC's recommendation for the formation of a
Merged Area Advisory Body and allocation of funds**

EXHIBIT 3 - Tax Increment Funds Table

EXHIBIT 4 - Staff recommendation for the allocation of funds

EXHIBIT 5 - Summary of Community meeting comments

MERGED AREA ADVISORY BODY

(1) The Northwest Commission, Community Development Committee, and Staff support the merger and the following formation of a merged area advisory body.

	FAIR OAKS	LINCOLN	LAKE WASHINGTON	VILLA PARKE	AT - LARGE	COMMUNITY ORG	TOTAL
NWC, CDC and Staff Recommendation							
Residential owner – occupants	1	1	1	1	1		5
Residential tenants	1	1	1	1			4
Business persons	1	1	1	1	1		5
Community Organization						2	2
At-Large					1		1
	3	3	3	3	3	2	17

(2) The Fair Oaks PAC does not support the merger but if approved, they recommend the following formation of a merged area advisory body.

	FAIR OAKS	LINCOLN	LAKE WASHINGTON	ORANGE GROVE	VILLA PARKE	AT-LARGE	COMMUNITY ORG.	TOTAL
FAIR OAKS PAC Recommendation								
Residential owner – occupants	5	7	1	1	1			15
Residential tenants	5	5	1	0	1			12
Business persons	5	7	1	1	1			15
Community Organization	1	5					1	7
At-Large	1	1				2		4
	17	25	3	2	3	2	1	53

(3) The Lincoln Avenue PAC does not support the merger but if approved, they recommend the following formation of a merged area advisory body.

LINCOLN AVENUE PAC Recommendation	
Residential owner – occupants	
Residential tenants	
Business persons	
Community Organization	
At-Large	
SEE ATTACHMENT #2 for RECOMMENDATION.	

EXHIBIT 2

PROPOSED RESOLUTIONS

1. The Lincoln Avenue PAC does not recommend the proposed merger of redevelopment areas because in its judgment it lacks sufficient financial legal and other data necessary for an informed decision.
 2. If amendment of the redevelopment plans is decided upon the Lincoln Avenue PAC recommends that amendment go beyond the subject of merger and include the restoration of the power of eminent domain, additional redevelopment sites (e.g. Raw report) and such other provisions that may strengthen the redevelopment plans as effective tools.
 3. If the redevelopment areas are merged the Lincoln Avenue PAC recommends:
 - a) that the Lincoln Avenue PAC and the Fair Oaks PAC remain intact as the primary advisory bodies for their respective areas;
 - b) that the 3 redevelopment areas without PACs form advisory bodies (not necessarily PACs) for their respective areas as each deems appropriate.
 - c) that each of the 5 advisory bodies send 3 members to a coordinating council ("MegaPAC") to discuss matters of mutual concern.
 - d) that no tax increment funds or bond proceeds attributable to any area be used outside that area without the concurrence of the advisory body of that area;
 - e) that no project be approved, sited, designed, constructed or otherwise implemented in an area without the concurrence of the advisory body of that area.
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EXHIBIT 3

SUMMARY TABLE FOR NORTHWEST PASADENA REDEVELOPMENT PROJECT AREA ACTIVITY

PROJECT AREA	FAIR OAKS AVENUE (ORIGINAL & AMENDED)	VILLA PARKE	ORANGE GROVE	LAKE / WASHINGTON	LINCOLN
YEAR ESTABLISHED	Originally established in 1964. Amended 4 times. Amendments One & Two in 1968 and 1972 modified land use provisions of the original project area. The Third Amendment in 1986 expanded the project area. The Fourth Amendment also changed land uses in the original project area.	Established in 1972	Established in 1973. Amended in 1984 to modify the land use provisions.	Established in 1982	Established in 1986
BOUNDARIES	Extending along Fair Oaks Avenue (from Maple to Washington) and along Orange Grove Blvd (from Lincoln to Los Robles), including King's Village and the residential area to the south	Area bounded by Fair Oaks Avenue, Orange Grove Blvd, Los Robles Blvd., and Maple St.	Bounded by Orange Grove Boulevard, the 210 Freeway and the 134 Freeway	Along Lake Avenue from Claremont Street to Howard Street	Selected development sites along Lincoln Avenue between Mountain Street and Washington Blvd.
GOALS	Blight elimination; quality urban design; historic preservation; crime reduction; human services; private sector investment; business retention & expansion; local job development; vacant parcel development; expansion of U.S.P.S. General Mail Facility	Blight elimination; removal of substandard buildings; public uses; planned development; elimination of overcrowding; elimination of incompatible uses; creation of employment opportunities; development of housing; elimination of environmental deficiencies; quality urban design.	Blight elimination; removal of substandard buildings; public uses; planned development; elimination of environmental deficiencies; prevention of overcrowding	Blight elimination of environmental deficiencies; planned development & screening of commercial uses; public uses; creation of employment opportunities; quality urban design	Blight elimination; private sector investment; quality urban design; crime reduction; human services; business retention and expansion; local job development; development of vacant areas; elimination of environmental deficiencies
PROVISIONS	Land use & design controls; establishment of a PAC	Land use and design controls; no PAC	Land use controls; no design standards; no PAC	Land use and design controls; no PAC	Land use and design controls; establishment of PAC
PROJECTS ASSISTED	Over 30 projects have been assisted including: <ul style="list-style-type: none"> • Renaissance Plaza • Raymond/Orange Grove • 30 West Mountain • Foothill Vocational Opportunities 	Twenty-five projects have been assisted. Recent notable projects include: <ul style="list-style-type: none"> • Parke Los Robles Apartments • Villa/ Los Robles Housing • 640 N. Summit Housing 	Eight Projects have been assisted. Recent projects include: <ul style="list-style-type: none"> • Pasadena Historical Society expansion • Avery International • Orange Grove Village 	Nine project have been assisted including: <ul style="list-style-type: none"> • Rio Grande Town homes • Block 5 parking improvements • 1241 Mentor Condominiums 	Five Projects have been assisted including: <ul style="list-style-type: none"> • Rosewalk Townhomes • 1040 Lincoln Avenue Office Building • Mountain South Development
PROPOSED PROJECTS	Heritage Square Fair Oaks & Orange Grove (various projects) 701 North Fair Oaks 751 North Fair Oaks 353-55 E. Orange Grove - Bakery	Sevon's Drug Store LA Design Center Family Housing 408 N. Fair Oaks (Balian)	None	Washington Theater Streetscape 915 Rio Grande Independent Living	None
CURRENT FISCAL STATUS FY-03	Expenditures: (\$675,471) Fund Balances & Other: (777,519) Revenues: 892,216 Project Fund Balances: (560,774)	Expenditures: (\$1,553,849) Fund Balance & Others: 1,751,890 Revenues: 1,163,376 Projected Fund Balances: 1,361,417	Expenditures: (\$712,693) Fund Balances & Other: 616,862 Revenues: 702,646 Projected Fund Balances: 606,875	Expenditures: (\$317,031) Fund Balances & Other: 1,254,432 Revenues: 385,179 Project Fund Balances: 1,322,580	Expenditures: (\$107,656) Fund Balances & Other: 729,012 Revenues: 226,187 Project Fund Balances: 847,543

PROPOSED ALLOCATION CONCEPT

RESERVED FUNDING PERIOD

Bond funds are reserved or frozen in each project area for a period of one year. During this time funds will be available for commitment to projects within the respective project areas.

PROJECT EVALUATION

Proposed projects will be evaluated based on their financial, development feasibility and in compliance with the redevelopment plans. Developers will present their projects to the Merged Area Advisory Body for their review and input.

FUNDS RELEASED TO ENTIRE MERGED AREA

Following expiration of the one-year reserved period, the previously reserved funds in each project area will become available to fund any quality project deemed feasible within the merged project area after undergoing the appropriate review and analysis.

ORANGE GROVE FUNDS

Due to the fact that the Orange Grove Redevelopment Project Area is built out, it is proposed that the funds generated from this project area be available immediately to all project areas. The funds can be used to fund a project within a project area if the project area does not have sufficient funds to commit to a project which will be evaluated based on feasibility and a benefit to the area.

Focus Group Comments from the Community Meeting – Thursday, March 20, 2003

Note: These comments do not represent a decision or recommendation from any of the advisory groups.

Updated 4/7/03

Questions	Fair Oaks Moderator-Poole Public Participant: Tom Tolley	Lincoln Moderator-Sanchez/Lewis Public Participant: Tom and Lorena Scott	Villa-Parke Moderator-Jones Public Participant: Charles A. Boyd	Orange Grove Moderator-Chomsky Public Participant: Ruth Tolley	Lake/Washington Moderator-Nash Public Participant: Joe Tolley
	Lincoln PAC (Sandra Knox) Fair Oaks PAC (Georgia Holloway) NWC- (Pixie Boyden)	Lincoln PAC -Nate Lewis Fair Oaks PAC -Fred Caple NWC-Aida Morales	Lincoln PAC –Tom Ralls Fair Oaks PAC –Dr. Benson	Lincoln PAC –Dave Beadle Fair Oaks PAC-Izeller Snead NWC-Maria Isenberg	Lincoln PAC-Bill Annabi Fair Oaks PAC –David Sellasie
Which PAC formation option best serves the community?	<ul style="list-style-type: none"> Keep the original group for continuity and make-up. Issues regarding keeping a quorum can be addressed by looking at a reasonable number (percentage) of members. By-laws need to be amended. Projects should be reviewed by persons with history and experience within the redevelopment area. 	<ul style="list-style-type: none"> Option 5 –appointed members would represent PAC's view at merged PAC. Important to preserve ability of PAC majority to concur with majority of mega PAC. Come back with net dollar-real cash flow. Provide City Attorney opinion. 	<ul style="list-style-type: none"> Northwest Commission recommendation Option 2- 26 member Mega PAC. 	<ul style="list-style-type: none"> Option 4 –too much power? Should be weighted in favor of Lincoln/Fair Oaks. Option 4 best option. Fair Oaks and Lincoln more important. Functioning PACs history needed for good projects –should have more votes than other areas –more population. NW option –too many people. 	<ul style="list-style-type: none"> Option 4 which is the Fair Oaks PAC recommendation. Option 5 with more clarification on the presentation of the Mega PAC.
How should the tax increment dollars be allocated to feasible projects?	<ul style="list-style-type: none"> Is the one year freeze long enough? Maybe two (2) years or more. Develop a point system to determine the feasibility priority for the project. 	<ul style="list-style-type: none"> Need more than one year. Staff should propose how this should be done. 	<ul style="list-style-type: none"> We agree with the staff recommendation. 	<ul style="list-style-type: none"> 1st come, 1st served (subject to weighted voting) 	<ul style="list-style-type: none"> Identifying the need of the project and go from there.

Continuation of Comments

Question	Fair Oaks Moderator-Poole	Lincoln Moderator-Sanchez/Lewis	Villa-Parke Moderator-Jones	Orange Grove Moderator-Chomsky	Lake/Washington Moderator-Nash
<p>What are your comments about the merger and the extension of the debt time limitations?</p>	<ul style="list-style-type: none"> • Will the Orange Grove funds be depleted before the time period is up for the freeze. • Should there be a minimum balance left in Orange Grove. • Consider a quarterly system. • How much bonding could be captured from the Orange Grove tax increment dollars. • Do a feasibility study first to address how not to deplete the funds. • Projects within the redevelopment area have priority. Then projects outside the redevelopment area can be considered. • If you use funds outside of the redevelopment area within another redevelopment area –what are the benefits? Is there any compensation? • In favor of the debt extension. • Process should be fair for all of the redevelopment areas. • Representation. • Is it fair to use funds from other redevelopment areas? 	<ul style="list-style-type: none"> • Need opinion from City attorney on legality of merger. • Need to know other examples of mergers 	<ul style="list-style-type: none"> • Dissolution of existing PACs.-fair and equitable representation. • Appropriate allocation of funds. 	<ul style="list-style-type: none"> • Okay 	<ul style="list-style-type: none"> • No problem, it is good news.